

CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Vicki McKenzie, Mayor Pro Tem  
Position 3 At-Large  
Bert Lyle, Position 1 At-Large  
Karen Denman, Position 2 At-Large  
Pat Graham, Position 4 At-Large



Tore Fossum, Ward 1  
Casey Cox, Ward 2  
Anissa Antwine, Ward 3  
Jon Strong, Ward 4

**HUNTSVILLE CITY COUNCIL AGENDA**

**TUESDAY, JUNE 3, 2025**

**WORKSHOP 5:00 P.M. - Main Conference Room**

**REGULAR SESSION 6:00 P.M. - Main Conference Room**

**City of Huntsville Service Center Complex, 448 Highway 75 N, Huntsville, Texas, 77320**

**Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.**

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**WORKSHOP (5:00 p.m.)**

- a. The City of Huntsville Employee Scholarship Committee will host a Reception for the Class of 2025 Scholarship Recipients.  
Jessie Ferguson, Scholarship Committee Chairman

**MAIN SESSION (6:00 p.m.)**

**CALL TO ORDER**

**INVOCATION AND PLEDGES - U.S. Flag and Texas Flag:** *Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

**PROCLAMATION**

**PRESENTATIONS**

- a. The City of Huntsville Employee Scholarship Committee will present scholarships to the Class of 2025 Recipients.  
Jessie Ferguson, Scholarship Committee Chairman

**PUBLIC HEARING**

- a. Public Hearing on the proposed City of Huntsville Property Assessed Clean Energy ("PACE") Program.  
Sam Masiel, Assistant City Manager

**1. CONSENT AGENDA**

The presiding officer will call for public comments before action is taken on these items. *(Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.)*

- a. Consider approving the Minutes from the May 20, 2025, Regular City Council Meeting.  
Kristy Doll, City Secretary

- b. Consider adoption of Ordinance No. 2025-15 to amend the budget for FY 24-25 and/or CIP Project Budgets.  
Lance Hall, Finance Director
- c. Consider authorizing the City Manager to approve a contract to perform a Street Condition Assessment.  
Kim Kembro, Assistant Public Works Director
- d. Consider authorizing the City Manager to award the purchase of Hauling Services for Recyclable Material.  
Kim Kembro, Assistant Public Works Director
- e. Consider adopting Resolution No. 2025-17 approving the City Manager to enter into a participation agreement for the TxDOT Aviation RAMP Grant.  
Layne Yeager, City Planner/Airport Manager

## **2. STATUTORY AGENDA**

- a. Consider the proposed final design of the University Avenue and Courthouse improvement project to be submitted by Walker County for the 2025 TxDOT Transportation Alternative Grant application.  
Sam Masiel, Assistant City Manager
- b. Consider adopting Resolution No. 2025-18 establishing the City of Huntsville Property Assessed Clean Energy (“PACE”) Program.  
Sam Masiel, Assistant City Manager
- c. Consider amending the ground lease footprint of GL-4 and GL-5 at the Bruce Brothers Huntsville Regional Airport and authorizing the City Manager to enter into the amended ground lease agreement for said hangar.  
Layne Yeager, City Planner/Airport Manager
- d. Consider approving an Agreement with the Texas Grand Ranch, LLC, to construct a Water Distribution System in the ETJ for the Estates of Texas Grand Ranch Section II.  
Kathlie Jeng-Bulloch, City Engineer

## **3. CITY COUNCIL/MAYOR/CITY MANAGER**

## **4. MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA**

## **5. ITEMS OF COMMUNITY INTEREST**

## **6. EXECUTIVE SESSION**

- a. City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Secretary Kristy Doll.  
Kristy Doll, City Secretary

## **7. RECONVENE**

Take action on item discussed in executive session, if needed.

## **ADJOURNMENT**

\*If during the course of the meeting and discussion of any items covered by this notice, City Council determines that a Closed or Executive session of the Council is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 – consultation with counsel on legal matters; 551.072 – deliberation regarding purchase, exchange, lease or value of real property; 551.073 – deliberation regarding a prospective gift; 551.074 – personnel matters regarding the appointment, employment,

evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; 551.076 – implementation of security personnel or devices; 551.087 – deliberation regarding economic development negotiation; Sec. 551.089 - deliberation regarding security devices or security audits; and/or other matters as authorized under the Texas Government Code. If a Closed or Executive session is held in accordance with the Texas Government Code as set out above, the City Council will reconvene in Open Session to take action, if necessary, on the items addressed during Executive Session.

### **CERTIFICATE**

I, Kristy Doll, City Secretary, do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, [www.HuntsvilleTX.gov](http://www.HuntsvilleTX.gov), in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: May 30, 2025

TIME OF POSTING: 10:15 a.m.

TAKEN DOWN:

*Kristy Doll*

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Kristy Doll, City Secretary



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** a.

**Agenda Item:** The City of Huntsville Employee Scholarship Committee will host a Reception for the Class of 2025 Scholarship Recipients.

**Initiating Department/Presenter:** Development Services

**Presenter:**

Jessie Ferguson, Scholarship Committee Chairman

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**Recommended Motion:** NA

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**Strategic Initiative:**

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**Discussion:**

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**Previous Council Action:**

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**Financial Implications:**

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**Approvals:**

Brian Beasley

Kristy Doll

Scott Swigert

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**Associated Information:**



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** a.

**Agenda Item:** The City of Huntsville Employee Scholarship Committee will present scholarships to the Class of 2025 Recipients.

**Initiating Department/Presenter:** Development Services

**Presenter:**

Jessie Ferguson, Scholarship Committee Chairman

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**Recommended Motion:**

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**Strategic Initiative:** Strategic Priority #5, Engagement - Build strong relationships within our organization and community with a focus on our culture of core values as expressed in Service, Trust, Accountability and Respect. Provide a welcoming and collaborative environment that fosters mutual partnership between city government, community organizations and our residents.

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**Discussion:**

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**Previous Council Action:**

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**Financial Implications:**

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**Approvals:**

Kristy Doll

Scott Swigert

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**Associated Information:**



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** a.

**Agenda Item:** Public Hearing on the proposed City of Huntsville Property Assessed Clean Energy (“PACE”) Program.

**Initiating Department/Presenter:** City Manager

**Presenter:**

Sam Masiel, Assistant City Manager

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**Recommended Motion:** This is a Public Hearing. Later in the agenda, the council will have the opportunity to act on the Property Assessed Clean Energy (“PACE”) Program.

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**Strategic Initiative:** Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives the development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

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**Discussion:** On May 20, 2025, Lone Star PACE presented the Property Assessed Clean Energy (“PACE”) Program to the Council for consideration. Lone Star PACE has been working with a local business that would like to participate in the program if the Council chooses to participate in the Program.

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**Previous Council Action:** Council received a presentation with discussion during the May 20, 2025, City Council Workshop,

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**Financial Implications:** None

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**Approvals:**

Sam Masiel

Scott Swigert

Kristy Doll

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**Associated Information:**



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 1.a.

**Agenda Item:** Consider approving the Minutes from the May 20, 2025, Regular City Council Meeting.

**Initiating Department/Presenter:** City Secretary

**Presenter:**

Kristy Doll, City Secretary

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**Recommended Motion:** Motion to approve the Minutes from the May 20, 2025, Regular City Council Meeting.

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**Strategic Initiative:**

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**Discussion:**

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**Previous Council Action:**

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**Financial Implications:**

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**Approvals:**

Kristy Doll

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**Associated Information:**

1. City Council Meeting Minutes 5-20-2025

**MINUTES FROM THE HUNTSVILLE CITY COUNCIL REGULAR MEETING HELD ON THE 20TH DAY OF MAY 2025 AT 6:00 P.M. AT THE CITY OF HUNTSVILLE SERVICE CENTER COMPLEX, LOCATED AT 448 HIGHWAY 75, IN THE CITY OF HUNTSVILLE, WALKER COUNTY, TEXAS.**

**The City Council met in a workshop and regular session with the following:**

**COUNCILMEMBERS PRESENT:** Mayor Humphrey, Mayor Pro Tem McKenzie, Councilmember At-Large Position 1 Lyle, Councilmember Ward 1 Fossum, Councilmember At-Large Position 2 Denman, Councilmember Ward 2 Cox, Councilmember Ward 3 Antwine, Councilmember At-Large Position 4 Graham

**COUNCILMEMBERS ABSENT:** Councilmember Ward 4 Strong

**OFFICERS PRESENT:** Scott Swigert, City Manager; Kristy Doll, City Secretary; Leonard Schneider, City Attorney

**OFFICERS ABSENT:**

**WORKSHOP (5:00-6:00 p.m.)**

Mayor Humphrey called the workshop to order at 5:00 p.m.

**DISCUSSION**

- a. **Receive a presentation on the State PACE (Property Assessed Clean Energy) Program.**  
Sam Masiel, Assistant City Manager
- b. **Receive a presentation update on the City Hall project.**  
Sam Masiel, Assistant City Manager  
Lance Hall, Finance Director

Mayor Humphrey adjourned the meeting at 5:46 p.m.

**MAIN SESSION CALL TO ORDER**

Mayor Humphrey called the meeting to order at 6:01 p.m.

**INVOCATION AND PLEDGES - *U.S. Flag and Texas Flag: Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.***

Mayor Humphrey gave the invocation and led the pledges.

**PROCLAMATIONS**

- a. **Proclamation No. 2025-08 Public Works Week**  
Russell Humphrey, Mayor
- b. **Proclamation No. 2025-09 ALS Awareness Month**  
Russell Humphrey, Mayor
- c. **Proclamation No. 2025-10 National Police Week**  
Russell Humphrey, Mayor

**PRESENTATION**

**PUBLIC HEARING**

## 1. CONSENT AGENDA

The presiding officer will call for public comments before action is taken on these items. (*Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.*)

- a. Consider approving the Minutes from the May 6, 2025, Regular City Council Meeting.  
Kristy Doll, City Secretary
- b. Consider approving the Minutes from the May 14, 2025, Special City Council Meeting.  
Kristy Doll, City Secretary
- c. Consider adopting Resolution 2025-15 to authorize City staff as “Authorized Representatives” for the City’s TexPool accounts.  
Lance Hall, Finance Director
- d. Consider authorizing the City Manager to enter into an Administrative Services Agreement with TX Health Benefits Pool.  
Brian Beasley, HR Director

Consent Agenda Item 1.d. was moved from the Consent Agenda to the Statutory Agenda for consideration.

Councilmember McKenzie made a motion to approve the Consent Agenda, Items a. through c. The motion was seconded by Councilmember Casey Cox. The motion passed 8 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

## 2. STATUTORY AGENDA

Item 1.d. was moved from the Consent Agenda to the Statutory Agenda.

- 1.d. Consider authorizing the City Manager to enter into an Administrative Services Agreement with TX Health Benefits Pool.  
Brian Beasley, HR Director

Councilmember Vicki McKenzie made a motion to authorize the City Manager to approve a contract with TML Health Benefits Pool for health insurance administrative fees. The motion was seconded by Councilmember Anissa Antwine. The motion passed 8 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None.

- a. Consider adopting Resolution 2025-16, Intent to establish a Property Assessed Clean Energy (PACE) Program in Huntsville.  
Sam Masiel, Assistant City Manager

Councilmember Vicki McKenzie made a motion to adopt Resolution 2025-16, Intent to establish a Property Assessed Clean Energy (PACE) Program in Huntsville. The motion was seconded by Councilmember Tore Fossum. The motion passed 8 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

## 3. CITY COUNCIL/MAYOR/CITY MANAGER

## 4. MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA

None

**5. ITEMS OF COMMUNITY INTEREST**

Councilmembers announced Items of Community Interest.

**6. EXECUTIVE SESSION**

- a. **City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, or duties of a public officer or employee: City Manager.**  
**Scott Swigert, City Manager**

City Council convened into Executive Session at 6:20 p.m.

**7. RECONVENE**

City Council reconvened from Executive Session at 8:07 p.m.

**ADJOURNMENT**

Mayor Humphrey adjourned the meeting without objection at 8:07 p.m.

**ATTEST:**

**CITY OF HUNTSVILLE**

\_\_\_\_\_  
**Kristy Doll, City Secretary**

\_\_\_\_\_  
**Russell Humphrey, Mayor**



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 1.b.

**Agenda Item:** Consider adoption of Ordinance No. 2025-15 to amend the budget for FY 24-25 and/or CIP Project Budgets.

**Initiating Department/Presenter:** Finance

**Presenter:**

Lance Hall, Finance Director

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**Recommended Motion:** Move to adopt Ordinance No. 2025-15 to amend the budget for FY 24-25 and/or CIP Project budgets.

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**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

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**Discussion:**

Exhibit A -The Huntsville Volunteer Fire Department gave the city a contribution in the amount of \$964.00 to help with the expenses of the 100-year celebration of the Huntsville Fire Department. The fire department would like to use these monies in the current 24-25 fiscal year to help pay for supplies for the 100-year celebration. This budget amendment, if approved, will allow for the purchase/expenditure.

Exhibit B- A street condition assessment Study was performed in 2020 by Infrastructure Management Services (IMS). The street department has requested that IMS update the street condition assessment study to have updated data for the FY 25-26 Street Milling/Overlay Services and Street Reconstruction. IMS needs approximately 8 months to collect, verify, and produce the street analysis data for the City to use. The total amount of the updated services is \$76,835. Staff is requesting \$76,835 of General Fund's future appropriations be used to fund the cost.

Exhibit C- The City Council approved a task order agreement on March 18, 2025, with Freeze & Nichols Engineering to perform modeling of water and wastewater capacity analysis. The agreement to provide these professional services is \$100,000 from March 18, 2025, to September 30, 2025, on a task order basis. Engineering fees collected to date are approximately \$349,185 in FY 2025.

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**Previous Council Action:** No previous Council action for these budget amendments

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**Financial Implications:** Exhibit A- \$964.00

Exhibit B- \$76,835.00

Exhibit C- \$58,862.00

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**Approvals:**

Lance Hall

Sam Masiel

Scott Swigert

Kristy Doll

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**Associated Information:**

1. FY 25 ORDINANCE to amend budget - 2025-15 IMS
2. BAs Fire Department Contr Street Study IMS, Engin 5.22.2025

**ORDINANCE NO. 2025-15**

**AN ORDINANCE OF THE CITY OF HUNTSVILLE, TEXAS, AMENDING THE 2024-2025 ANNUAL BUDGET AND/OR CAPITAL IMPROVEMENTS PROJECTS (CIP) BUDGETS, ORDINANCE NO. 2024-24 TO AMEND ADOPTED EXPENDITURES OF THE BUDGET; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the 2024-2025 Annual Budget and CIP Budgets were adopted by Ordinance 2024-24 on September 17, 2024;

**WHEREAS**, various unforeseen circumstances affecting the City have presented themselves during the course of the fiscal year;

**WHEREAS**, the City Council considered the circumstances independently, deliberating appropriately on the associated revenues and expenditures and the overall impact on the general financial status of the City;

**WHEREAS**, pursuant to the laws of the State of Texas and the City Charter of the City of Huntsville, Texas, the City Council has determined that it will be beneficial and advantageous to the citizens of the City of Huntsville to amend the annual budget for fiscal year 2024 – 2025 and/or the Capital Improvements Projects (CIP) budget as set forth herein; and

**WHEREAS**, this ordinance combines the independent Council actions into one budget amendment document;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, that:**

**Section 1.** The findings set forth above are incorporated into the body of this ordinance.

**Section 2.** The annual budget for fiscal year 2024 – 2025 is hereby amended to include the expenditures and revenues in Exhibit “A,B,C and/or the Capital Improvements Projects budget is hereby amended to include the expenditures described in Exhibit “A,B,C” attached hereto and made a part of this ordinance as if set out verbatim herein.

**Section 3.** All ordinances of the City in conflict with the provisions of this ordinance are hereby repealed, and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**Section 4.** Should any section, portion, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, it shall not invalidate or impair the force or effect of any other section or portion of this ordinance.

**Section 5.** The necessity for amending the budget for the fiscal year 2024 – 2025 and/or Capital Improvements Projects, as required by the laws of the State of Texas, requires that this ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

**Section 6.** This ordinance shall take effect immediately after its passage.

PASSED AND APPROVED on this the 3rd day of June 2025.

