

**MUNICIPAL SERVICES AGREEMENT BETWEEN THE
CITY OF DRIPPING SPRINGS, TEXAS AND VAN MERKEL LLC**

This Municipal Services Agreement (“Agreement”) is entered into on 8th day of December 2020, by and between the City of Dripping Springs, Texas, a General Rule municipality of the State of Texas, (“City”) and Van Merkel LLC (“Owner”).

RECITALS

The parties agree that the following recitals are true and correct and form the basis upon which the parties have entered into this Agreement.

WHEREAS, Owner owns certain parcels of land situated in Hays County, Texas, which consists of approximately .748 acres of land situated in the Benjamin F Hanna Survey, Abstract No. 428, in Hays County, Texas, in the City’s extraterritorial jurisdiction, such property being more particularly described and set forth in Exhibit A attached and incorporated herein by reference (“Property”);

WHEREAS, City and Owner desire to set out the City services and Owner duties to be provided for the Property on or after the effective date of annexation; and

WHEREAS, Sections 43.0671 and 43.0672 of the Texas Local Government Code authorizes the City and the Owner to enter into an Agreement for annexation and provision of city services.

NOW THEREFORE, in exchange for the mutual covenants, conditions, and promises contained herein, City and Owner agree as follows:

1. **PROPERTY.** This Agreement is only applicable to the Property, more specifically described in Exhibit A.
2. **INTENT.** It is the intent of the City that this Agreement provide for the delivery of full, available municipal services to the Property in accordance with state law, which may be accomplished through any means permitted by law.
3. **MUNICIPAL SERVICES.** Commencing on the effective date of annexation, the City will provide the municipal services set forth below. As used in this Agreement, “providing services” includes having services provided by any method or means by which the City may extend municipal services to any other area of the City.

The City of Dripping Springs hereby declares the following services to be made available to the property and its owner(s):

a. **POLICE PROTECTION**

- i. The City does not provide municipal police protection but has an agreement with Hays County for protection through the Hays County Sheriff's Office.
- b. **FIRE SERVICE**
 - i. The City does not provide municipal fire services, but this area is served by the North Hays County Volunteer Fire Department. Fire prevention activities will be provided by the Hays County Fire Marshal's Office.
- c. **BUILDING INSPECTION/CODE ENFORCEMENT SERVICES**
 - i. The Building Department will provide Code Enforcement Services upon annexation. This includes issuing building, electrical, mechanical, and plumbing permits for any new construction and remodeling, and enforcing all other applicable codes which regulate building construction within the City of Dripping Springs.
- d. **LIBRARIES**
 - i. The City does not own a municipal library. A community library is provided by the Dripping Springs Community Library.
- e. **ENVIRONMENTAL HEALTH & HEALTH CODE ENFORCEMENT SERVICES**
 - i. The City has a septic system/on-site sewage facility ordinance. Complaints of ordinance or regulation violations within this area will be answered and investigated by City personnel, beginning with the effective date of the annexation ordinance.
- f. **PLANNING & ZONING**
 - i. The planning and zoning jurisdiction of the City will be extended to this area on the effective date of the annexation ordinance. All services provided by the City will be extended to the area on the effective date of the annexation ordinance.
- g. **PARKS & RECREATION**
 - i. All services and amenities associated with the City's Parks and Recreation activities will extend to this area on the effective date of the annexation ordinance.
- h. **STREET & DRAINAGE MAINTENANCE**
 - i. The City will provide street and drainage maintenance to public streets in the area in accordance with standard City Policy as the area develops.
- i. **STREET LIGHTING**

- i. The City provides street lighting to public streets in the area in accordance with standard City Policy as the area develops.

j. TRAFFIC ENGINEERING

- i. The City will provide, as appropriate, street names signs, traffic control devices, and other traffic system design improvements to the area for any public roads.

k. SANITATION/SOLID WASTE COLLECTION & DISPOSAL

- i. The City does not directly provide municipal sanitation/solid waste collection and disposal services. However, the City has granted an exclusive franchise for these services to Waste Connections, which will be notified of all newly annexed parcels.

l. WATER SERVICE

- i. The City is a water provider however, the City will not be the water provider for this property. Water service is available from the Dripping Springs Water Supply Corporation.

m. SEWER SERVICE

- i. The City municipal sewage collection treatment and disposal system is limited in geographic scope and ability to serve. Newly annexed parcels will be included in the Capital Improvements Plan as appropriate, and extended services when deemed feasible in light of topography and other relevant factors. In some instances, the owners of annexed property have expressly waived any demands for sewer service pursuant to development agreements.

n. MISCELLANEOUS

- i. All other applicable municipal services will be provided to the area in accordance with policies established by the City of Dripping Springs.

4. ANNEXED PROPERTY REQUIREMENTS.

a. LIGHTING

The Property Owner agrees to bring the property into compliance with City's adopted regulations for outdoor lighting within one year after completion of the annexation process.

b. ZONING

The property shall be zoned Agriculture upon annexation, but the Property Owner shall request rezoning to occur on or before the 120th day after annexation as required by City Ordinance.

5. **AUTHORITY.** City and Owner represent that they have full power, authority and legal right to execute, deliver and perform their obligations pursuant to this Agreement.
6. **SEVERABILITY.** If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable
7. **INTERPRETATION.** The parties to this Agreement covenant and agree that in any litigation relating to this Agreement, the terms and conditions of the Agreement will be interpreted according to the laws of the State of Texas. The parties acknowledge that they are of equal bargaining power and that each of them was represented by legal counsel in the negotiation and drafting of this Agreement.
8. **GOVERNING LAW AND VENUE.** This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Travis County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Travis County, Texas.
9. **NO WAIVER.** The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.
10. **GOVERNMENTAL POWERS.** It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities.
11. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
12. **CAPTIONS.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
13. **AGREEMENT BINDS SUCCESSORS AND RUNS WITH THE LAND.** This Agreement is binding on and inures to the benefit of the parties, their successors, and assigns. The term of this Agreement constitutes covenants running with the land comprising the Property and is binding on the Owner.
14. **ENTIRE AGREEMENT.** It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings,

statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Executed as of the day and year first above written to be effective on the effective date of annexation of the Property.

CITY OF DRIPPING SPRINGS

By: _____
BILL FOULDS, JR.
MAYOR

Attest:

ANDREA CUNNINGHAM
CITY SECRETARY

State of Texas §
County of Hays §

This instrument was acknowledged before me on the _____ day of _____,
2020, by _____ of _____ on behalf of said
_____.

By: _____
Notary Public, State of Texas

VAN MERKEL LLC

By: [Signature]

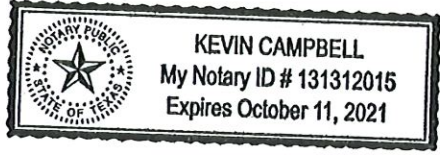
Name: DAVID MERKEL

Title: PRESIDENT

State of Texas §
County of Hays §

This instrument was acknowledged before me on the 4th day of December, 2020, by David Merkel, President of Van Merkel LLC on behalf of said Van Merkel LLC.

By: [Signature]
Notary Public, State of Texas



LEGAL DESCRIPTION AND LOCATION MAP

.748 acres of land out of the B.F. Hanna Survey No 428 in Hays County, Texas, being all of that certain (.75 acre) tract of land as conveyed to Don Duvall and Rose Duvall by Deed recorded in Volume 425, Page 775 of the Deed Records of Hays County, Texas.

