

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered into to be effective as of the \_\_\_\_\_, 2023 ("Effective Date"), by and among CF CSLK CARTER, LLC, a Texas limited liability company, ("Owner"), CITY OF DRIPPING SPRINGS, a Type A General Law City located in Hays County, Texas ("City"), and \_\_\_\_\_, a Texas limited liability company ("Escrow Agent").

WHEREAS, City and Owner are parties to the Development Agreement dated as of October 10, 2017, regarding approximately 196 acres of land located partially within Dripping Springs, Texas, and partially within Hays County, Texas, as more particularly described in the Development Agreement;

WHEREAS, Owner has deposited with Escrow Agent \$47,195.60 ("Escrowed Funds") to be held in escrow with the Escrow Agent, in connection with installation of a traffic signal at the intersection of RM 150 and RM 12, to be completed by the City pursuant to the results of the Carter Tract Transportation Impact Analysis Report, conducted pursuant to the Agreement and in compliance with Section 11.11 of the City's Subdivision Ordinance; and

WHEREAS, City and Owner have asked the Escrow Agent to serve with regard to the holding and disbursement of the Escrowed Funds in accordance with the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars (\$10.00) and the mutual covenants and conditions herein contained, the adequacy and sufficiency of which consideration are hereby acknowledged and confessed, the parties hereby agree as follows:

1. Deposit of Escrowed Funds. Prior to the execution of this Agreement, Owner has deposited the Escrowed Funds with Escrow Agent to be held and disbursed in accordance with the terms and provisions of this Agreement.
2. Escrow Agent. City and Owner hereby appoint and designate Escrow Agent as holder of the Escrowed Funds for the purposes set forth herein. Escrow Agent hereby accepts such appointment subject to the terms of this Agreement and acknowledges that it shall hold the Escrowed Funds subject to and in strict accordance with the terms of this Agreement.
3. Investment of Escrowed Funds. Escrow Agent, as directed by City, shall invest the Escrowed Funds in money market accounts. All interest, dividends or other income that earns or accrues on the Escrowed Funds (collectively, "Interest") shall be payable to City upon demand and shall be separate and distinct from the Escrowed Funds. All Interest shall be for the account of City for purposes of federal, state, or local income taxation.
4. Disbursements of Escrowed Funds. City shall be entitled to disbursement of the Escrowed Funds, or a portion of the Escrowed Funds, within forty-five (45) days of receipt of paid invoices related to the traffic signal at the intersection of RM 150 and RM 12 for installation of a traffic signal at the intersection of RM 150 and RM 12 (as defined and described in the Carter Tract Transportation Impact Analysis Report). City shall be entitled to submit a written request for disbursement ("Disbursement Notice") to the other party hereto and Escrow Agent in accordance with the terms herein. If within 30 days after any party's receipt of the Disbursement Notice, Escrow Agent has not received written objection from such recipient party, Escrow Agent shall disburse to the requesting party that sent the Disbursement Notice the amount requested by such requesting party in such Disbursement Notice. If the recipient party objects to any Disbursement Notice, it shall detail its objections and any amounts not in dispute shall be distributed by Escrow Agent to the requesting party. Escrow Agent shall not disburse any amount in dispute until (i) Escrow Agent receives written

instructions from both City and Owner directing Escrow Agent to deliver to the party entitled thereto the amount subject to dispute or a portion thereof or (ii) the disputed amount is included in a subsequent Disbursement Notice and the recipient party does not object to payment of the same.