**THE CITY OF HUNTSVILLE, TEXAS**

\_\_\_\_\_  
Russell Humphrey, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Kristy Doll, City Secretary

\_\_\_\_\_  
Leonard Schneider, City Attorney

# Budget Amendments FY 24-25

## Finance Committee & City Council - June 3, 2025

|                  |                                        |          |
|------------------|----------------------------------------|----------|
| <b>Exhibit A</b> | Increase: Fire Department -Educational | \$ 964   |
|                  | Decrease Misc. Revenue -Contribution   | \$ (964) |

|              |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Explanation: | The Huntsville Volunteer Fire Department gave the city a contribution in the amount of \$964.00 to help with the expenses of the 100-year celebration of the Huntsville Fire Department. The fire department would like to use these monies in the current 24-25 fiscal year to help pay for supplies for the 100-year celebration. This budget amendment, if approved, will allow for the purchase/expenditure. |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                  |                                                     |             |
|------------------|-----------------------------------------------------|-------------|
| <b>Exhibit B</b> | Increase: Streets -Purchased Services and Contracts | \$ 76,835   |
|                  | Decrease General Fund - Future Appropriations       | \$ (76,835) |

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Explanation: | A street condition assessment Study was performed in 2020 by Infrastructure Management Services (IMS). The street department has requested that IMS update the street condition assessment study to have updated data for the FY 25-26 Street Milling/Overlay Services and Street Reconstruction. IMS needs approximately 8 months to collect, verify, and produce the street analysis data for the City to use. The total amount of the updated services is \$76,835. Staff is requesting \$76,835 of General Fund's future appropriations be used to fund the cost. |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                  |                                                                    |             |
|------------------|--------------------------------------------------------------------|-------------|
| <b>Exhibit C</b> | Increase: Water Non Departmental -Purchase Services/Contracts      | \$ 29,431   |
|                  | Increase: WasteWater Non Departmental -Purchase Services/Contracts | \$ 29,431   |
|                  | Decrease: Misc. Permits                                            | \$ (58,862) |

|              |                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Explanation: | The City Council approved a task order agreement on March 18, 2025, with Freeze & Nichols Engineering to perform modeling of water and wastewater capacity analysis. The agreement to provide these professional services is \$100,000 from March 18, 2025, to September 30, 2025, on a task order basis. Engineering fees collected to date are approximately \$349,185 in FY 2025. |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 1.c.

**Agenda Item:** Consider authorizing the City Manager to approve a contract to perform a Street Condition Assessment.

**Initiating Department/Presenter:** Public Works

**Presenter:**

Kim Kembro, Assistant Public Works Director

---

**Recommended Motion:** Move to authorize the City Manager to approve a contract with Infrastructure Management Services to perform a Street Condition Assessment for an amount not to exceed \$76,835.00.

---

**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

---

**Discussion:** City staff issued a Request for Qualifications for a street condition assessment in June 2020 so that staff could focus on a vendor's qualifications and capabilities before inviting them to submit a detailed proposal. Three firms responded and were evaluated by a team of City staff. Infrastructure Management Services (IMS) was selected for their professional services based on experience and positive references, as well as their ability to integrate the newly collected data with existing data and GIS of Huntsville. IMS has provided pavement management studies for the cities of Farmers Branch, Pearland, Denton, Keller, Euless, Weatherford, and Huntsville. The Huntsville City Council chose to approve the contract with IMS in June 2020. The Street Division has utilized the data from the study each year to provide a street maintenance list in the amount of approximately \$2.0 million for pavement improvement throughout the City. IMS has provided excellent customer service since its initial work in 2015 through the 2020 assessment. In 2015, City streets had a Pavement Condition Index (PCI) of 69, and in utilizing the suggested 5-year pavement plans provided by IMS, the PCI for City streets has increased to 73.

The City is now in year 5 of the 2020 plan and should reanalyze the streets at this time. A new assessment should account for streets involved in water and wastewater CIP upgrades to date, any development or annexation of street infrastructure after 2020, and street maintenance done after the study. The RFQs provided in 2020 and submitted by IMS allow the City to reserve the right to renew the contract with IMS per the same terms and conditions set forth in the resulting contract for two (2) additional assessments at five (5) year intervals. Therefore, City staff recommend awarding the contract for the 2025 Street Condition Assessment to IMS.

---

**Previous Council Action:** A previous street condition assessment contract with Infrastructure Management Services (IMS) was approved in June 2020.

---

**Financial Implications:** Pending council approval of the budget amendment, the item will be funded in account 101-323-55070 in the amount of \$76,835.00.

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**Approvals:**

Brent Sherrod

Leonard Schneider

Sam Masiel

Scott Swigert

Kristy Doll

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**Associated Information:**

1. IMS FY26 Pavement Mgt Survey into ESA - Huntsville-TX

Huntsville, Texas

Huntsville-TX [FY2026 Pavement Mgt.  
Survey w/Deflection & Analysis (ESA)]

# IMS Formal Proposal

Opportunity ID: 23-10-03123



10630 75<sup>th</sup> Street  
Largo, FL 33777



+1 727-547-0696



[www.icc-ims.com](http://www.icc-ims.com)

1/30/2025

City of Huntsville, Texas  
John Hereford, Street Superintendent  
Email: [jhereford@huntsvilletx.gov](mailto:jhereford@huntsvilletx.gov)  
Phone: 936-294-5722

**Re: Huntsville-TX [FY2026 PCI w/LCMS+FWD, Analysis (ESA) & Report]**

Dear John,

IMS Infrastructure Management Services (IMS) is pleased to present this formal quote for a roadway pavement condition survey for the City of Huntsville. As an industry leader with four decades of pavement and asset management experience, we enable data-driven decision-making, ensuring that your agency's maintenance and rehabilitation funding results in the highest return on investment, like our 2015 and 2020 projects.

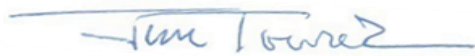
Our project approach is based on four principles:

- **Starting with the end in mind.** We are committed to understanding your agency's goals and objectives for this project. We work side-by-side with our clients to ensure all project goals are met and provide high-quality deliverables on time and within budget.
- **Confident, informed decision-making.** Accurate data provides the foundation for pavement management analyses, which identify the most appropriate maintenance or rehabilitation activity for each roadway pavement.
- **Maximizing return on investment.** When you choose IMS, you gain a dedicated partner. Backed by decades of experience, our support results in better outcomes and translates to enhanced funding justification and more strategic allocation of existing funding.
- **Providing smart, end-to-end solutions.** We provide professional services powered by end-to-end software, enabling your agency to review and visualize data confidently and easily.

We look forward to delivering this project successfully. Please do not hesitate to contact me with any additional questions at (480) 741-1847 or by email at [jtourek@icc-ims.com](mailto:jtourek@icc-ims.com).

Best Regards,

**International Cybernetics Company, LP dba  
IMS Infrastructure Management Services**



**Jim Tourek, Client Services Manager**



10630 75<sup>th</sup> Street  
Largo, FL 33777



+1 727-547-0696



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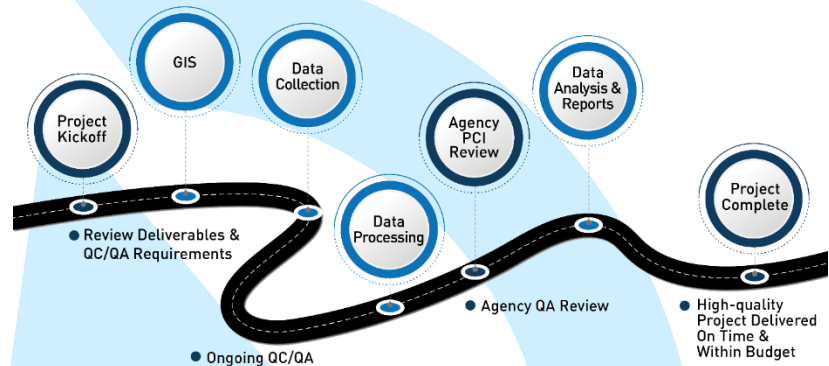


## Project Overview

The primary objective of this project is to collect **data on 220 test miles\*** of roadway condition. To ensure **adequate coverage across the roadway network, we survey major roads (collectors, arterials, AND state routes) in both directions and all remaining roads in one direction.** Our project roadmap, shown in the figure below, has evolved over the years and reflects our team's collective experience of successfully delivering thousands of similar projects. (See Appendix A for more details on each step in our project roadmap.)

The pavement condition survey will be performed with an IrisPRO Pave™ data collection system. The IrisPRO Pave™ collects georeferenced, high-resolution 3D imagery of the pavement surface, spherical right-of-way imagery, and longitudinal and transverse profile measurements.

Collected data are processed to quantify the type, severity, and quantity of pavement surface distresses, including cracking and rutting. Pavement roughness values are reported following the International Roughness Index (IRI) method. Processed data are delivered in both an Excel spreadsheet and a geodatabase. Roadway imagery is published to our Inform™ online data visualization platform for easy review and reference by agency staff.



\* 2020 had 138 centerline miles, including 45 miles of arterials and collectors for a survey total of 183 mi.

For 2025-26:

- Add 10 centerline miles of new roads (all locals); and
- 13.5 centerline miles of state routes (2-pass) ...  $183 + 10 + 27 = 220$  test miles (T-Mi.)

Further assumption: Deflection testing will be performed on the 45 CL miles of majors (same as in 2020) and IMS is proposing to NOT conduct deflection testing on the state routes. If desired, a per mile add of 17 miles can be incorporated. The current total survey miles of deflection testing shows 90 miles (45 x 2-pass).



10630 75<sup>th</sup> Street  
Largo, FL 33777



+1 727-547-0696



www.icc-ims.com

## Deliverables

**01****Roadway Pavement Condition Data**

Reported in an Excel spreadsheet and a geodatabase.

**01a****Deflection Testing at Arterials & Collectors**

- Reported in an Excel spreadsheet and a geodatabase.
- Calculate the Structural Number (SNeff)

**02****Easy Street Analysis (ESA) of Roadway Pavements**

- Easy Street Analysis (ESA) pavement management spreadsheet
- Customizable prioritization and deferred cost analysis (refer to **ESA Overview** for specified customizations and optional value add enhancements)
- ESA training session (two hours) via Teams

**03****Five (5) Year, Network-Level Pavement Management Plan****04****Inform™ Online Data Viewer**

Enables convenient, browser-based viewing of collected data and imagery. *(Note: 90 days of hosting for unlimited agency users is included from the time of implementation.)*

**05****Additional Value-Added Services**

If applicable, based on our discussions with you, this budgetary estimate includes information and pricing on additional value-added services, described in more detail below.





## IMS Formal Proposal: TX Share Rates

### Re: Huntsville-TX [FY2026 PCI w/LCMS+FWD, Analysis (ESA) & Report]

(Note: final fee/scope depends on confirmation of test miles to be surveyed, analysis and reporting requirements)

| Service Category #1: Pavement Data Collection     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                |           |                  |                |          |             |                             |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------|-----------|------------------|----------------|----------|-------------|-----------------------------|
| Activity #                                        | Activity Description                                                                                                                                                                                                                                                                                                                                                                                                                                               | Unit                   | Provide Price Per Tiered Group |           |                  |                | Include? | Total Units | Total Agreed Upon Cost (\$) |
|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | Unit Base (\$)                 | Cost (\$) | Unit Cost (\$)   | Unit Cost (\$) |          |             |                             |
| 1                                                 | Automatically and continuously measure pavement cracking, texture, rutting and geometrics. Equipment used for rut measurement shall be capable of measuring both wheel track ruts simultaneously.                                                                                                                                                                                                                                                                  | Lane Mile <sup>1</sup> |                                |           | \$140.00         | \$115.00       | \$100.00 | X           | \$25,300                    |
| 2                                                 | Collect pavement surface distress and structural condition information through automated means for all Participant-owned roadways.                                                                                                                                                                                                                                                                                                                                 | Lane Mile <sup>1</sup> |                                |           | \$1.00           | \$1.00         | \$1.00   | X           | \$220                       |
| 3                                                 | Provide a customized digital condition rating system to collect user defined severity/extent based pavement distresses and pertinent roadway attributes to accommodate a standardized approach to collecting data                                                                                                                                                                                                                                                  | Lump Sum               | \$2,500.00                     |           |                  |                |          | X           | \$2,500                     |
| 4                                                 | Collect dual-wheel path roughness data to International Roughness Index standards.                                                                                                                                                                                                                                                                                                                                                                                 | Lane Mile <sup>1</sup> |                                |           | \$1.00           | \$1.00         | \$1.00   | X           | \$220                       |
| 5                                                 | Collect pavement performance information that includes rutting using a minimum of seven (7) sensors (include pricing for nine (9) sensors as well), fatigue cracking, transverse cracking using a minimum of four (4) sensors, and longitudinal cracking                                                                                                                                                                                                           | Lane Mile <sup>1</sup> |                                |           | \$1.00           | \$1.00         | \$1.00   | X           | \$220                       |
| 6                                                 | Perform friction testing                                                                                                                                                                                                                                                                                                                                                                                                                                           | Lane Mile <sup>1</sup> |                                |           | \$195.00         | \$160.00       | \$150.00 |             | \$0                         |
| 7                                                 | Measure lane striping reflectivity quality                                                                                                                                                                                                                                                                                                                                                                                                                         | Lane Mile <sup>1</sup> |                                |           | \$50.00          | \$50.00        | \$50.00  |             | \$0                         |
| Service Category #3: Pavement Management Analysis |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                |           |                  |                |          |             |                             |
| Activity #                                        | Activity Description                                                                                                                                                                                                                                                                                                                                                                                                                                               | Unit                   | Provide Price Per Tiered Group |           |                  |                | Include? | Total Units | Total Agreed Upon Cost (\$) |
|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | Unit Base (\$)                 | Cost (\$) | Unit Cost (\$)   | Unit Cost (\$) |          |             |                             |
| 21                                                | Calculate the International Roughness Index (IRI) for each road segment in accordance with ASTM E1926. Provide results compatible with the Participant's GIS database, if applicable.                                                                                                                                                                                                                                                                              | Lane Mile <sup>1</sup> |                                |           | \$1.00           | \$1.00         | \$1.00   | X           | \$220                       |
| 22                                                | Calculate a Pavement Condition Index (PCI) score for each road segment using an approved pavement management system and in accordance with ASTM D6433 or ASTM E3303. Provide results compatible with the Participant's GIS database, if applicable.                                                                                                                                                                                                                | Lane Mile <sup>1</sup> |                                |           | \$20.00          | \$15.00        | \$12.00  | X           | \$3,300                     |
| 23                                                | With input from Participant's staff, devise a weighing system taking into account PCI, IRI, average daily traffic for thoroughfares (traffic count raw data provided by Participant), public safety emergency routes, and apply this 0-100 numeric index to the roadway information collected for the entire jurisdiction. Provide results compatible with the Participant's GIS database, if applicable. <b>Cost includes base cost plus lane mile unit cost.</b> | Lane Mile <sup>1</sup> | \$2,000.00                     |           | \$0.00           | \$1.00         | \$1.00   | X           | \$2,220                     |
| 24                                                | Estimate the annual budget required to meet the long-term goals regarding desired pavement condition levels. <b>Cost includes base cost plus lane mile unit cost.</b>                                                                                                                                                                                                                                                                                              | Each Participant       | \$4,500.00                     |           | \$0.00           | \$1.00         | \$1.00   | X           | \$4,720                     |
| 25                                                | Create a five year and ten year pavement rehabilitation plan with input from Participant's staff. <b>Cost includes base cost plus lane mile unit cost.</b>                                                                                                                                                                                                                                                                                                         | Each Participant       | \$3,000.00                     |           | \$0.00           | \$1.00         | \$1.00   | X           | \$3,220                     |
| 26                                                | Recommend the computer hardware and software needed for successful implementation, potentially including recommendations for licenses of pavement management system software and other geodatabase software as needed.                                                                                                                                                                                                                                             | Each Participant       | \$1,500.00                     |           |                  |                |          |             | \$0                         |
| 27                                                | Train Participant staff and provide assistance to the Public Works and IT Department as needed for the use of data collected through the fully automated system. <b>(20 person maximum per class)</b>                                                                                                                                                                                                                                                              | Day                    | \$3,500.00                     |           |                  |                |          |             | \$0                         |
| Service Category #4: Electronic Products          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                |           |                  |                |          |             |                             |
| Activity #                                        | Activity Description                                                                                                                                                                                                                                                                                                                                                                                                                                               | Unit                   | Provide Price Per Tiered Group |           |                  |                | Include? | Total Units | Total Agreed Upon Cost (\$) |
|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | Unit Base (\$)                 | Cost (\$) | Unit Cost (\$)   | Unit Cost (\$) |          |             |                             |
| 28                                                | Roadway information that shall be collected and provided to the Participant at a minimum includes items a. through i. in Exhibit B                                                                                                                                                                                                                                                                                                                                 | Lane Mile <sup>1</sup> |                                |           | \$5.00           | \$3.00         | \$2.00   | X           | \$660                       |
| 29                                                | Collect digital images at 25-foot intervals of the road surface condition and link to a geodatabase (minimum forward facing imagery).                                                                                                                                                                                                                                                                                                                              | Lane Mile <sup>1</sup> |                                |           | \$15.00          | \$10.00        | \$5.00   |             | \$0                         |
| 30                                                | Load assessment data for all Participant-maintained pavements into a pavement management system required by local government Participant(s), if applicable. (Example: MicroPaver). The assessment data shall include visual observations, photographs and measurements collected by instrumentation. <b>Cost includes base cost plus lane mile unit cost.</b>                                                                                                      | Each Participant       | \$3,500.00                     |           | \$5.00           | \$4.00         | \$3.00   | X           | \$4,380                     |
| 31                                                | Implement map module so that pavement condition and other data can be integrated, displayed, and accessed through the map interface in a format consistent with the Participant's horizontal and vertical control network system, if applicable. <b>Cost includes base cost plus lane mile unit cost.</b>                                                                                                                                                          | Each Participant       | \$7,000.00                     |           | \$0.00           | \$5.00         | \$5.00   |             | \$0                         |
| 32                                                | Provide to the Participant the pavement condition data in a pavement management system database approved by Participant. Coordinate with the Participant's IT department to provide pavement condition data in a format compatible with the Participant's Environmental Systems Research Institute (ESRI) GIS database, if applicable. <b>Cost includes base cost plus lane mile unit cost.</b>                                                                    | Each Participant       | \$1,500.00                     |           | \$10.00          | \$8.00         | \$5.00   | X           | \$3,260                     |
| 33                                                | Provide asset management tools or systems (not just collection) (i.e., 15-year plan about how to fix or repair assets). <b>Cost includes base cost plus lane mile unit cost.</b>                                                                                                                                                                                                                                                                                   | Each Participant       | \$2,500.00                     |           | \$0.00           | \$0.00         | \$0.00   | X           | \$2,500                     |
| Service Category #5: Pavement Structural Analysis |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                |           |                  |                |          |             |                             |
| Activity #                                        | Activity Description                                                                                                                                                                                                                                                                                                                                                                                                                                               | Unit                   | Provide Price Per Tiered Group |           |                  |                | Include? | Total Units | Total Agreed Upon Cost (\$) |
|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | Unit Base (\$)                 | Cost (\$) | Unit Cost (\$)   | Unit Cost (\$) |          |             |                             |
| 34                                                | Collect and analyze pavement structural condition information through the use of a falling weight deflectometer in accordance with industry standards on designated participant-owned roadways.                                                                                                                                                                                                                                                                    | **                     |                                |           |                  |                |          | X           | \$19,250                    |
| 35                                                | Collect and analyze pavement structural condition information through the use of Ground Penetrating Radar (GPR) in accordance with industry standards on designated participant-owned roadways.                                                                                                                                                                                                                                                                    | **                     |                                |           |                  |                |          |             | \$0                         |
| 36                                                | Collect and analyze pavement structural condition information through the use of pavement cores in accordance with industry standards on designated participant-owned roadways (traffic control included) <sup>2</sup>                                                                                                                                                                                                                                             | **                     |                                |           |                  |                |          |             | \$0                         |
| Service Category #6: GIS Related Services         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                |           |                  |                |          |             |                             |
| Activity #                                        | Activity Description                                                                                                                                                                                                                                                                                                                                                                                                                                               | Unit                   | Provide Price Per Tiered Group |           |                  |                | Include? | Total Units | Total Agreed Upon Cost (\$) |
|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | Unit Base (\$)                 | Cost (\$) | Unit Cost (\$)   | Unit Cost (\$) |          |             |                             |
| 37                                                | GIS Clean-Up Services                                                                                                                                                                                                                                                                                                                                                                                                                                              | Each Participant       | \$175 per Hour                 |           |                  |                | X        | 22          | \$3,850                     |
| 38                                                | GIS Support Services                                                                                                                                                                                                                                                                                                                                                                                                                                               | Each Participant       | \$175 per Hour                 |           |                  |                |          |             | \$0                         |
| 39                                                | GIS Remote Training Sessions from IMS GIS Manager/ Expert (2-Hour Sessions)                                                                                                                                                                                                                                                                                                                                                                                        | Each Participant       | \$175 per Hour                 |           |                  |                |          |             | \$0                         |
| Service Category #7: Value Added Services         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                |           |                  |                |          |             |                             |
| Activity #                                        | Activity Description                                                                                                                                                                                                                                                                                                                                                                                                                                               | Unit                   | Provide Price Per Tiered Group |           |                  |                | Include? | Total Units | Total Agreed Upon Cost (\$) |
|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        | Unit Base (\$)                 | Cost (\$) | Unit Cost (\$)   | Unit Cost (\$) |          |             |                             |
| 40                                                | Full Written Final Report- Firm shall prepare and submit a written project report summarizing the work performed, dates of collection, methodology, and results.                                                                                                                                                                                                                                                                                                   | Each Participant       | \$3,500.00                     |           |                  |                | X        |             | \$3,500                     |
| 41                                                | Project Presentation- Firm shall prepare and present a written project report summarizing the work performed, dates of collection, methodology, and results to the Participant's legislative body.                                                                                                                                                                                                                                                                 | Each Participant       | \$3,500.00                     |           |                  |                | X        |             | \$3,500                     |
| 0                                                 | INFORM VIEWER DATA OF 220 SURVEY MILES                                                                                                                                                                                                                                                                                                                                                                                                                             | Each Year              | \$2,000.00                     |           | 90 Days Included |                | X        | \$1.00      | \$2,000.00                  |
| 0                                                 | INFORM VIEWER DATA - WEB-HOSTING                                                                                                                                                                                                                                                                                                                                                                                                                                   | Lane Mile <sup>1</sup> | \$1.20                         |           | 90 Days Included |                | X        | \$1.20      | 220                         |
| 0                                                 | EXISTING CLIENT DISCOUNT                                                                                                                                                                                                                                                                                                                                                                                                                                           | Lane Mile <sup>1</sup> | \$1.20                         |           |                  |                | X        | -\$6,205.00 | 1                           |
| TOTAL                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                |           |                  |                |          |             | \$76,835                    |



