

## LICENSE AND MAINTENANCE AGREEMENT

The City of Dripping Springs, Texas, a Type A general law municipality located in Hays County, Texas (the “City”), and VG Community Association, Inc., a Texas nonprofit corporation (“Licensee”), enter into this License and Maintenance Agreement (this “Agreement”) effective as of the \_\_\_\_ day of \_\_\_\_\_, 2025 (the “Effective Date”), upon the terms and conditions set forth below.

### I. DEFINED TERMS.

A. “Consent Agreement” means that certain Agreement Concerning Creation and Operation of Dripping Springs Municipal Utility District No. 1 dated October 19, 2021, as amended and assigned.

B. “District” means Dripping Springs Municipal Utility District No. 1.

C. “Drainage Improvements” means the stormwater detention and water quality ponds and other surface drainage improvements located within the Subdivision and accepted for ownership and maintenance by the City.

D. “Improvements” means collectively the Drainage Improvements and the ROW Improvements.

E. “ROW Improvements” means the landscape, screening wall, and irrigation improvements, but expressly excluding any roadway and utility improvements, located within the Licensed Property – ROW.

E “Subdivision” means Village Grove Phase 1, an addition to the City pursuant to the map or plat thereof recorded as Document No. \_\_\_\_\_ in the Official Public Records of Hays County, Texas.

### II. PURPOSE OF LICENSE AGREEMENT.

A. Grant of License. The City grants to Licensee permission to use those portions of the Subdivision more particularly described on Exhibit “A” (the “Licensed Property - Drainage”) and as more particularly described on Exhibit “B” (the “Licensed Property – ROW”, together with the Licensed Property – Drainage the “Licensed Property”) solely to operate and maintain the Improvements; provided that this Agreement is not intended to prevent Licensee from entering and using land dedicated to the City as parkland or right of way in the same manner as the general public. The City makes this grant solely to the extent of its right, title, and interest in and to the Licensed Property, without any express or implied warranties.

B. Maintenance Compliance. Licensee agrees that all maintenance permitted by this Agreement with respect to the Licensed Property shall be done in compliance with all applicable Municipal, County, State and/or Federal laws, ordinances, regulations, and policies now existing or later adopted, and the “Applicable Rules,” as such term is defined in the Consent Agreement.

**III. ANNUAL FEE.** No annual fee shall be due to the City in connection with this Agreement, and the City will not compensate Licensee for the maintenance of the Licensed Property or any Improvements.

**IV. CITY'S RIGHT TO LICENSED PROPERTY.** This Agreement is expressly subject and subordinate to the present and future right of the City to use the Licensed Property and the Improvements for any purpose not inconsistent with the Consent Agreement.

**V. INSURANCE.** Licensee shall, at its sole expense, provide a commercial general liability insurance policy, written by a company reasonably acceptable to the City and licensed to do business in Texas, with a combined single limit of not less than \$600,000.00, which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy. The City may additionally require the Licensee to increase the combined single limit of such coverage from time to time in the reasonable discretion of the City. Such insurance coverage shall specifically name the City as an additional named insured, include a waiver of subrogation against the City, its officers, employees, and agents, and require the insurer to provide the City with at least 30 days' written notice of any cancellation, non-renewal, or material reduction in coverage, without exceptions. The insurance shall cover all perils arising from the activities of Licensee, its officers, employees, agents, or contractors, relative to this Agreement. Licensee may satisfy the insurance requirement herein by blanket policies covering property in addition to the Licensed Property. Licensee shall be responsible for any deductibles stated in the policy. A certificate of insurance evidencing such coverage shall be delivered to the City Administrator on or before the Licensee's use or occupancy of the Licensed Property and updated annually to reflect adjusted limits.

Licensee shall not cause any insurance to be canceled nor permit any insurance to lapse and shall provide the City where possible thirty (30) days written notice as evidenced by a return receipt of registered or certified mail of any anticipated cancellation, reduction, restriction or other limitation thereafter established under such policy of insurance.