5. Disbursement Obligations Satisfied. Following distribution or transfer by Escrow Agent of the Escrow Funds in accordance with the terms and provisions of this Agreement, Escrow Agent shall have no further liability to City or Owner with respect to the Escrow Funds so distributed or transferred.
6. Limitation of Liability of Escrow Agent. Escrow Agent shall act under this Agreement as escrow agent pursuant to the terms of this Agreement and instructions given pursuant hereto, and shall not be responsible or liable in any manner whatsoever for the sufficiency of the Escrowed Funds or for the correctness, genuineness or validity of any instrument or signature thereon deposited with or delivered to Escrow Agent hereunder. Escrow Agent shall not be liable for the loss or impairment of the Escrowed Funds due to failure, defalcation, receivership, conservatorship or insolvency of the bank where the Escrowed Funds are deposited. Escrow Agent shall not have any liability due to any of the parties to this Agreement, other than Escrow Agent, filing for bankruptcy or the consequences or effect of such a bankruptcy on the Escrowed Funds.
7. Interpleading. City and Owner understand and agree that in the event of any conflicting instruction or disagreement as to the application of the Escrowed Funds, Escrow Agent shall interplead all of the undistributed Escrowed Funds into the Federal District Court for the Western District of Texas.
8. W-9. Escrow Agent's obligation to invest Escrowed Funds pursuant to Paragraph 3 is specifically contingent upon Escrow Agent receiving a fully executed and completed IRS Form W-9 from City.
9. Expenses of Escrow Agent. Escrow Agent hereby agrees to perform its services as escrow holder without charge other than reimbursement of reasonable attorney's fees, out-of-pocket expenses and other costs as may be incurred by Escrow Agent in connection with the administration of this Agreement ("Expenses"). Such Expenses shall be borne by City.
10. Indemnification of Escrow Agent. Owner hereby agrees that it shall indemnify and hold Escrow Agent harmless from any and all losses, costs, damages or expenses (including reasonable attorney's fees) it may sustain by reason of its services as Escrow Agent hereunder except by reason of such acts or omissions for which the Escrow Agent is responsible under the next sentence following. Escrow Agent shall not be liable for any action taken or not taken by it under the terms hereof in the absence of an express breach of its obligations hereunder or gross negligence or willful misconduct on its part.
11. Notices. All notices, demands, and requests and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered and received when actually received by telecopy or personal delivery or, if earlier and regardless whether actually received or not, (i) upon the next business day following deposit with a nationally recognized overnight courier, for next business day delivery, charges prepaid, or (ii) upon three (3) business days following deposit in a regularly maintained receptacle for the United States mail, registered or certified, postage prepaid, in either such event to be addressed to the addressee as follows:

City: City of Dripping Springs  
511 Mercer Street  
Dripping Springs, Texas 78620  
Attn: Ginger Faught  
Telephone: (512) 858-4725  
E-mail: [gfaught@cityofdrippingsprings.com](mailto:gfaught@cityofdrippingsprings.com)

Owner: CF CSLK CARTER, LLC  
12222 Merit Drive, Suite 1020  
Dallas, Texas 75251  
Attn: Gregory L. Rich  
Telephone: 972-960-2777 ext. 103  
E-mail: [grich@siepiela.com](mailto:grich@siepiela.com)

Escrow Agent: \_\_\_\_\_

Any party delivering a notice required or permitted hereunder shall simultaneously deliver copies of such notice to all parties listed above.

12. Governing Law. This Agreement shall be governed by and interpreted with the laws of the State of Texas.
13. Amendment. This Agreement is irrevocable and may be amended only by a written agreement executed by all the parties hereto.
14. Assignment. This Agreement shall not be assigned by City, Escrow Agent, or Owner without the written consent of the other parties to this Agreement. Should an assignment be permitted hereunder, this Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.
15. Interpretation. City and Owner expressly acknowledge and agree that this Agreement shall not be deemed to modify, amend or supersede any other Agreements between the City of Dripping Springs and CF CSLK CARTER, LLC.
16. Binding Effect. This Agreement represents the final agreement with the Escrow Agent and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements.
17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

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[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below to be effective as of Effective Date.

CITY:

CITY OF DRIPPING SPRINGS,  
a Type A General Law City located in Hays  
County, Texas

By: \_\_\_\_\_  
Name: Bill Foulds, Jr.  
Title: Mayor

*ATTEST:*

By: \_\_\_\_\_  
Name: Andrea Cunningham  
Title: City Secretary

OWNER:

CF CSLK CARTER, LLC, a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ESCROW AGENT:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_