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## IMS Formal Proposal

### Re: Huntsville-TX [FY2026 PCI w/LCMS+FWD, Analysis (ESA) & Report]

(Note: final fee/scope depends on confirmation of test miles to be surveyed, analysis and reporting requirements)

| Budgetary Estimate                                                                                       |      |                   |                     |       |                    |
|----------------------------------------------------------------------------------------------------------|------|-------------------|---------------------|-------|--------------------|
| Name                                                                                                     | Qty. | Units             | Price               | Disc. | Total Price        |
| <b>Project Setup and Kickoff</b>                                                                         | 1    | Lump Sum          | \$2,500.00          |       | <b>\$2,500.00</b>  |
| <b>Project Management</b>                                                                                | 1    | Lump Sum          | \$1,500.00          |       | <b>\$1,500.00</b>  |
| <b>Intensive GIS/Linework Cleanup</b>                                                                    | 160  | Test Miles        | \$22.00             |       | <b>\$3,520.00</b>  |
| <b>GIS Review and Survey Extents Verification</b>                                                        | 160  | Test Miles        | \$15.00             |       | <b>\$2,400.00</b>  |
| <b>Mobilization/Calibration</b>                                                                          | 1    | Lump Sum          | \$2,925.00          |       | <b>\$2,925.00</b>  |
| <b>Field Data Collection - IrisPRO Pave</b>                                                              | 220  | Test Miles        | \$92.00             |       | <b>\$20,240.00</b> |
| <b>Data Processing: Enhanced ASTM D6433 (Including QC/QA) - According to Standard Data Dictionary</b>    | 220  | Test Miles        | \$30.00             |       | <b>\$6,600.00</b>  |
| <b>Mobilization/Calibration (FFWD)</b>                                                                   | 1    | Lump Sum          | \$3,000.00          |       | <b>\$3,000.00</b>  |
| <b>Field Data Collection - Fast Falling Weight Deflectometer (FFWD)</b>                                  | 90   | Test Miles        | \$150.00            |       | <b>\$13,500.00</b> |
| <b>Traffic Control (FFWD) by City if:</b>                                                                | 90   | Per Hour          | \$0.00              |       | <b>\$0.00</b>      |
| <b>Data Processing: Standard FFWD (Including QC/QA)</b>                                                  | 1    | Test Miles        | \$1,750.00          |       | <b>\$1,750.00</b>  |
| <b>Calculating Structural Number (SNeff)</b>                                                             | 1    | Lump Sum          | \$1,000.00          |       | <b>\$1,000.00</b>  |
| <b>Condition Data Delivery (Standard Geodatabase/Tabular Format Only)</b>                                | 1    | Lump Sum          | \$1,500.00          |       | <b>\$1,500.00</b>  |
| <b>Easy Street Analysis (ESA) Pavement Management Plan/Analysis</b>                                      | 1    | Lump Sum          | \$8,000.00          |       | <b>\$8,000.00</b>  |
| <b>Pavement Management Report</b>                                                                        | 1    | Lump Sum          | \$2,400.00          |       | <b>\$2,400.00</b>  |
| <b>City Council Onsite Presentation</b><br>(Discount by \$2,500 if virtual)                              | 1    | Per Hour          | \$6,000.00          |       | <b>\$6,000.00</b>  |
| <b>Inform - &lt; 400 lane miles- 90 Day Free Trial (Price reflects annual fee if opt in after trial)</b> | 1    | Per Year          | \$2,000.00          | 100%  | <b>\$0.00</b>      |
| <b>Inform Web Hosting- 90 Day Free Trial (Price reflects annual fee if opt in after trial)</b>           | 220  | Per year per mile | \$1.20              | 100%  | <b>\$0.00</b>      |
|                                                                                                          |      |                   | <b>Total Price:</b> |       | <b>\$76,835.00</b> |

**Page 23 lists fees for our value-added services.**



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## Company Profile

IMS Infrastructure Management Services – now powered by International Cybernetics Company (ICC) – has revolutionized roadway infrastructure management since 1975. With the 2022 merger of IMS and ICC, the IMS team of infrastructure consultants is now backed by ICC's industry-leading data acquisition technologies. We take pride in having one of the industry's largest fleets of advanced pavement, sidewalk, and right-of-way asset data collection systems.



Over the past five years, we have made a \$5 million investment in enhancing our Unify™ software suite, solidifying our position as an industry leader in providing fully integrated, end-to-end data collection, processing, and visualization tools. Our advanced systems – combined with our rigorous approach to quality control – empower us to generate unparalleled data quality while setting the industry benchmark for the fastest turnaround time. The actions that we have taken over the past five years illustrate our continued commitment to improving data quality while simultaneously reducing data collection costs for our clients.

We offer the following pavement management services:

- Automated and semi-automated pavement condition assessments.
- Non-destructive pavement testing and analysis.
- Pavement management system implementation and training.
- Pavement management plan development and presentation.

In addition to pavement management services, IMS offers complementary services such as:

- Right-of-way asset inventory development using 360-degree imagery and mobile Lidar.
- Sidewalk and Americans with Disabilities (ADA) compliance surveys.
- Data visualization services using dashboards, StoryMaps, and web applications built on GIS.

Welcome to the new era of infrastructure management, where consulting services are powered by advanced technologies. ***Together, IMS – now powered by ICC – are paving the way forward!***



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## Deflection Testing Overview

The objective of this project is to assess the structural integrity of selected road segments using a Fast-Falling Weight Deflectometer (FastFWD). FastFWD enables agencies to identify issues in the subgrade, sub-base, and base layers, in addition to the surface layer, providing a comprehensive view of pavement health.

Subsurface distress investigations are a valuable tool to assess the structural health of a roadway. FastFWD provides several key indices, including:

- Effective Structural Number (SNeff)
- Surface Curvature Index (SCI)
- Elastic Modulus (stiffness) of
  - o Subgrade
  - o Sub-base or base
  - o Asphalt or Concrete
- Structural Index (SI)



Fast Falling Weight Deflectometer (FastFWD)

Since obtaining the above indices sometimes require additional inputs such as accurate pavement thickness, IMS has developed a new and proprietary tool called Intelligent Structural Analyzer (ISA™). This tool can calculate SNeff without the need for thickness, eliminating the need for GPR testing or Coring. By knowing the SNeff, agencies not only get an accurate estimate of their pavement structural health but also can design the exact pavement thickness required for reconstruction or overlay, down to decimal-level accuracy.

Another use case of structural testing is optimizing pavement management decisions. The matrix below, originally proposed by the Virginia Department of Transportation (VDOT), highlights the importance of combining structural and surface condition assessments, such as PCI or PCR. Relying solely on one metric can lead to suboptimal decisions. For example, if surface conditions are poor (e.g., PCI near 0), a Pavement Management System (PMS) might recommend full reconstruction (RC). However, structural testing may reveal that reconstruction is unnecessary, and corrective maintenance (CM) could suffice. Combining these metrics enables agencies to implement the **right solution, at the right time, in the right location**, delivering on the promise of holistic pavement management.

|                                  |    | Structural Condition Recommendation |    |    |    |    |
|----------------------------------|----|-------------------------------------|----|----|----|----|
|                                  |    | DN                                  | PM | CM | RM | RC |
| Surface Condition Recommendation | DN | DN                                  | DN | DN | DN | DN |
|                                  | PM | PM                                  | PM | DN | DN | DN |
|                                  | CM | CM                                  | CM | CM | RM | RC |
|                                  | RM | CM                                  | CM | CM | RM | RC |
|                                  | RC | CM                                  | CM | RM | RC | RC |

DN: Do Nothing  
 PM: Preventative Maintenance  
 CM: Corrective Maintenance  
 RM: Rehabilitation Maintenance  
 RC: Reconstruction



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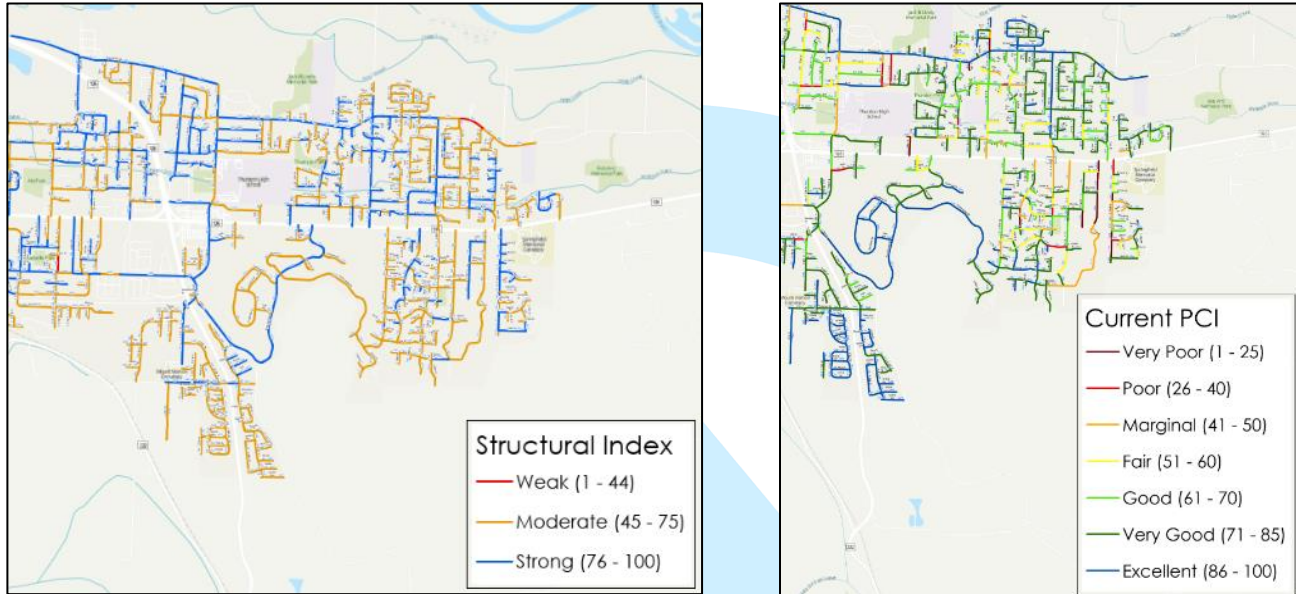


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An example of the final deliverables is shown below, featuring a map that highlights locations categorized as having Weak, Moderate, or Strong structural condition. By overlaying structural testing results with surface condition data, the map provides a holistic view of the roadway network, as demonstrated below.



Deflection testing is performed using a Fast FWD, in accordance with ASTM D4694-09 (2020) standards for paved roadways. The IMS team can conduct a structural assessment of all designated roadways. Deflection testing is usually completed at least once in each direction in every street segment (every 300 - 500 feet) along the outside lanes of the roadway. A series of geophones records deflection readings for each section of pavement tested. These readings are used to determine the pavement strength, load transfer capabilities, and identify properties of the base and sub-grade.

Upon completion of the deflection survey a structural analysis is performed. FastFWDs apply a known load to the pavement and measure the pavement response to the load. The structural adequacy of a street is expressed as a 0 to 100 score with several key ranges: roadways with a Structural Index greater than 75 are generally deemed to be structurally adequate for the loading and may be treated with lightweight surface treatments or thin overlays; those between 50 and 75 typically reflect streets that require additional pavement thickness; and scores below 50 typically require reconstruction and increased base and pavement thickness.

By using this data-driven approach, maintenance, and rehabilitation efforts are more accurately targeted, enhancing the overall efficiency of your pavement management program.



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## Industry-Leading Technologies

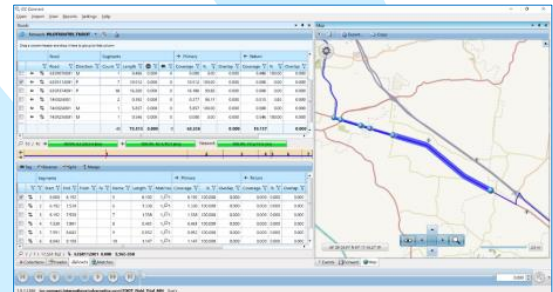
### IrisPRO Pavé™

The pavement condition survey will be performed using an IrisPRO Pavé™ data collection system. The IrisPRO Pavé™ is equipped with industry-leading data acquisition technologies, including an inertial profiler, a second-generation Laser Crack Measurement System (LCMS-2), a FLIR Ladybug5+ 30MP 360-degree camera, and an iXBlue A7 or OXTS INS with DGPS.