**VI. INDEMNIFICATION.** LICENSEE SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY AND ITS OFFICERS, AGENTS AND EMPLOYEES AGAINST ALL CLAIMS, SUITS, DEMANDS, JUDGMENTS, DAMAGE, COSTS, LOSSES, EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, OR OTHER LIABILITY FOR PERSONAL INJURY, DEATH, OR DAMAGE TO ANY PERSON OR PROPERTY WHICH ARISES FROM OR IS IN ANY MANNER CAUSED BY LICENSEE'S USE OF THE LICENSED PROPERTY UNDER THIS AGREEMENT. THIS INDEMNIFICATION PROVISION, HOWEVER, SHALL NOT APPLY TO ANY CLAIMS, SUITS, DEMANDS, JUDGMENTS, DAMAGE, COSTS, LOSSES, EXPENSES OR OTHER LIABILITY FOR PERSONAL INJURY, DEATH, OR DAMAGE TO ANY PERSON OR PROPERTY (I) FOR WHICH THE CITY SHALL HAVE BEEN COMPENSATED BY INSURANCE PROVIDED UNDER PARAGRAPH V, ABOVE, PROVIDED THAT THIS EXCEPTION SHALL NOT APPLY TO CLAIMS BROUGHT BY THE CITY'S LIABILITY CARRIER THROUGH SUBROGATION, (II) ARISING OUT OF ANY ACTS OR OMISSIONS BY THE CITY UNDER PARAGRAPH IV ABOVE, OR (III) ARISING SOLELY FROM THE NEGLIGENCE OR WILLFUL ACTS OR OMISSIONS OF THE CITY; PROVIDED THAT FOR THE PURPOSES OF THE FOREGOING, THE CITY'S ENTERING INTO THIS AGREEMENT

SHALL NOT BE DEEMED TO BE A “NEGLIGENT OR WILLFUL ACT.”

## **VII. CONDITIONS.**

A. Licensee’s Responsibilities. Licensee will be responsible for any and all damage to the Improvements unless such damage is as a result of acts or omissions by the City.

B. Maintenance. Licensee shall maintain the Improvements within the Licensed Property by keeping the area free of material amounts of debris and litter and keeping the Licensed Property mowed such that grass and weeds do not exceed the height limits established by the Applicable Rules. Licensee shall maintain all Improvements in good repair, working order, and condition and in compliance with this Agreement and the Applicable Rules, as applicable. The Drainage Improvements shall further be kept free of any obstructions that impede the flow of water. Removal of dead or dying plants that are placed by Licensee within the Licensed Property shall also be handled by Licensee at its expense. Inspections of the Improvements within the Licensed Property shall occur quarterly, with reports submitted to the City within ten (10) days of each inspection. Licensee shall remedy deficiencies identified in inspection reports within thirty (30) days, with the City reserving the right to intervene if deficiencies persist. Additionally, the City may require Licensee to take action to maintain the Licensed Property and the Improvements in compliance with this Agreement, including, but not limited to, the removal of dead or dying vegetation placed by Licensee within the Licensed Property. Such action shall be completed within thirty (30) days following receipt of a written request from the City. Licensee shall have no obligation to maintain any improvements placed upon the Licensed Property by the City.

C. Removal or Modification. No Improvements may be modified or removed from the Licensed Property without the prior written consent of the City and the District.

D. Default. In the event that Licensee fails to maintain the Licensed Property as provided in this Agreement, or otherwise comply with the terms or conditions as set forth herein, the City shall give Licensee written notice thereof, by registered or certified mail, return receipt requested, to the address set forth below. Licensee shall have thirty (30) days from the date of receipt of such notice to take action to remedy the failure complained of, and, if Licensee does not satisfactorily remedy the same within the thirty (30) day period (provided that the City shall allow such additional time as may be reasonably necessary for Licensee to cure any failure as long as Licensee commences such cure within the thirty (30) day period provided and diligently pursues such cure thereafter and as long as such additional time does not exceed ninety (90) days from the date of the notice) the City may pursue its remedies under Paragraph XI below.

### **Licensee Address**

\_\_\_\_\_  
c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### **City Address**

City of Dripping Springs  
Attention: City Administrator  
P.O. Box 384  
Dripping Springs, Texas 78620

**VIII. COMMENCEMENT.** This Agreement shall begin on the Effective Date and continue thereafter unless otherwise terminated in accordance with Paragraph IX below.