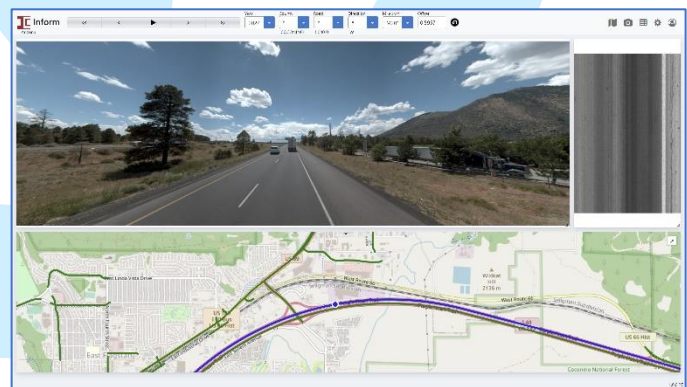
### GIS “Clean-up” Services – No GIS... No Problem!

IMS reviews the integrity of the agency's GIS to ensure that segmentation conforms to pavement management best practices and that the existing attribution is correct. Our team of GIS technicians and analysts assist agencies in validating their GIS and modifying it, when necessary, to meet pavement management goals and objectives. Developing pavement-specific GIS layers is often necessary for reporting pavement conditions in a logical, easy-to-understand format.



### Inform™ Online Data Viewer

The Inform™ data viewer is an easy-to-use, browser-based, cloud-hosted tool for reviewing pavement condition data and associated imagery. Inform™ presents the data in a map-based environment, enabling agencies to review all collected pavement data, including cracking, rutting, and roughness. The Inform™ viewer is fast, intuitive, and reduces the need for field visits.



*"Inform has not only met but also surpassed our expectations. It is quick, exceptionally responsive, requires no IT involvement, and is incredibly user-friendly for individuals of all levels."*

– Robert Bush, Program Manager, Arizona DOT



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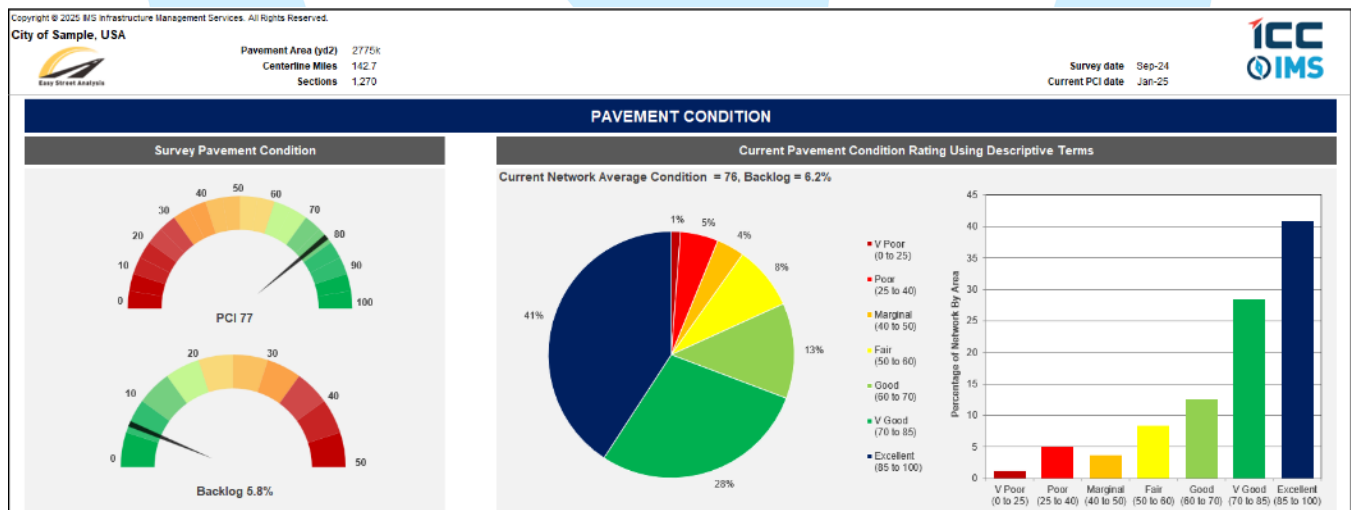
## Easy Street Analysis (ESA) Overview of Pavement Management Plan and Included Deliverables

For the pavement analysis results to be practically useful to the agency, IMS endeavors to work closely with every client agency to select appropriate parameters. The IMS pavement engineer will work with the client to select and define the analysis parameters. These include:

- Analysis period (standard is 5 years)
- Road maintenance budget (one value in \$/YR; can vary over the years)
- Rehab types and unit rates (in \$/SY)
- Completed work (rehab type and rehab date for any work done after survey but before analysis start date), provided in a GIS-compatible format (shapefile, geodatabase, or list of GISIDs)
- Planned work (rehab type and rehab date for any work to be done after analysis start date; e.g., CIP, future work etc.), provided in a GIS-compatible format (shapefile, geodatabase, or list of GISIDs)
- Project groupings by proximity, functional classes, pavement types, and similar conditions (PCI spread of 20 and PCI below 40)
- \*If structural testing using the Fast-Falling Weight Deflectometer (FFWD) is involved: traffic data (AADT, %Trucks, and/or ESALs), provided in a GIS-compatible format (shapefile, geodatabase, or list of GISIDs). Default traffic count will be used if requested data is one of the specified formats.

Additional parameters and customizations are possible and can be discussed with the pavement engineer during the analysis initiation. IMS pricing includes up to 2 iterations (back-and-forths) of the analysis. Additional iterations or parameters will incur an additional cost. Also, any analysis parameter inputs such as completed or planned work lists provided in non-GIS or non-digital formats will incur an extra cost.

The following snapshots showcase some of the highlights of ESA:



ESA dashboard, providing overview of network condition. ESA offers a detailed evaluation of the network's PCI, with the ability to breakdown analyses by pavement type, functional classes, and index, delivering valuable insights into the overall network condition. The distribution of network area by pavement type and functional classes is displayed.



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**Network Analysis Summary - Five Year Rehab Plan Development**

|                               |                    |                                     |             |                                                |                     |                                |            |       |             |                    |                                     |
|-------------------------------|--------------------|-------------------------------------|-------------|------------------------------------------------|---------------------|--------------------------------|------------|-------|-------------|--------------------|-------------------------------------|
| Current PCI Date: 1/1/2025    |                    | Annual Budget Increase (%/yr): 0.00 |             | % of Budget Dedicated to Surface Treatments: 0 |                     |                                |            |       |             |                    |                                     |
| Analysis Start Date: 1/1/2025 |                    | (MM/DD/YYYY)                        |             | Unit Rate Inflation (%/yr): 0.00               |                     |                                |            |       |             |                    |                                     |
| Program Year                  | Annual Budget (\$) | Calendar Year                       | Block Count | Annual Expenditure (\$)                        | Pavement Costs (\$) | Peripheral Concrete Costs (\$) | Miles (mi) | PCI   | Backlog (%) | <div>Refresh</div> |                                     |
| Avg:                          | 1,380,000          | 1,380                               | 2024        | 1,270                                          | 19,006,510          | 19,006,510                     | 0          | 142.7 | 76          | 6.2                | <div>Run ESA</div>                  |
| 1                             | 1,380,000          | 2025                                | 25          | 1,379,910                                      | 1,379,910           | 0                              | 3.7        | 76    |             |                    | <div>Agency Budget</div>            |
| 2                             | 1,380,000          | 2026                                | 30          | 1,379,402                                      | 1,379,402           | 0                              | 3.9        | 75    |             |                    | <div>Inventory and Rehab Plan</div> |
| 3                             | 1,380,000          | 2027                                | 20          | 1,379,960                                      | 1,379,960           | 0                              | 2.6        | 75    |             |                    |                                     |
| 4                             | 1,380,000          | 2028                                | 31          | 1,379,804                                      | 1,379,804           | 0                              | 3.2        | 74    |             |                    |                                     |
| 5                             | 1,380,000          | 2029                                | 30          | 1,379,919                                      | 1,379,919           | 0                              | 3.8        | 74    | 4.5         |                    |                                     |
| Totals:                       |                    |                                     | 136         | 6,898,995                                      | 6,898,995           | 0                              | 17.1       |       |             |                    |                                     |

|  |                |                         |                       |                     |                                                 |                        |                                        |                            |                         |  |                          |  |
|-----------------------------------------------------------------------------------|----------------|-------------------------|-----------------------|---------------------|-------------------------------------------------|------------------------|----------------------------------------|----------------------------|-------------------------|-------------------------------------------------------------------------------------|--------------------------|--|
| Need Year                                                                         | Committed Year | Year of First Selection | Segment Rehab Results | Rehab Activity Code | Rehab Activity                                  | Avg Unit Rate (\$/yd2) | Segment Peripheral Concrete Costs (\$) | Segment Pavement Cost (\$) | Segment Total Cost (\$) | Project Cost (\$)                                                                   | Five Year Post Rehab PCI |  |
| 4                                                                                 | 0              | 0                       | Fall Thru Yr 4        |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 79                       |  |
| 4                                                                                 | 0              | 4                       | Selected Yr 4         | 56                  | FWM + Thick Overlay (> 2.0 - 3.0) + Strctrl Pch | 29.00                  | 0                                      | 73,863                     | 73,863                  | 169,302                                                                             | 94                       |  |
| 4                                                                                 | 0              | 4                       | Selected Yr 4         | 56                  | FWM + Thick Overlay (> 2.0 - 3.0) + Strctrl Pch | 29.00                  | 0                                      | 49,880                     | 49,880                  | 169,302                                                                             | 94                       |  |
| 4                                                                                 | 0              | 4                       | Selected Yr 4         | 56                  | FWM + Thick Overlay (> 2.0 - 3.0) + Strctrl Pch | 29.00                  | 0                                      | 45,559                     | 45,559                  | 169,302                                                                             | 94                       |  |
| 6                                                                                 | 0              | 0                       | Not Selected          |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 84                       |  |
| 1                                                                                 | 0              | 0                       | Fall Thru Yr 1        |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 52                       |  |
| 3                                                                                 | 0              | 0                       | Fall Thru Yr 3        |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 42                       |  |
| 3                                                                                 | 0              | 0                       | Fall Thru Yr 3        |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 45                       |  |
| 3                                                                                 | 0              | 0                       | Fall Thru Yr 3        |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 44                       |  |
| 4                                                                                 | 0              | 5                       | Selected Yr 5         | 30                  | Edge Mill + Thin Overlay (1.5 - 2.0)            | 15.25                  | 0                                      | 31,293                     | 31,293                  | 258,107                                                                             | 92                       |  |
| 4                                                                                 | 0              | 5                       | Selected Yr 5         | 30                  | Edge Mill + Thin Overlay (1.5 - 2.0)            | 15.25                  | 0                                      | 57,813                     | 57,813                  | 258,107                                                                             | 92                       |  |
| 4                                                                                 | 0              | 5                       | Selected Yr 5         | 30                  | Edge Mill + Thin Overlay (1.5 - 2.0)            | 15.25                  | 0                                      | 169,001                    | 169,001                 | 258,107                                                                             | 92                       |  |
| 3                                                                                 | 0              | 3                       | Selected Yr 3         | 50                  | FWM + Thick Overlay (> 2.0 - 3.0)               | 27.00                  | 0                                      | 41,526                     | 41,526                  | 149,715                                                                             | 91                       |  |
| 3                                                                                 | 0              | 3                       | Selected Yr 3         | 50                  | FWM + Thick Overlay (> 2.0 - 3.0)               | 27.00                  | 0                                      | 48,519                     | 48,519                  | 149,715                                                                             | 91                       |  |
| 3                                                                                 | 0              | 3                       | Selected Yr 3         | 50                  | FWM + Thick Overlay (> 2.0 - 3.0)               | 27.00                  | 0                                      | 59,670                     | 59,670                  | 149,715                                                                             | 91                       |  |
| 2                                                                                 | 0              | 0                       | Fall Thru Yr 2        |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 37                       |  |
| 2                                                                                 | 0              | 0                       | Fall Thru Yr 2        |                     |                                                 |                        |                                        |                            | 0                       | 0                                                                                   | 41                       |  |

ESA has a straightforward design with simplified buttons to allow for agile review of recommended solutions for selected segments. The total budget and annual breakdown of each year of the respective analysis and network-level evolution of PCI and backlog are summarized.



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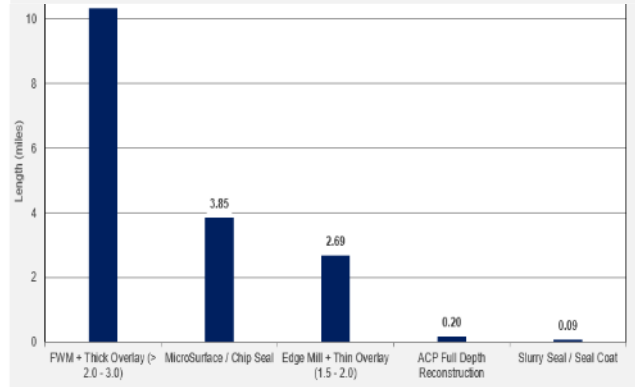
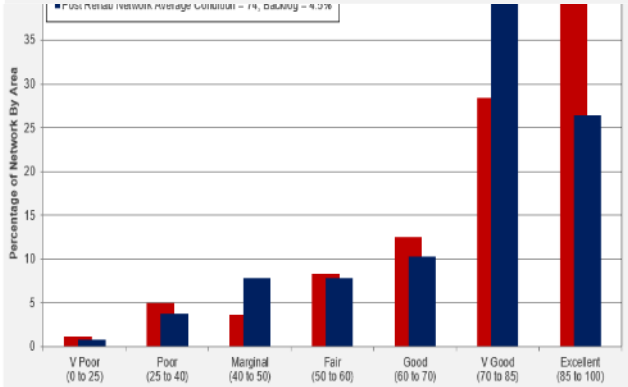
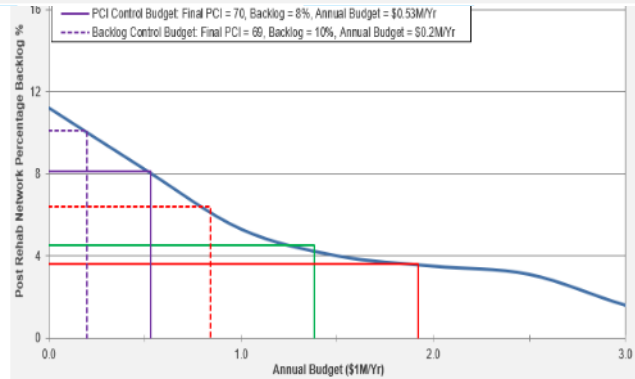
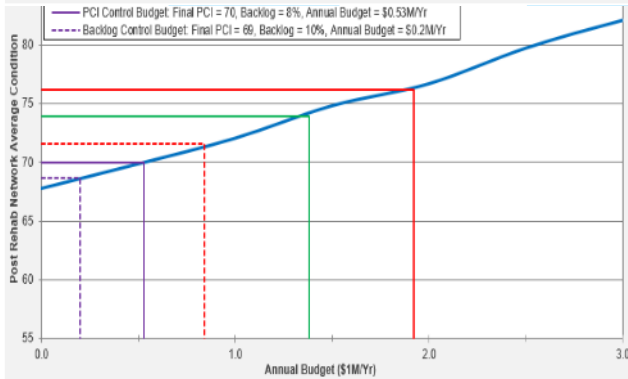
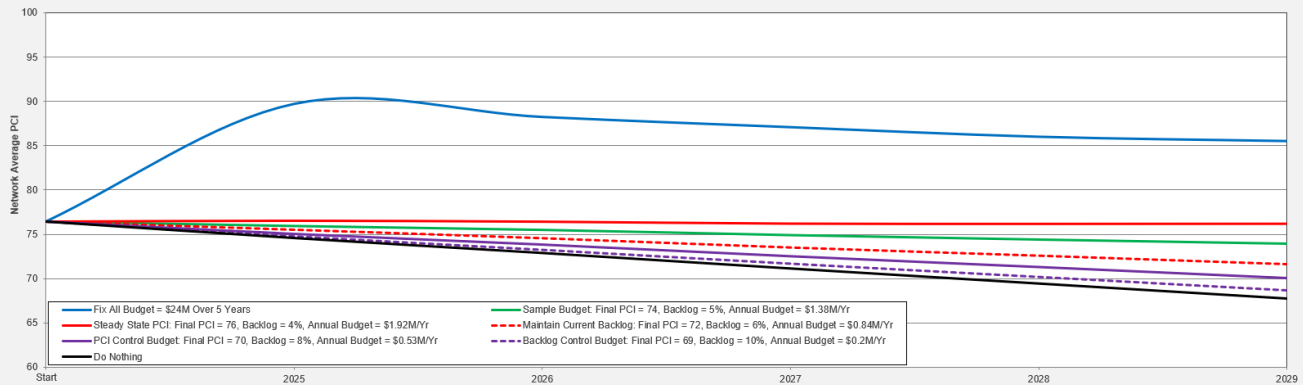


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## PAVEMENT MANAGEMENT PLAN - ANALYSIS PERIOD 2025 TO 2029

### Annual PCI for Various Budget Levels



ESA dashboards, presenting PCI and backlog values after a 5-year analysis is generated under various budget scenarios and summarizing the recommended rehabilitation activities by extent.



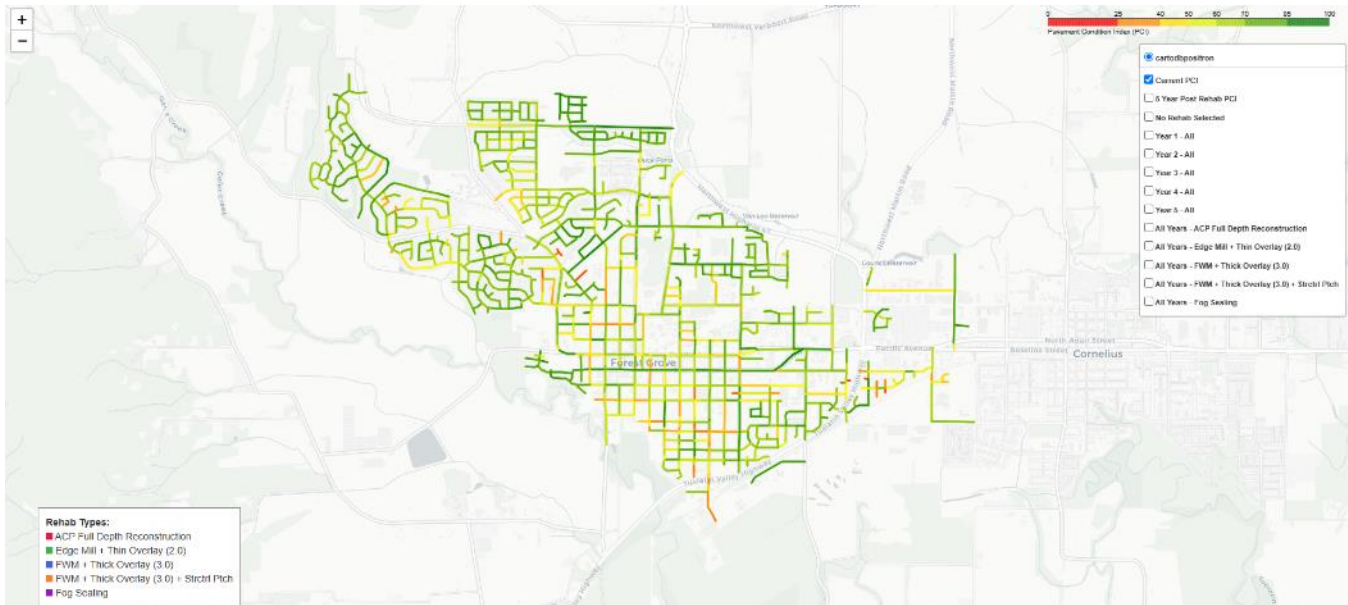
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ESA viewer, provides a map-based view of the pavement condition before and after applying recommended treatments. Various options can be accessed and filtered from this view. Clicking any segment on the map displays detailed information such as GISID, PCI, year, and more.

### Optional Value-Added ESA Enhancements

- Increase analysis period from 5 years to 10 years (ESA fee is multiplied by two (2))
- Additional budget breakdowns, other than one value in \$/YR (*specific scoping required by pavement engineer*)
- Conversion of rehab unit rates to \$/SY (*specific scoping required by pavement engineer*)
- Conversion of completed work (rehab type and rehab date for any work done after survey but before analysis start date) from any format other than a GIS-compatible format (shapefile, geodatabase or list of GISIDs) to an acceptable format for ESA (*specific scoping required by pavement engineer*)
- Conversion of planned work (rehab type and rehab date for any work to be done after analysis start date e.g., CIP, future work etc.), provided in a GIS-compatible format (shapefile, geodatabase, or list of GISIDs) to an acceptable format for ESA (*specific scoping required by pavement engineer*)
- Inclusion of project groupings by any other approach such as groupings by subdivisions, zones, neighborhoods, etc. (*specific scoping required by pavement engineer*)
- Conversion of traffic data for integration of FFWD data into ESA (*specific scoping required by pavement engineer*)



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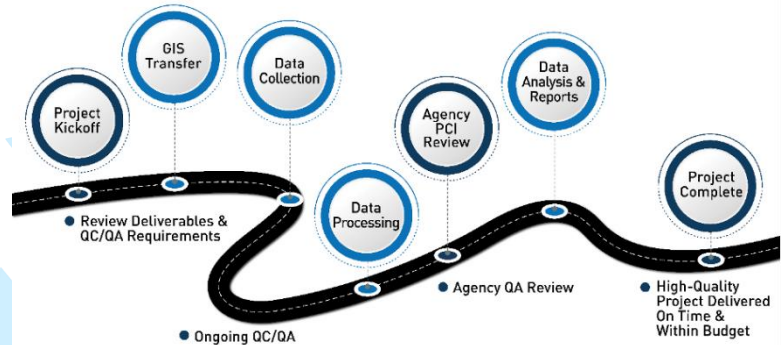
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# APPENDIX

## Appendix A – Typical Project Roadmap

### Step 1: Project Kickoff

The IMS project manager schedules a kickoff meeting with your agency's project team to review the project scope, schedule, and fee. The IMS project manager ensures that the IMS team and agency stakeholders clearly understand the goals and objectives of the project.



### Step 2: GIS Linkage and Survey Map Development

Following the kickoff meeting, IMS' GIS team reviews the agency's roadway network and verifies the roadways to be collected. The agreed-upon roadway network is loaded into ICC Drive™ software, which defines the pavement network segmentation and attribution to be collected and delivered.

### Step 3: Data Collection

The pavement condition survey is performed with an ICC IrisPRO Pave™ data collection system. Georeferenced, high-resolution 3D imagery of the pavement surface, spherical right-of-way imagery, and longitudinal and transverse profile measurements are collected.

### Step 4: Data Processing

The collected data are processed using ICC Connect™ software to quantify the type, severity, and quantity of pavement surface distresses, including cracking and rutting. Pavement roughness values are reported using the International Roughness Index (IRI) method.



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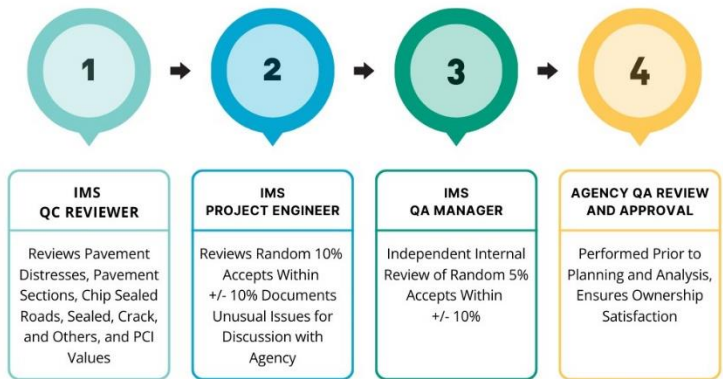
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**Step 5: Multi-step QC/QA** IMS has developed a unique approach to pavement condition surveys by coupling the power of automated algorithms with manual review of distress data by trained and certified pavement raters. All data is manually reviewed by our QC team, then reviewed by our QA manager, and lastly, submitted to the agency for final review and acceptance. This rigorous QC/QA process provides an added measure of confidence that the pavement condition data is accurate.

### Comprehensive Data Quality Management



### Step 6: Data Analysis & Reports

- **Comprehensive Analysis**  
Our data analysis is thorough and tailored to provide insights that drive decision-making.
- **Detailed Reporting**  
We deliver comprehensive reports that are clear, concise, and customized to your reporting standards.

### Step 7: Project Closeout

Project deliverables will be sent to you for final approval and acceptance. Once accepted, we will facilitate a final project close-out meeting with you, where we will present our findings and recommendations. This workshop-style meeting is an opportunity to clarify any final questions and discuss other ways IMS can support your pavement management program in the future.



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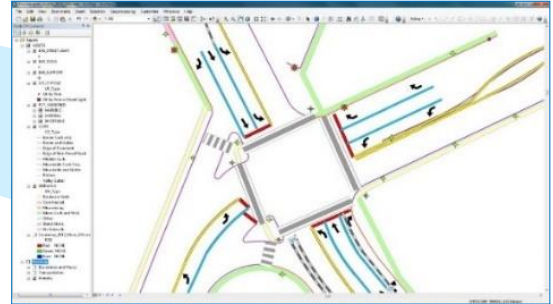


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## Appendix B – Additional Value-Added Services

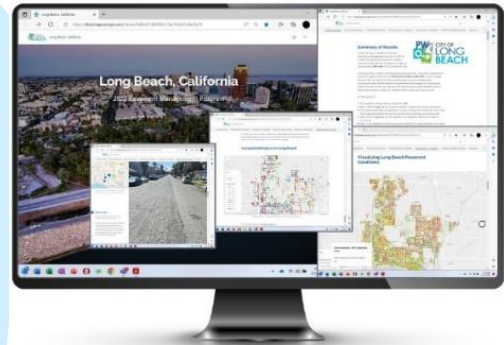
### Right of Way (ROW) Asset Collection (e.g., signs, markings, curb, and gutter, etc.)

**Imagery collected during the pavement condition survey can be used to build ROW asset inventories and condition assessments** for signs, sign supports, curb and gutter, sidewalks and multi-use trails, ADA ramps, pavement markings and striping, traffic signals, trees, and many others. While we offer multiple methods for collecting ROW asset data, which is a primary component of half of all our projects, this is the most efficient.



### Web-based GIS Visualization via StoryMaps and Dashboards

**Easy-to-use and easy-to-maintain web-based, geocentric StoryMaps and Dashboards can be built to serve not only internal staff but also constituents.** These tools provide a dynamic way to present complicated information visually. StoryMaps and Dashboards may be configured for use within the agency for coordinating projects across departments or for presentation to the public to promote transparency and trust.



### Inform™ Data Hosting

**IMS offers a convenient, web-based tool for reviewing pavement condition data and associated imagery.** Our cloud-hosted visualization and analysis software Inform™ enables agencies to review collected pavement and asset data. The software is fast, intuitive, and is the simplest way to make valuable photolog images available to every user. **Ninety (90) days of complimentary hosting is included with all IMS projects.** Competitive pricing for data hosting in year two and beyond is available upon request.



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## Sidewalk and Trail Surveys with a Sidewalk Surface Tester (SST): **See sep. fees**

We deploy our Sidewalk Surface Testers (SST) for capturing sidewalk inventory and condition data, SSTs may also be deployed to collect data for narrow alleys, parking lots, bike paths, and multi-use trails. SST surveys yield comprehensive sidewalk condition data that may be used in combination with lidar pedestrian curb ramp data to develop detailed ADA transition plans. With the evolving Prowag requirements, it is critical for agencies to have a plan in place for routinely assessing the condition of and proactively maintaining their pedestrian walkways.



## Mobile Lidar for Pedestrian Curb Ramp Assessments

Mobile Lidar is deployed to supplement ROW inventory surveys by creating a 3D point cloud from which measurements can be extracted. Our mobile lidar system collects 1.2 million points per second, resulting in extremely dense point clouds. The integrated Ladybug5+ camera captures high-resolution spherical imagery at defined intervals. Using the lidar point cloud, IMS can efficiently take detailed measurements of pedestrian curb ramps.



## Roadway Friction Testing

Friction testing is a critical element of roadway safety inspections. Adequate friction can help reduce accidents and save lives. In the last five years alone, we have successfully completed 174 friction testing projects. The friction of the pavement surface is measured in accordance with ASTM E274 and incorporates a ribbed tire in accordance with ASTM E501 for studies of the left wheel path at each site.



## In-Person (or Virtual) Council Presentations

IMS is often asked to develop and deliver a council presentation to educate council members and the public on the concepts of pavement management and the results of the surveys, health of the roadway network and recommendations as a value-added service. We work collaboratively with agency staff to develop highly focused presentations that layout the existing state of the agency's roadways and the funding required to meet the agency's goals and objectives.



## Customized Written Reports and Specialty Maps

IMS will prepare all project documentation, including a draft and final summary report of the findings and conclusions as part of the project. Additional analyses and specialty maps may be added to the final report to enhance the ability of the agency to communicate existing pavement conditions, forecasted conditions, and M&R needs and priorities.



## Software "Needs Assessments," Training, and Technical Support

IMS performs software needs assessments for agencies to determine the pavement management system that will best meet the agency's needs. We also provide software training as a value-added service. We review the agency's existing IT structure, program goals, and user skillsets to make a recommendation on what pavement management software will best meet the need. Ongoing technical support is another popular value-added service available regardless of software.



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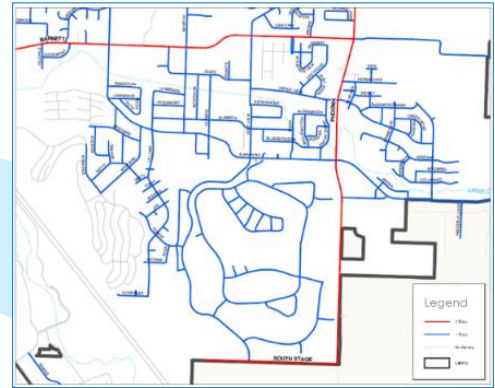
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## Roadway Functional Class Review

**IMS reviews the functional classification and characteristics of the agency's roadway network to make any necessary adjustments to highway, road, and street classifications.** Understanding the volume of traffic and associated traffic loads is critical in determining the appropriate maintenance and rehabilitation activity for each roadway pavement.



**The following page lists fees for our value-added services**



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### Optional Value-Added Service Activities - Cost Estimates

|                                    |     |               |                       |                   |
|------------------------------------|-----|---------------|-----------------------|-------------------|
| <b>Inform - &lt;400 lane miles</b> | 1   | Per Year      | \$2,000.00            | <b>\$2,000.00</b> |
| <b>Inform Web Hosting</b>          | 220 | Per year/mile | \$1.20                | <b>\$264.00</b>   |
|                                    |     |               | <b>Annual Inform:</b> | <b>\$2,264.00</b> |

| Name                                                                                               | Qty.                              | Units                                              | Price       | Total Price  |
|----------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------|-------------|--------------|
| <b>Right of Way (ROW) Asset Extraction - Using Standard Data Dictionary Attributes</b>             |                                   |                                                    |             |              |
| Crosswalks                                                                                         | 220                               | Test Miles                                         | \$ 19.00    | \$ 4,180.00  |
| Curb & Gutter                                                                                      | 220                               | Test Miles                                         | \$ 23.00    | \$ 5,060.00  |
| Curb Markings                                                                                      | 220                               | Test Miles                                         | \$ 22.00    | \$ 4,840.00  |
| Drainage Ditches                                                                                   | 220                               | Test Miles                                         | \$ 23.00    | \$ 5,060.00  |
| Drainage Structures (Inlets)                                                                       | 220                               | Test Miles                                         | \$ 33.00    | \$ 7,260.00  |
| Driveway Aprons                                                                                    | 220                               | Test Miles                                         | \$ 39.00    | \$ 8,580.00  |
| Fence                                                                                              | 220                               | Test Miles                                         | \$ 23.00    | \$ 5,060.00  |
| Fire Hydrants                                                                                      | 220                               | Test Miles                                         | \$ 22.00    | \$ 4,840.00  |
| Guardrail/Guiderail                                                                                | 220                               | Test Miles                                         | \$ 23.00    | \$ 5,060.00  |
| Landscaping                                                                                        | 220                               | Test Miles                                         | \$ 49.00    | \$ 10,780.00 |
| Manhole Covers                                                                                     | 220                               | Test Miles                                         | \$ 29.00    | \$ 6,380.00  |
| Pavement Striping - Linear                                                                         | 220                               | Test Miles                                         | \$ 32.00    | \$ 7,040.00  |
| Pavement Markings - Point                                                                          | 220                               | Test Miles                                         | \$ 22.00    | \$ 4,840.00  |
| Retaining Walls                                                                                    | 220                               | Test Miles                                         | \$ 23.00    | \$ 5,060.00  |
| Pedestrian Curb Ramps                                                                              | 220                               | Test Miles                                         | \$ 26.00    | \$ 5,720.00  |
| Sidewalks                                                                                          | 220                               | Test Miles                                         | \$ 17.60    | \$ 3,872.00  |
| Sign Supports                                                                                      | 220                               | Test Miles                                         | \$ 33.00    | \$ 7,260.00  |
| Signs                                                                                              | 220                               | Test Miles                                         | \$ 63.00    | \$ 13,860.00 |
| Sound/Noise Barriers                                                                               | 220                               | Test Miles                                         | \$ 23.00    | \$ 5,060.00  |
| Street Furniture                                                                                   | 220                               | Test Miles                                         | \$ 33.00    | \$ 7,260.00  |
| Street Lights                                                                                      | 220                               | Test Miles                                         | \$ 46.00    | \$ 10,120.00 |
| Traffic Signals and Flashers                                                                       | 220                               | Test Miles                                         | \$ 29.00    | \$ 6,380.00  |
| Trees                                                                                              | 220                               | Test Miles                                         | \$ 56.00    | \$ 12,320.00 |
| Utility Poles                                                                                      | 220                               | Test Miles                                         | \$ 46.00    | \$ 10,120.00 |
| Valves                                                                                             | 220                               | Test Miles                                         | \$ 39.00    | \$ 8,580.00  |
| <b>Pavement Story Map for External Viewers, Standard, With Hosting for 1 year</b>                  |                                   |                                                    |             |              |
|                                                                                                    | 1                                 | Lump Sum                                           | \$ 7,500.00 | \$ 7,500.00  |
| a. Years 2 - 4 Annual Updates of Rehabs; + hosting fees of \$1.20 per mile (if applicable)         | 3                                 | Lump Sum                                           | \$ 2,000.00 | \$ 6,000.00  |
| <b>Pavement Condition Dashboard for Client Internal Viewing, Standard, With Hosting for 1 year</b> |                                   |                                                    |             |              |
|                                                                                                    | 1                                 | Lump Sum                                           | \$ 5,500.00 | \$ 5,500.00  |
| a. Years 2 - 4 Annual Updates of Rehabs; + hosting fees of \$1.20 per mile (if applicable)         | 3                                 | Lump Sum                                           | \$ 2,000.00 | \$ 6,000.00  |
| Non-Standard Written Report (Min. 8-Hours; beyond at Hourly Rate)                                  | 8                                 | Hours                                              | \$ 150.00   | \$ 1,200.00  |
| Additional or Specialty Maps for Reporting (In Addition to Maps in Standard Report)                | 1                                 | Lump Sum                                           | \$ 750.00   | \$ 750.00    |
| Additional Printed/Hard Copies of the Standard Final Report                                        | 1                                 | Lump Sum                                           | \$ 200.00   | \$ 200.00    |
| Roadway Functional Class Review                                                                    | TBD                               | Hours                                              | \$ 189.00   | TBD          |
| Sidewalk Condition Survey via Sidewalk-Surface Tester (SST) Data Collection                        |                                   | <b>(See Separate Quote for 100 Sidewalk Miles)</b> |             |              |
| Pedestrian Curb Ramp Non-Compliance Survey & Analysis via Mobile Lidar Data Collection             |                                   | (Available Upon Request)                           |             |              |
| Pavement Management Software Evaluation Needs Assessment                                           | 1                                 | Lump Sum                                           | \$ 1,750.00 | \$ 1,750.00  |
| GIS Polygon to Polyline Conversion                                                                 | 220                               | Test Miles                                         | \$ 6.00     | \$ 1,320.00  |
| <b>Easy Street Analysis (ESA) - Pavement Management Plan/Analysis</b>                              |                                   |                                                    |             |              |
| a. "ESA - Easy Street Analysis" Pavement Management Spreadsheet Software                           | Included in Base Activities (ESA) |                                                    |             |              |
| b. Customizable Prioritization & Cost-Benefit Analysis                                             |                                   |                                                    |             |              |
| c. Unlimited Access - Training Library                                                             |                                   |                                                    |             |              |
| d. Online ESA Spreadsheet Training via Teams                                                       |                                   |                                                    |             |              |



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## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 1.d.