**IX. TERMINATION.** Notwithstanding any other term, provision or condition of this Agreement, subject only to prior written notification to Licensee, this Agreement is revocable by the City if Licensee fails to comply with the terms and conditions of this Agreement beyond applicable notice and cure periods, including, but not limited to the insurance requirements specified herein, or for convenience with 90 days' written notice to the Licensee. The City agrees that, if the City terminates this Agreement, the City will operate and maintain the Improvements in the manner contemplated by the Consent Agreement. Upon termination, the Licensee shall bear all costs associated with transitioning maintenance responsibilities to the City. The City may further terminate and revoke this Agreement if:

1. Use of the Licensed Property becomes necessary for another public purpose;
2. The Improvements, or a portion of them, constitute a danger to the public which the City deems not to be remediable by alteration or maintenance of such Improvements;
3. Despite thirty (30) days' written notice to Licensee, maintenance or alteration necessary to alleviate a danger to the public has not been made; or
4. The City intends to take over maintenance of the Improvements

**X. FUNDING MAINTENANCE OBLIGATION.** Licensee will establish periodic homeowners association dues and assessments, to be charged and paid by the lot owners within the property under the jurisdiction of Licensee, in order to maintain the Improvements as provided in this Agreement. The Licensee shall provide an annual report to the City detailing the financial status of the HOA, including the adequacy of dues and assessments to fund required maintenance. Licensee will require the periodic dues and assessments to be increased from time to time, or if the City determines funding to be insufficient, as necessary to provide the funds required for the maintenance of the Improvements, and to provide funds required for the management and operation of Licensee.

**XI. REMEDIES.** The City will be entitled to judicially enforce Licensee's obligations under this Agreement. Licensee also agrees that, in the event of any default on its part under this Agreement, the City shall have available to it equitable remedies including, without limitation, the right to obtain a writ of mandamus or an injunction, or seek specific performance against Licensee to enforce Licensee's obligations under this Agreement.

**XII. EMINENT DOMAIN.** If any portion of the Licensed Property is taken by eminent domain by a governmental authority other than the City, this Agreement shall terminate as to the affected portion of the Licensed Property so condemned.

**XIII. INTERPRETATION.** This Agreement shall, in the event of any dispute over its intent, meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

**XIV. APPLICATION OF LAW.** This Agreement shall be governed by the laws of the State of Texas. If the final judgment of a court of competent jurisdiction invalidates any part of this

Agreement, then the remaining parts shall be enforced, to the extent possible, consistent with the intent of the parties as evidenced by this Agreement.

**XV. VENUE.** Venue for all lawsuits concerning this Agreement will be in the Hays County, Texas.

**XVI. COVENANT RUNNING WITH LAND; WAIVER OF DEFAULT.** This Agreement and all of the covenants herein shall run with the Licensed Property; therefore, the conditions set forth herein shall inure to and bind each party's successors and assigns. Either party may waive any default of the other at any time by written instrument, without affecting or impairing any right arising from any subsequent or other default.

**XVII. RECORDING REQUIREMENT.** This Agreement, including all exhibits, shall be recorded in the Official Public Records of Hays County, Texas, to ensure that the obligations herein run with the land and bind all successors and assigns.

**XVIII. ASSIGNMENT.** Licensee shall not assign, sublet or transfer its interest in this Agreement without the written consent of the City and the District. For the avoidance of doubt, any change in control of Licensee, including mergers or acquisitions, shall be considered an assignment under this provision and shall require prior written approval which will not be unreasonably withheld.

\* \* \*

[SIGNATURE PAGE FOLLOWS]

**TERMS AND CONDITIONS ACCEPTED**, this the \_\_\_\_ day of \_\_\_\_\_, 2025.

**THE CITY**

**City of Dripping Springs**

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

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

Title: City Administrator

**LICENSEE**

**VG Community Association, Inc.,**

a Texas nonprofit corporation

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

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

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

**THE STATE OF TEXAS** §

§

**COUNTY OF HAYS** §

This instrument was acknowledged before me on this the \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, City Administrator of the City of Dripping Springs, Texas, on behalf of such city.

\_\_\_\_\_  
Notary Public - State of Texas

**THE STATE OF TEXAS** §

§

**COUNTY OF HAYS** §

This instrument was acknowledged before me on this the \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public - State of Texas

**AFTER RECORDING RETURN TO:**

City of Dripping Springs

Attn: City Secretary

P. O. Box 384

Dripping Springs, Texas 78620



**EXHIBIT “A”**

**LICENSED PROPERTY  
DRAINAGE**

[to be attached]



**EXHIBIT “B”**

**LICENSED PROPERTY  
ROW**

[to be attached]