**Agenda Item:** Consider authorizing the City Manager to award the purchase of Hauling Services for Recyclable Material.

**Initiating Department/Presenter:** Public Works

**Presenter:**

Kim Kembro, Assistant Public Works Director

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**Recommended Motion:** Move to authorize the City Manager to award the purchase of Hauling Services for Recyclable Materials to Stella Environmental Services in the amount of \$750 per load to include fuel surcharge, with an estimated annual expenditure of \$78,000.

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**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

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**Discussion:** Recyclable materials consist of single-stream recyclables (curbside collection) and those materials received at the City Recycling facility. Services included in this bid are twice-weekly (Thursday and Friday) Contractor-provided personnel for the collection of recyclable materials from the City's Transfer Station and hauling services of those materials in a Contractor-provided truck and trailer to an appropriate recycling sorting facility as designated by the city (currently FCC Environmental Services in Houston).

City staff utilized sealed bid proposals for Hauling Services of Recycled Materials to achieve optimal results at a competitive price. Multiple vendors were invited to bid, along with the invitation to bid being advertised as required. One (1) bid was received and opened on May 15, 2025, in response to the invitation, as reflected in the attached bid tabulation. Based on Best Value, the staff recommends approving Stella Environmental Services, LLC to provide the necessary services, as outlined within the bid, for \$664.02 per load plus fuel surcharge fee and CPI. Stella Environmental Services, LLC, is the current contractor performing the Hauling Services and has proven to be a reliable contracting partner for the City.

The term of this contract is June 2025–September 2026, with the option to renew for one (1) additional 1-year term. This option to extend is contingent on budget and City Council approval, with an estimated expense of \$34,750.00 for FY24- 25, \$85,902.00 for FY25- 26, and \$88,479.06 for FY26- 27. The Grand Total for the life of the contract would be \$209,131.06.

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**Previous Council Action:** None

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**Financial Implications:** The item is budgeted in account 224-377-55070 in the amount of \$63,800.32.

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**Approvals:**

Brent Sherrod

Leonard Schneider

Sam Masiel

Scott Swigert

Kristy Doll

---

**Associated Information:**

1. Bid Tab - Bid NO. 25-07
2. Bid NO. 25-07 Hauling Services for Recyclable Materials Estimated Fee Schedule

**Bid Tabulation**

**Project Name: Bid NO. 25-07 Hauling Services for Recyclable Materials**

**Location: 1212 Avenue M Huntsville, TX 77340**

**Date: Thursday, May 15, 2025 Time: 2:00 P.M. Central Time**



**Stella Environmental**

**Description**  
**Hauling of Recyclable Materials**

**Unit Price Per Ton**  
(Ton - as per Weight Ticket from City of Huntsville Transfer Station Truck Scales)

**Unit Price Per Load**  
(load minimum is 48' trailer)

**\$664.02 + FSC\***

Load Rate is \$664.02 plus fuel surcharge and subject to annual CPI as stated in cover letter.

| Bid NO. 25-07 Hauling Services for Recyclable Materials |                                      |
|---------------------------------------------------------|--------------------------------------|
| TERM                                                    | Date of Award - September 30, 2026   |
| 1st Renewal                                             | October 1, 2026 - September 30, 2027 |
| EXPIRES                                                 | September 30, 2027                   |

| TERM:<br>May 2025 - September 30, 2026 |                |             | TOTAL        | Budget Year |
|----------------------------------------|----------------|-------------|--------------|-------------|
| 1                                      | May 2025       | \$ 6,950.00 | \$ 34,750.00 | FY24-25     |
| 2                                      | June 2025      | \$ 6,950.00 |              |             |
| 3                                      | July 2025      | \$ 6,950.00 |              |             |
| 4                                      | August 2025    | \$ 6,950.00 |              |             |
| 5                                      | September 2025 | \$ 6,950.00 | \$ 85,902.00 | FY25-26     |
| 6                                      | October 2025   | \$ 7,158.50 |              |             |
| 7                                      | November 2025  | \$ 7,158.50 |              |             |
| 8                                      | December 2025  | \$ 7,158.50 |              |             |
| 9                                      | January 2026   | \$ 7,158.50 |              |             |
| 10                                     | February 2026  | \$ 7,158.50 |              |             |
| 11                                     | March 2026     | \$ 7,158.50 |              |             |
| 12                                     | April 2026     | \$ 7,158.50 |              |             |
| 13                                     | May 2026       | \$ 7,158.50 |              |             |
| 14                                     | June 2026      | \$ 7,158.50 |              |             |
| 15                                     | July 2026      | \$ 7,158.50 |              |             |
| 16                                     | August 2026    | \$ 7,158.50 |              |             |
| 17                                     | September 2026 | \$ 7,158.50 |              |             |

| TERM:<br>October 2026 - September 30, 2027 |                |             | TOTAL        | Budget Year |
|--------------------------------------------|----------------|-------------|--------------|-------------|
| 1                                          | October 2026   | \$ 7,373.26 | \$ 88,479.06 | FY26-27     |
| 2                                          | November 2026  | \$ 7,373.26 |              |             |
| 3                                          | December 2026  | \$ 7,373.26 |              |             |
| 4                                          | January 2027   | \$ 7,373.26 |              |             |
| 5                                          | February 2027  | \$ 7,373.26 |              |             |
| 6                                          | March 2027     | \$ 7,373.26 |              |             |
| 7                                          | April 2027     | \$ 7,373.26 |              |             |
| 8                                          | May 2027       | \$ 7,373.26 |              |             |
| 9                                          | June 2027      | \$ 7,373.26 |              |             |
| 10                                         | July 2027      | \$ 7,373.26 |              |             |
| 11                                         | August 2027    | \$ 7,373.26 |              |             |
| 12                                         | September 2027 | \$ 7,373.26 |              |             |

| Budget Year Total                        |               |
|------------------------------------------|---------------|
| FY24-25                                  | \$ 34,750.00  |
| FY25-26                                  | \$ 85,902.00  |
| FY26-27                                  | \$ 88,479.06  |
| Grand Total For The Life Of The Contract | \$ 209,131.06 |

| Line Item | Purchase Order Request Form<br>224 377 55070   |              |               |
|-----------|------------------------------------------------|--------------|---------------|
| 1         | May 2025 - September 30, 2026 (FY24-25)        | \$ 34,750.00 | \$ 209,131.06 |
| 2         | October 1, 2025 - September 30, 2026 (FY25-26) | \$ 85,902.00 |               |
| 3         | October 1, 2026 - September 30, 2027 (FY26-27) | \$ 88,479.06 |               |



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 1.e.

**Agenda Item:** Consider adopting Resolution No. 2025-17 approving the City Manager to enter into a participation agreement for the TxDOT Aviation RAMP Grant.

**Initiating Department/Presenter:** Development Services

**Presenter:**

Layne Yeager, City Planner/Airport Manager

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**Recommended Motion:** Move to approve Resolution No. 2025-17 to make certain improvements to the Bruce Brothers Huntsville Regional Airport, more specifically described as an Airport Master Plan, and authorize the City Manager to enter into future TxDOT RAMP Grants on a yearly basis.

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**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

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**Discussion:** City Staff has routinely worked with TxDOT Aviation for as-needed repairs and maintenance at the Huntsville Municipal Airport. This program matches local government grants up to \$100,000 for maintenance of airside and landside needs.

This grant allows the local sponsor to pick and choose projects to complete. Examples of projects completed utilizing this grant include asphalt repairs and seal coating, stripping, road construction, herbicide treatment, land clearing, lighting repairs, and professional services.

This grant is funded at 90 percent by the state with a 10 percent local match. The overall project total is \$100,000, with \$10,000 being the local match.

City staff coordinates with TxDOT RAMP Coordinators throughout this process for preapproval of projects completed under this grant.

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**Previous Council Action:** The Council allocated funds for this grant in the FY 2024-25 budget.

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**Financial Implications:** The Council allocated funds for this grant in the FY 2024-25 budget.

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**Approvals:**

Kevin Byal  
Leonard Schneider  
Sam Masiel  
Scott Swigert  
Kristy Doll

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**Associated Information:**

1. RAMP Resolution 2025-17
2. TxDOT Aviation-Ramp-2024

## RESOLUTION NO. 2025-17

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE ON BEHALF OF THE CITY OF HUNTSVILLE, ALL CONTRACTS AND AGREEMENTS AS SHALL BE NECESSARY AND APPROPRIATE FOR THE IMPLEMENTATION OF THE IMPROVEMENTS TO THE HUNTSVILLE MUNICIPAL AIRPORT.**

**WHEREAS** the City of Huntsville intends to make certain improvements to The Huntsville Municipal Airport; and

**WHEREAS** the general description of the project is described as: TxDOT Aviation Routine Airport Maintenance Program to include general repairs and improvements; and

**WHEREAS** the City of Huntsville intends to request financial assistance from the Texas Department of Transportation for these improvements; and

**WHEREAS** the total project cost is estimated to be \$100,000.00, and the CITY of HUNTSVILLE will be responsible for 10% of the total project costs currently estimated to be \$10,000.00; and

**WHEREAS** the City of Huntsville names the Texas Department of Transportation as its agent for the purposes of applying for, receiving and disbursing all funds for these improvements and for the administration of contracts necessary for the implementation of these improvements;

**NOW, THEREFORE, be it resolved by the City Council of the City of Huntsville, Texas, that:** the City of Huntsville hereby directs its City Manager to execute on behalf of the City of Huntsville, at the appropriate time, and with the appropriate authorizations of this governing body, all contracts and agreements with the State of Texas, represented by the Texas Department of Transportation, and such other parties as shall be necessary and appropriate for the implementation of the improvements to the Bruce Brothers Huntsville Regional Airport.

**PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2025.**

THE CITY OF HUNTSVILLE

\_\_\_\_\_  
Russell Humphery, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Kristy Doll, City Secretary

\_\_\_\_\_  
Leonard Schneider, City Attorney

[Type here]

## FY2024 ELIGIBLE WORK ITEMS UNDER RAMP GRANTS

\*Eligible Work Items are subject to change each fiscal year



### **FY2024 Routine Airport Maintenance Program (RAMP) Grants**

- ➔ State funding is a \$100,000 match per airport for the current fiscal year. The state fiscal year begins September 1<sup>st</sup>. The local government match is 10% of actual costs plus any excess of \$100,000 total costs.
- ➔ The program includes “lower cost” airside and landside airport improvements which will require approval and guidance from TxDOT Aviation before the project begins. These items can be more than just maintenance and may be new or additional items of work. Examples are construction of airport entrance roads; pavement of airport public parking lots; installation of security fencing, replacement of rotating beacon, etc. TxDOT will determine the eligibility of specific items. **Airside improvements are the priority before requesting assistance with landside maintenance and improvements.**
- ➔ Sponsors are allowed to issue their own contracts for scope of services, or TxDOT districts may perform services within their capabilities. TxDOT will not participate in contracts for any ineligible scope items or for costs that are unreasonable for the type of service. Sponsor force account work is NOT ELIGIBLE, but purchase of materials for construction with sponsor labor is eligible.
- ➔ **A Grant must be executed each state fiscal year, prior to work being performed. There is no formal application process.** To initiate the grant, the Sponsor should contact the Aviation Division with a description of the project for which the grant is being requested and the estimated cost of the project, if available. The contact may be in the form of a written letter, electronic mail, telephone, or personal contact with staff.
- ➔ **Work as described on the Scope of Services of the grant shall be performed during the state fiscal year (October 1<sup>st</sup> – August 31<sup>st</sup>)**

Call the Aviation Division at 1-800-687-4568 (68-PILOT) for more information or go to Aviation on the TxDOT Web Site:

<http://www.txdot.gov/inside-txdot/division/aviation/airport-grants.html>

## FY2024 ELIGIBLE WORK ITEMS UNDER RAMP GRANTS

\*Eligible Work Items are subject to change each fiscal year

|                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AIRSIDE MAINTENANCE</b>                                                                                                                                                                                               |
| Pavement crack sealing/Pavement Slurry Seal/Fog Seal/Rejuvenator                                                                                                                                                         |
| Pavement markings                                                                                                                                                                                                        |
| Drainage maintenance                                                                                                                                                                                                     |
| Sweeping                                                                                                                                                                                                                 |
| Herbicide on airside pavement                                                                                                                                                                                            |
| Replacement bulbs/lamps for airside lighting fixtures and approach aids                                                                                                                                                  |
| Repair and maintenance for beacon, lighting, approach and navigational aids                                                                                                                                              |
| Eligible air traffic and operations equipment, installation, and subscription costs (TxDOT determines Equipment eligibility)                                                                                             |
| Parts replacement for Automated Weather Observation System (AWOS) not covered under warranty                                                                                                                             |
| <b>AFTER AIRSIDE MAINTENANCE HAS BEEN ADDRESSED</b>                                                                                                                                                                      |
| Seal coats/chip seal/crack seal for non-airside pavement                                                                                                                                                                 |
| Hangar/terminal building painting and repairs -sponsor owned facilities only                                                                                                                                             |
| Security camera systems excluding monitoring fees                                                                                                                                                                        |
| Game proof or security fencing and gates, electric gate openers                                                                                                                                                          |
| Access roads for AWOS installations/AWOS NADIN interface monthly charge                                                                                                                                                  |
| Airport entrance signs                                                                                                                                                                                                   |
| Repairs to airport owned fuel systems, including replacement of tanks                                                                                                                                                    |
| Professional Services for preparation of Storm Water Pollution Prevention, Spill Prevention Control & Countermeasure Plans and maintenance/update of these plans                                                         |
| Airfield FOD sweeper                                                                                                                                                                                                     |
| HVAC repairs in terminal building and/or control tower                                                                                                                                                                   |
| <b>SMALL CAPITAL IMPROVEMENT PROJECTS – with guidance and pre-approval from TxDOT Aviation</b>                                                                                                                           |
| Design and construct new concrete/asphalt public auto parking areas                                                                                                                                                      |
| Design and construct new entrance roads and hangar access roads                                                                                                                                                          |
| Design and construction of aircraft wash racks as indicated by SWPPP                                                                                                                                                     |
| Design and construct expansion of apron areas or new apron areas                                                                                                                                                         |
| Design and construct runway lighting system extensions                                                                                                                                                                   |
| Design and construct drainage improvements                                                                                                                                                                               |
| Pilot lounge/small general aviation terminal buildings                                                                                                                                                                   |
| Beacon/tower replacements                                                                                                                                                                                                |
| Preparation of FAA form 7460-1 “Notice of Proposed Construction or Alteration” for RAMP projects                                                                                                                         |
| <b>INELIGIBLE WORK ITEMS UNDER RAMP GRANTS</b>                                                                                                                                                                           |
| Purchase of a courtesy vehicle and/or maintenance to any vehicle or equipment including tractors and mowers                                                                                                              |
| Purchase of capital equipment including aircraft dolly, lawn mower, golf carts, snow/ice removal equipment, striping machines, ac units and power washers                                                                |
| Operating expenditures including, but not limited to carpet cleaning, monthly utility bills, tree trimming/mowing services, trash collection/recycling                                                                   |
| Force Account work by sponsor                                                                                                                                                                                            |
| Consumables including batteries (except for AWOS), air and water filters, tools, interior light bulbs, cleaning supplies, replacement plants, replacement monitors/computer equipment for office operations and for AWOS |
| <b>Work performed or purchases made prior to the grant being fully executed</b>                                                                                                                                          |



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 2.a.

**Agenda Item:** Consider the proposed final design of the University Avenue and Courthouse improvement project to be submitted by Walker County for the 2025 TxDOT Transportation Alternative Grant application.

**Initiating Department/Presenter:** City Manager

**Presenter:**

Sam Masiel, Assistant City Manager

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**Recommended Motion:** No formal action required, Council will provide guidance and directions on the proposed final design of the downtown area and shared-use pathway, to be submitted as part of the 2025 TxDOT Transportation Alternative Grant application.

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**Strategic Initiative:** Strategic Priority #3, Quality of Life – Establish an environment where citizens can thrive and enjoy the city in which they live. Provide services that enhance the quality of life for all, with focus on the full life cycle (children, students, families, and retirees) - by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

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**Discussion:** Walker County is applying for the 2025 TxDOT Transportation Alternative Grant and has partnered with the City to beautify the downtown area and extend a shared-use pathway (SUP) from 12th to 17th Street. This new pathway would connect the downtown area to the campus of Sam Houston State University (SHSU), a project that has been discussed for many years as a crucial part of revitalizing our downtown.

The County has taken the lead to apply for and will manage the grant, while the City has provided letters of support, assisted with the creative design for the SUP, and will be responsible for the maintenance of the SUP after completion.

Commissioner Daugelette will attend the meeting and present the final conceptual design; he is seeking guidance and directions on the final design of the downtown area and shared-use pathway, to be submitted as part of the 2025 TxDOT Transportation Alternative Grant application.

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**Previous Council Action:** On February 18, 2025, Council authorized partnering with Walker County to apply for the 2025 TxDOT Transportation Alternative Grant.

On May 6, 2025, Council approved the City entering into an interlocal agreement with Walker County to apply for the 2025 TxDOT Transportation Alternative Grant and to pay for half of the cost to have engineering services provided for the grant application.

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**Financial Implications:** To date, Council has authorized \$11,377.50 for the City's portion of the

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engineering services. If the Grant Application is awarded, the City will be responsible for our portion of the funding as well as the ongoing maintenance of the shared-use pathway.

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**Approvals:**

Sam Masiel

Scott Swigert

Kristy Doll

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**Associated Information:**



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 2.b.

**Agenda Item:** Consider adopting Resolution No. 2025-18 establishing the City of Huntsville Property Assessed Clean Energy (“PACE”) Program.

**Initiating Department/Presenter:** City Manager

**Presenter:**

Sam Masiel, Assistant City Manager

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**Recommended Motion:** Motion to approve a resolution establishing the City of Huntsville Property Assessed Clean Energy (“PACE”) Program.

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**Strategic Initiative:** Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives the development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

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**Discussion:** On May 20, 2025, Lone Star PACE presented the Property Assessed Clean Energy (“PACE”) Program to the Council for consideration. Lone Star PACE has been working with a local business that would like to participate in the program if the Council chooses to participate in the Program.

### BACKGROUND:

PACE is an innovative way to finance energy efficiency, water efficiency, and renewable energy upgrades for commercial, industrial, and large multifamily (five or more dwelling units) real property. Property owners who participate in the program repay the financing through a voluntary contractual assessment. One of the most notable characteristics of PACE programs is that the financing is attached to the property rather than belonging to an individual. Therefore, when the owner sells the property, the financing may be paid off during the sale, or stay with the property and be transferred to the new owner, who also benefits from the completed upgrades.

PACE financing enables businesses to align the costs of energy and water efficiency improvements with the utility savings provided by the improvements. PACE financing is paid over a long period of time while energy costs are simultaneously lower, which typically provides the property owner with immediate net savings. PACE overcomes challenges that have hindered the adoption of energy and water efficiency for many property owners.

### ANALYSIS OF THE PACE PROGRAM:

Participation in this program is voluntary and offers property owners a cost-effective means of making energy and water efficiency improvements to their property. Property owners repay the financing over a period of years reflecting the useful life of the improvements.

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The benefits to the property owner include:

Helps Lower Electric, Gas and Water Utility Bills  
100% Financing on Hard and Soft Costs  
Typically Results in Savings From Day One  
Increases Property Value  
Results in More Comfortable Buildings and Improved Indoor Air Quality  
Lowers Carbon Footprint and Improves the Environment  
Provides Long-Term Funding and Results in Immediate Benefit to Cash Flow  
Offers a Range of Accounting Treatments  
The benefits to the City include:

Supports Commercial Businesses with No Cost, Liability, or Administration to the City  
Upgrades the Efficiency and Competitiveness of Existing Building Stock  
Helps Attain Energy and Water Efficiency Goals  
Increases Commercial Property Values and Improves Tax Base  
Creates Jobs for Local Contractors, Manufacturers and Engineering Firms

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**Previous Council Action:** Council received a presentation with discussion during the May 20, 2025, City Council Workshop,

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**Financial Implications:** There is no fiscal impact to the City incurred by consenting to the inclusion of properties within the City limits in the City of Huntsville PACE Program.

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**Approvals:**

Leonard Schneider  
Sam Masiel  
Scott Swigert  
Kristy Doll

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**Associated Information:**

1. Resolution Establishing Program - City of Huntsville
2. Program Report & Exhibits Combined - City of Huntsville

**RESOLUTION NO. 2025-18**  
**CITY OF HUNTSVILLE CITY COUNCIL**  
**RESOLUTION**  
**TO ESTABLISH THE CITY OF HUNTSVILLE PACE PROGRAM**

STATE OF TEXAS                   §  
                                             §  
CITY OF HUNTSVILLE       §

**WHEREAS**     The 83rd Regular Session of the Texas Legislature enacted the Property Assessed Clean Energy Act, Texas Local Government Code Chapter 399 (the “PACE Act”), which allows the governing body of a local government, including a city, to designate an area of the territory of the local government as a region within which an authorized representative of a local government and the record owners of commercial, industrial, and large multifamily residential (5 or more dwelling units) real property may enter into written contracts to impose assessments on the property to repay the financing by the owners of permanent improvements fixed to the property intended to decrease water or energy consumption or demand; and

**WHEREAS**     the installation or modification by property owners of qualified energy or water saving improvements to commercial, industrial, and residential real property with five or more dwelling units in the City of Huntsville (“City of Huntsville” or “City”) will further the goals of energy and water conservation without cost to the public; and

**WHEREAS**     the City Council finds that third-party financing of energy and water conserving projects through contractual assessments (PACE financing”) furthers essential government purposes, including but not limited to, economic development, reducing energy consumption and costs, conserving water resources and improving air quality; and

**WHEREAS**     the City Council finds that the administration of the PACE Program by one or more registered municipal advisor (“RMA”) or nonprofit organizations as independent third-party (“Authorized Representative or Authorized Representatives”) contracted by the City of Huntsville and compensated by application and administration fees paid by the participating property owners, will enable the PACE Program to be administered without use of City resources, will assure the objectives of impartiality and confidentiality of owner information, and will be convenient and advantageous to the City of Huntsville; and

**WHEREAS**     the City Council also finds that because no City funds will be expended for PACE Financing of the Authorized Representative’s services, the selection of such an independent third-party Authorized Representatives is not subject to the Professional Services Procurement Act or other city purchasing requirements; and

**WHEREAS**     the City Council adopted a Resolution of Intent to establish a PACE Program for the City of Huntsville on May 20, 2025 including a reference to the report on the proposed program prepared as required by Section 399.009 of the PACE Act and made the report available to the public on the City of Huntsville website and for inspection in the Mayor’s office; and

**WHEREAS** the City Council held a public hearing on June 3, 2025 at 6:00 p.m. in the City of Huntsville Service Center Complex, 448 Highway 75 N, Huntsville, Texas, 77320, at which the public had an opportunity to comment on the proposed program, including the report available for public inspection, as mentioned above and as required by Section 399.008(a)(2) of the PACE Act:

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS THAT:**

**SECTION 1:** The recitals to this Resolution are true and correct and are incorporated into this Resolution for all purposes.

**SECTION 2:** The City of Huntsville hereby adopts this Resolution establishing the City of Huntsville Property Assessed Clean Energy Program, herein called the “City of Huntsville PACE Program” or the “Program,” and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose and is convenient and advantageous to the City of Huntsville and its citizens.

**SECTION 3:** The City of Huntsville will, at a property owner’s request, impose contractual assessments on the property to repay PACE Financing for qualified improvements available to owners of privately owned commercial or industrial real property or residential real property with five or more dwelling units.

**SECTION 4:** The following types of projects are qualified projects for PACE Financing that may be subject to such contractual assessments: Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial or industrial real property or residential real property with five (5) or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer’s side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

**SECTION 5:** The entire geographic area located within the City of Huntsville’s jurisdictional boundaries is included in the boundaries of the region where PACE Financing and assessments can occur under the Program.

**SECTION 6:** Financing for qualified projects under the Program will be provided by third-party capital providers selected by the property owners. Such capital providers will execute written contracts with the Authorized Representative to service the debt through assessments, as required by the PACE Act. The contracts will provide for the capital providers to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the capital providers and the owners for the installation or modification of qualified improvements, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to financing documents executed between the capital providers and the owners. The City of Huntsville will maintain and continue

the assessments for the benefit of such capital providers and will enforce the assessment lien for the benefit of a capital provider in the event of a default by an owner. The City of Huntsville will not provide financing under the Program.

- SECTION 7:** The City Council will designate one or more qualified organizations to act as Authorized Representatives with authority to enter into written contracts with the record owners of real property in the City of Huntsville to impose assessments pursuant to the PACE Act to repay the financing of qualified projects on the owners' property, to enter into written contracts with the parties that provide third-party financing for such projects to service the debts through assessments, and to file written notice of each contractual assessment in the Official Public Records of the county in which the Property is located, all on behalf of the City of Huntsville. The City of Huntsville Mayor or his/her designee will be the liaison with the Authorized Representatives.
- SECTION 8:** The County will enforce the collection of past due assessments and may contract with a qualified firm to assist in collection efforts.
- SECTION 9:** The final report on the City of Huntsville PACE Program, prepared in accordance with Section 399 of the Texas Local Government Code is attached hereto and incorporated into this resolution. The Mayor or his/her designee will post the report on the City of Huntsville website and make it available for public inspection at Huntsville City Hall, 1220 11th Street, Huntsville, Texas, 77340.
- SECTION 10:** The City of Huntsville City Council may amend the City of Huntsville PACE Program by resolution. However, an additional public hearing is required before the City of Huntsville PACE Program may be amended to provide for the City of Huntsville financing of qualified improvements through assessments.

**Passed, Approved and Adopted** this 3rd day of June 2025.

**THE CITY OF HUNTSVILLE**

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**Russell Humphrey, Mayor**

**ATTEST:**

**APPROVED AS TO FORM:**

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**Kristy Doll, City Secretary**

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**Leonard Schneider, City Attorney**

**REPORT REQUIRED BY TEXAS LOCAL GOVERNMENT CODE SECTION 399.009**  
**FOR PROPOSED CITY OF HUNTSVILLE**  
**PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM**

This Report is adopted by the City of Huntsville, Texas City Council (“**Local Government**”) for the City of Huntsville Property Assessed Clean Energy (PACE) Program (**the “Program”**) in accordance with the requirements of the Property Assessed Clean Energy Act (**the “PACE Act”**) as set forth in Texas Local Government Code Chapter 399.

The Local Government and its constituents benefit when older buildings are modified and new facilities are constructed with technology and equipment that increases energy efficiency and reduces water consumption. As described in this Report, the Local Government is establishing the commercial PACE Program to encourage private sector investment in energy efficiency and water conservation. The PACE Program will be offered to property owners on a strictly voluntary basis and will not require the use of any public funds or resources.

Authorized under the PACE Act enacted in 2013, the PACE program is an innovative financing program that enables private sector owners of privately owned commercial, industrial, and multi-family residential properties with five or more dwelling units to obtain low-cost, long-term loans to pay for water conservation, energy-efficiency improvements, and distributed generation. PACE loans provide up to 100% financing of all eligible project costs, with little or no up-front out-of-pocket cost to the owner. The Local Government has chosen to follow the administrative principles, program processes, and model documents of the uniform Texas PACE in a Box model program<sup>1</sup>, as amended from time to time, along with any exceptions approved by the Local Government.

Loans made under the PACE Program will be secured by assessments on the property that are voluntarily imposed by the owner. Assessments may be amortized over the projected life of the improvements. The utility cost savings derived from improvements financed with PACE loans are expected to equal or exceed the assessment amount. In turn, these improvements can generate positive cash flow upon installation because the debt service will be less than the savings.

PACE assessments are tied to the property and follow title from one owner to the next. Each owner is responsible only for payment of the assessments accruing during its period of ownership. When the property is sold, the buyer and seller can decide if the payment obligation for the remaining balance of the assessment will be transferred automatically to the next owner or paid off as part of the sale. As a result, the program will help property owners overcome market barriers that often discourage investment in energy efficiency and water conservation improvements.

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<sup>1</sup> <https://www.keepingpaceintexas.org/pace-in-a-box>

## 1. Eligible Properties

The Local Government's PACE program is a strictly voluntary program. All private sector owners of Eligible Properties located within the Local Government's PACE region may participate in PACE financing. The entire territory of the Local Government is designated as the region in which the Program is available. ***“Eligible Properties”*** include commercial, industrial, and multi-family residential properties with five or more dwelling units. Government, residential<sup>2</sup>, and facilities for undeveloped lots or lots undergoing development at the time of the assessment are not Eligible Properties.

## 2. Qualified Improvements

PACE financing may be used to pay for Qualified Improvements to Eligible Properties. ***“Qualified Improvements”*** are permanent improvements intended to decrease water or energy consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that use energy technology to generate electricity, provide thermal energy, or regulate temperature. Under the PACE Act, products or devices that are not permanently fixed to real property are not considered to be Qualified Improvements.

The following items may constitute Qualified Improvements:

- High efficiency heating, ventilating and air conditioning (“HVAC”) systems
- High efficiency chillers, boilers, and furnaces
- High efficiency water heating systems
- Energy management systems and controls
- Distributed generation systems
- High efficiency lighting system upgrades
- Building enclosure and envelope improvements
- Water conservation and wastewater recovery and reuse systems
- Combustion and burner upgrades
- Heat recovery and steam traps
- Water management systems and controls (indoor and outdoor)
- High efficiency irrigation equipment

## 3. Benefits of PACE to Property Owners

The PACE program will enable owners of Eligible Properties to overcome traditional barriers to capital investments in energy efficiency and water conservation improvements, such as unattractive returns on investment, split incentives between landlords and tenants, and uncertainty of recouping the investment.

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<sup>2</sup> This encompasses single family residential and any multi-family properties with fewer than five units.

By financing Qualified Improvements through the Program, property owners may achieve utility cost savings that exceed the amount of the assessment and reduce their exposure to utility price volatility. As a result, the value of the property will be enhanced, and the owner will only be obligated to pay the assessment installments that accrue during its period of ownership of the property. Additionally, by investing in energy efficiency and water conservation with PACE financing, property owners may also qualify for various rebate, tax credit, and incentive programs offered by utility providers and state or federal governmental authorities to encourage these types of investments.

#### **4. Benefits of PACE to the Local Government**

The PACE Program benefits the entire Local Government by improving its buildings, increasing property values, encouraging economic development, and saving energy and water, all without requiring any public funds.

Among other things, projects financed through PACE Program will:

- Enable property owners and occupants to save substantial amounts in utility costs;
- Reduce demand on the electricity grid;
- Mitigate greenhouse gas emissions associated with energy generation;
- Enhance the value and efficiency of existing buildings;
- Boost the local economy by creating new job opportunities for laborers and new business opportunities for contractors, engineers, commercial lenders, professionals, and equipment vendors and manufacturers;
- Increase business retention and expansion in the PACE region by enabling cost effective energy and water saving updates to existing property;
- Improve productivity through optimized energy usage;
- Support the State's water conservation plan;
- Better enable the Local Government to meet its water conservation goals.

Finally, through the reduction in energy consumption as a result of the PACE Program, there will be a decreased demand for power, resulting in lower emissions from power plants.

The PACE program requires minimal support from the Local Government. It is designed to be self-sustaining and is typically administered by qualified third-party authorized representatives. Furthermore, because the PACE program is tax neutral, it achieves all of the benefits listed in this Report without imposing a burden on the Local Government's general fund.

The 84<sup>th</sup> Texas Legislature added an immunity provision to the PACE Act that explicitly shields the Local Government and its employees, members of the governing body of a local government and any board members, executives, employees, and contractors of a third party who enter into a

contract with a local government to provide administrative services for a Program under this chapter.<sup>3</sup>

## **5. The Benefits of PACE to Lenders**

PACE loans are attractive to lenders because they are very secure investments. Like a property tax lien, the assessment lien securing the PACE loan has priority over other liens on the property. Therefore, the risk of loss from non-payment of a PACE loan is low compared to most other types of loans. PACE assessments provide lenders with an attractive new product to address an almost universal pent-up demand for implementing high efficiency commercial and industrial property equipment. In order to protect the interests of holders of existing mortgage loans on the property, the PACE Act requires their written consent to the PACE assessment as a condition to obtaining a PACE loan.

## **6. The Benefits of PACE to Contractors, Engineers, and Manufacturers**

PACE loans provide attractive sources of financing for water and energy saving retrofit and new construction upgrades, thereby encouraging property owners to make substantial investments in new and existing commercial and industrial buildings. As a result, PACE will unlock business opportunities for contractors, engineers, and manufacturers throughout the commercial and industrial sectors.

## **7. Administration of the Local Government PACE Program**

Under the PACE Act, the establishment and operation of the program are governmental functions.

<sup>4</sup> The PACE Act further authorizes the Local Government to enter into a contract with one or more third parties (the “*Authorized Representative(s)*”) to provide administrative services for the PACE program and act as the representative of the Local Government in executing the contracts with property owners and lenders. The Local Government may delegate administration of the PACE program to one or more qualified third-party organizations that can administer the program at no cost to the Local Government.

Periodic updates to the standard form documents (described in Section 9) will be necessary as the program evolves, incorporating best practices and standardizing the PACE contracts across various PACE programs. The Authorized Representative will be tasked with maintaining the form contracts and making technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute.

The Authorized Representative’s role is to serve as an extension of the Local Government staff to provide oversight of the Program to ensure best practices and consumer protections at the lowest possible cost to the property owner in a transparent and ethical manner and to provide education

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<sup>3</sup> TX. Local Gov’t Code §399.019. In the 85th legislature, HB 2654 clarified that the personal immunity provisions apply to all elected officials performing rights and duties under chapter 399 of the Local Government Code.

<sup>4</sup> TX Local Government Code §399.003(b)

and outreach. The Authorized Representatives will not receive compensation or reimbursement from the Local Government.

The Authorized Representatives will be funded by administrative fees paid by the property owners establishing a PACE project or other source of revenue. The Authorized Representative may not impose any Program fees directly or indirectly not authorized in advance by the Local Government in writing. Authorized Representative must disclose in writing to Local Government any direct or indirect fee income, charitable grants, or donations not authorized in advance by the Local Government that are received from property owners, lenders, or contractors participating in the Program.

## **8. Eligible Lenders**

The PACE Act does not set criteria for financial institutions or investors to be PACE lenders. The Local Government will follow best practices of other PACE programs by requiring that lenders be:

- Any federally insured depository institution such as a bank, savings bank, savings and loan association, and federal or state credit union;
- Any insurance company authorized to conduct business in one or more states;
- Any registered investment company, registered business development company, or a Small Business Administration small business investment company;
- Any publicly traded entity; or
- Any private entity that:
  - Has a minimum net worth of \$5 million; and
  - Has at least three years' experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years' experience in business or industrial lending or commercial real estate lending; and
  - Can provide independent certification as to availability of funds; and
- Has the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts.

Any lender can participate in the PACE Program as long as it is a financially stable entity with the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts. The property owner, not the Local Government or the Authorized Representative, selects the lender.

The Authorized Representatives will not guarantee or imply that funding will automatically be provided from a third-party lender, imply or create any endorsement of, or responsibility for, any lender, or create any type of express or implied favoritism for any eligible lender.

## **9. Components of the PACE Program**

As required under Section 399.009 of the PACE Act, the following describes all aspects of the PACE Program:

- a. Map of Region. A map of the boundaries of the region included in the program is attached to this Report as Exhibit 1. The region encompasses the entire geographic area within the Local Government's jurisdictional boundaries
- b. Form Contract with Owner. A form contract between the Local Government and the record owner of the Eligible Property is attached as Exhibit 2. It specifies the terms of the assessment under the PACE Program and the financing to be provided by an Eligible Lender of the property owner's choosing.
- c. Form Contract with Lender. A form contract between the Local Government and the Eligible Lender chosen by a property owner is attached to this Report as Exhibit 3. It specifies the financing and servicing of the debt through assessments.
- d. Form Notice of Contractual Assessment Lien. A form Notice of Assessment Lien to be filed by the Authorized Representative, on behalf of the Local Government, with the County Clerk is attached to this Report as Exhibit 4.
- e. Qualified Improvements. The following types of projects are qualified improvements that may be subject to contractual assessments under the PACE program. Projects that:
  - (1) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real property with five (5) or more dwelling units;<sup>5</sup> and
  - (2) are intended to decrease energy or water consumption or demand by installing a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.<sup>6</sup>

A sample list of potential Qualified Improvements appears in Section 2 above.

The PACE Program may not be used to finance facilities for undeveloped lots or lots undergoing development at the time of the assessment, or for the purchase or installation of products or devices not permanently fixed to real property.<sup>7</sup>

- f. Authorized Representative. HB 3187 was signed into law on June 16, 2015. It authorizes a Local Government to delegate administration of the PACE program to third-party "representatives." The City of Huntsville intends to delegate all official administrative responsibilities, like the execution of individual contracts with

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<sup>5</sup> TX. Local Gov't Code §399.002(5).

<sup>6</sup> TX. Local Gov't Code §399.002(3).

<sup>7</sup> TX. Local Gov't Code §399.004.

property owners and lenders, to one or more Authorized Representatives. This relationship will be monitored and maintained by the Mayor or his/her designee.

- g. Plans for Ensuring Sufficient Capital. Lenders will extend loans to finance Qualified Improvements. Financing documents executed between owners and lenders will impose a contractual assessment on Eligible Property to repay the owner's financing of the Qualified Improvements. The lenders will ensure that property owners demonstrate the financial ability to fulfill the financial obligations to be repaid through contractual assessments.
- h. No Use of Bonds or Public Funds. The Local Government does not intend to issue bonds or use any other public monies to fund PACE projects. Property owners will obtain all financing from the Eligible Lenders they choose.
- i. Limit on Length of Loan. One of the statutory criteria of a PACE loan is that the assessment payment period cannot exceed the useful life of the Qualified Improvement that is the basis for the loan and assessment.<sup>8</sup> As part of the application process, the property owners will submit an independent third-party review prepared by a licensed engineer showing the water or energy baseline conditions and the projected water or energy savings. This review will aid the Authorized Representative in making a determination that the period of the requested assessment does not exceed the useful life of the Qualified Improvement.
- j. Application Process. The Authorized Representative will accept applications from property owners seeking to finance Qualified Improvements under the program. Each application must be accompanied by the required application fee and must include:
  - (1) A description of the specific Qualified Improvements to be installed or modified on the property;
  - (2) A description of the specific real property to which the Qualified Improvements will be permanently fixed; and
  - (3) The total amount of financing, including any transaction costs, to be repaid through assessments.

Based on this information, the Authorized Representative may issue a preliminary letter indicating that, subject to verification of all requirements at closing, the proposed project appears to meet program requirements. Based on this preliminary letter, the property owner may initiate an independent third-party review of the project and submit the project to Eligible Lenders for approval of financing.

The property owner is expected to produce the following documentation to the Authorized Representative prior to closing of the PACE loan:

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<sup>8</sup> Chapter 399 section 399.009(a)(8)

- (1) A Report conducted by a qualified, independent third-party reviewer, showing water or energy baseline conditions and the projected water or energy savings, or the amount of renewable energy generated attributable to the project;
  - (2) Such financial information about the owner and the property as the lender chosen by the owner deems necessary to determine that the owner has demonstrated the financial ability to fulfill the financial obligations to be paid through assessments; and
  - (3) All other information required by the Authorized Representative.
- k. Financial Eligibility Requirements. The Authorized Representative will determine whether the owner, the property and the improvements are eligible for financing under the Program. The Eligible Lender chosen by the owner will determine whether the owner has demonstrated the financial ability to repay the financial obligations to be collected through contractual assessments. The demonstration of financial ability must be based on appropriate underwriting factors, including the following:
- (1) verification that the person requesting to participate in the program is the legal record owner of the benefitted property;
  - (2) the applicant is current on mortgage and property tax payments;
  - (3) the applicant is not insolvent or in bankruptcy proceedings;
  - (4) the title of the benefitted property is not in dispute; and
  - (5) there is a method for determining an appropriate ratio of the amount of the assessment to the assessed value of the property in accordance with the most current Texas PACE in a Box model program, and

The Local Government has determined that to be eligible for PACE financing, the projected savings derived from the Qualified Improvement should be greater than the cost of the PACE assessment and lien over the life of the assessment, i.e., the Saving-to-Investment Ratio (SIR) should be greater than one,  $SIR > 1$ .

- l. Mortgage Holder Notice and Consent. As a condition to the execution of a written contract between the Authorized Representative and the property owner imposing an assessment under the Program, the holder of any mortgage lien on the property must be given notice of the owner's intention to participate in the Program on or before the 30<sup>th</sup> day before the date the contract is executed, and the owner must obtain the written consent of all mortgage holders.

m. Imposition of Assessment. The Authorized Representative will enter into a written contract with the property owner only after:

- (1) The property owner delivers to the Authorized Representative written consent of all mortgage lien holders;
- (2) The Authorized Representative's determination that the owner and the property are eligible to participate in the program, that the proposed improvements are reasonably likely to decrease energy or water consumption or demand, and that the period of the requested assessment does not exceed the useful life of the Qualified Improvements; and
- (3) The Eligible Lender notifies the Authorized Representative that the owner has demonstrated the financial ability to fulfill the financial obligations to be repaid through contractual assessments.

The contract will impose a contractual assessment on the owner's Eligible Property to repay the lender's financing of the Qualified Improvements. The Authorized Representative will file a "Notice of Contractual Assessment Lien" in substantially the form in Exhibit 4 in the Official Public Records of the County in which the Eligible Property is located, to serve as notice to the public of the assessment from the date of filing. The contract and the notice must contain the amount of the assessment, the legal description of the property, the name of the property owner, and a reference to the statutory assessment lien provided under the PACE Act.

n. Collection of Assessments. The execution of the written contract between Local Government and the property owner and recording of the Notice of Contractual Assessment Lien incorporate the terms of the financing documents executed between the property owner and the third-party lender to repay the financing secured by the assessment. The third-party lender will advance financing to the owner, and the terms for repayment will be such terms as are agreed between the lender and the owner. Under the form Lender Contract attached as Exhibit 3, the lender or a designated servicer will agree to service the debt secured by the assessment.<sup>9</sup>

With funds from the lender, the property owner will purchase directly the equipment and materials for the Qualified Improvement and contract directly, including through lease, power purchase agreement, or other service contract, for the installation or modification of the Qualified Improvements. Alternatively, the lender may make progress payments to the property owner as the Qualified Improvement is installed.

The lender will receive the owner's assessment payments to repay the debt and remit to the Authorized Representative any administrative fees. The lender will

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<sup>9</sup> The servicer will be responsible for maintaining payment records, account balances, and reporting to the Authorized Representative as required.

have the right to assign or transfer the right to receive the installments of the debt secured by the assessment provided all of the following conditions are met:

- (1) The assignment or transfer is made to an Eligible Lender, as defined above;
  - (2) The property owner and the Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future installments should be mailed at least thirty (30) days before the next installment is due according to the schedule for repayment of the debt; and
  - (3) The assignee or transferee, by operation of the financing documents or otherwise written evidence of which shall be provided, assumes lender's obligations under the lender contract.
- o. Verification Review. After a Qualified Improvement is completed, the Authorized Representative will require the property owner to provide verification by a qualified independent third-party reviewer that the Qualified Improvement was properly completed and is operating as intended.<sup>10</sup> The verification report conclusively establishes that the improvement is a Qualified Improvement and the project is qualified under the PACE Program.<sup>11</sup>
- p. Marketing and Education Services. The Local Government may subsequently enter into agreements with one or more other local governments or non-profit organizations that promote energy and water conservation and/or economic development to provide marketing and education services for the PACE program.
- q. Quality Assurance and Anti-Fraud Measures. The Authorized Representative will institute quality assurance and anti-fraud measures for the Program. The Authorized Representative will review each PACE application for completeness and supporting documents through independent review and verification procedures. The application and required attachments will identify and supply the information necessary to ensure that the property owner, the property itself, and the proposed project all satisfy PACE program underwriting and technical standard requirements. Measures will be put in place to provide safeguards, including a review of the energy and water savings baseline and certification of compliance with the technical standards manual from an independent third-party reviewer (ITPR), who must be a registered professional engineer before the project can proceed. This review will include a site visit, report, and a letter from the ITPR certifying that he or she has no financial interest in the project and is an independent reviewer. After the construction of the project is complete, an ITPR will conduct a final site inspection and determine whether the project was completed and is operating properly. The reviewer's certification will also include a statement that the reviewer is qualified and has no financial interest in the project.

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<sup>10</sup> TX Local Gov't Code §399.011.

<sup>11</sup> TX Local Government Code §399.011(a-1)

- r. Delinquency. Under the terms of the form lender contract attached as Exhibit 3, if a property owner fails to pay an agreed installment when due on the PACE assessment, the lender will agree to take at least the following steps to collect the delinquent installment:

- (1) Mail to the owner a written notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail. If this is a HUD-assisted or FHA-insured Project, Lender shall mail a copy of the first notice of delinquency to HUD.
- (2) Mail to the owner a second notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail at least thirty (30) days after the date of the first notice if the delinquency is continuing. If this is a HUD-assisted or FHA-insured Project, Lender shall mail a copy of the second notice of delinquency to HUD.

If this is a HUD-assisted or FHA-insured Project, HUD shall have not less than a sixty (60) day notice and right to cure the delinquency by paying the amount of the delinquent Installment. If the owner fails to cure the delinquency within 30 days after mailing the second notice of delinquency, the lender may notify the Authorized Representative of the owner's default. Pursuant to Texas Local Government Code Section 399.014(c), the Authorized Representative will initiate steps for the Local Government to enforce the assessment lien in the same manner as a property tax lien against real property may be enforced. Delinquent installments will incur penalties and interest in the same manner and at the same rate as delinquent property taxes, according to Texas Local Government Code Section 399.014(d), and such statutory penalties and interest will be due to the Local Government to offset the cost of collection.

To ensure that the collection of delinquent installments of Assessments is congruent with the collection of delinquent property taxes the following procedures will be followed:

- (1) Any delinquent account on which two thirty (30) day notices of delinquency have been mailed as specified herein shall be enforced by means of Judicial Enforcement.
- (2) Delinquent installments of Assessment(s) through November 30 of any year will incur penalties and accrue interest as specified in the Financing Documents.
- (3) On or after February 1 of any year, the Authorized Representative will notify the County Tax Assessor/Collector and the entity that collects delinquent taxes for the County of the amount due as of January 31 of said year. The amount due on January 31 shall become the base amount of delinquency which will incur penalties and accrue interest and collection

fees in the same manner and on the same schedule as delinquent property taxes.

- (4) Installments of Assessment(s) becoming delinquent after November 30 of any year will incur penalties and accrue interest as specified in the Financing Documents but, notification of the County Tax Assessor/Collector and the entity that collects delinquent taxes for the County shall not occur until February 1 following delinquency. The amount due on January 31 following delinquency shall become the base amount of delinquency which will incur penalties and accrue interest and collection fees in the same manner and on the same schedule as delinquent property taxes.

If the Local Government files suit to enforce collection of an Assessment, the Local Government may recover costs and expenses, including its attorney's fees, in a suit to collect a delinquent installment of an Assessment in the same manner and at the same rates as in suit to collect delinquent property taxes. If a delinquent installment of an Assessment is collected in a judicial foreclosure proceeding, the Local Government may recover the payment of any delinquent ad valorem taxes due to it, and the costs and expenses as set forth in the Texas Tax Code Sec. 33.48, and the Lender will be remitted the net amount of the delinquent Assessment installments and any additional sums collected that are due to it under the Financing Documents. The Local government shall also remit to the Authorized Representative the amount of any administrative fees collected.

Judicial Enforcement: The Authorized Representative is authorized to enter into a contract with the entity that collects delinquent taxes for the County to enforce the collection of delinquent installments of the Assessments including interest, penalties, and fees in accordance with Texas Law governing delinquent property tax collection and the agreement between the parties. Any lawsuit to enforce collection of an Assessment including foreclosure of a delinquent Assessment lien shall be brought in the name of the Local Government. Such lawsuits will be filed and prosecuted in accordance with the statutes, procedures, and rules for the collection of delinquent property taxes.

## **10. Limitations**

The PACE Program shall not give rise to or create a charge against the general credit or taxing power of the Local Government or a debt or other obligation of the Local Government payable from any source. No Local Government funds, revenues, taxes, or income of any kind shall be used to pay a contractual assessment, filing fee, collection cost, litigation cost, or any other expense arising under the PACE Program. The PACE Program is created to provide a third-party financing mechanism for energy saving betterments; no alternate financing is approved through the approval of the PACE Program. The Local Government assumes no financial obligation whatsoever in the event of default or foreclosure of any kind. None of the Local Government or any of its elected or appointed officials or any of its officers or employees or Authorized Representatives shall incur

any liability hereunder to an owner, a lender, or any other party in their individual capacities by reason of the PACE Program or their acts or omissions under the PACE Program.

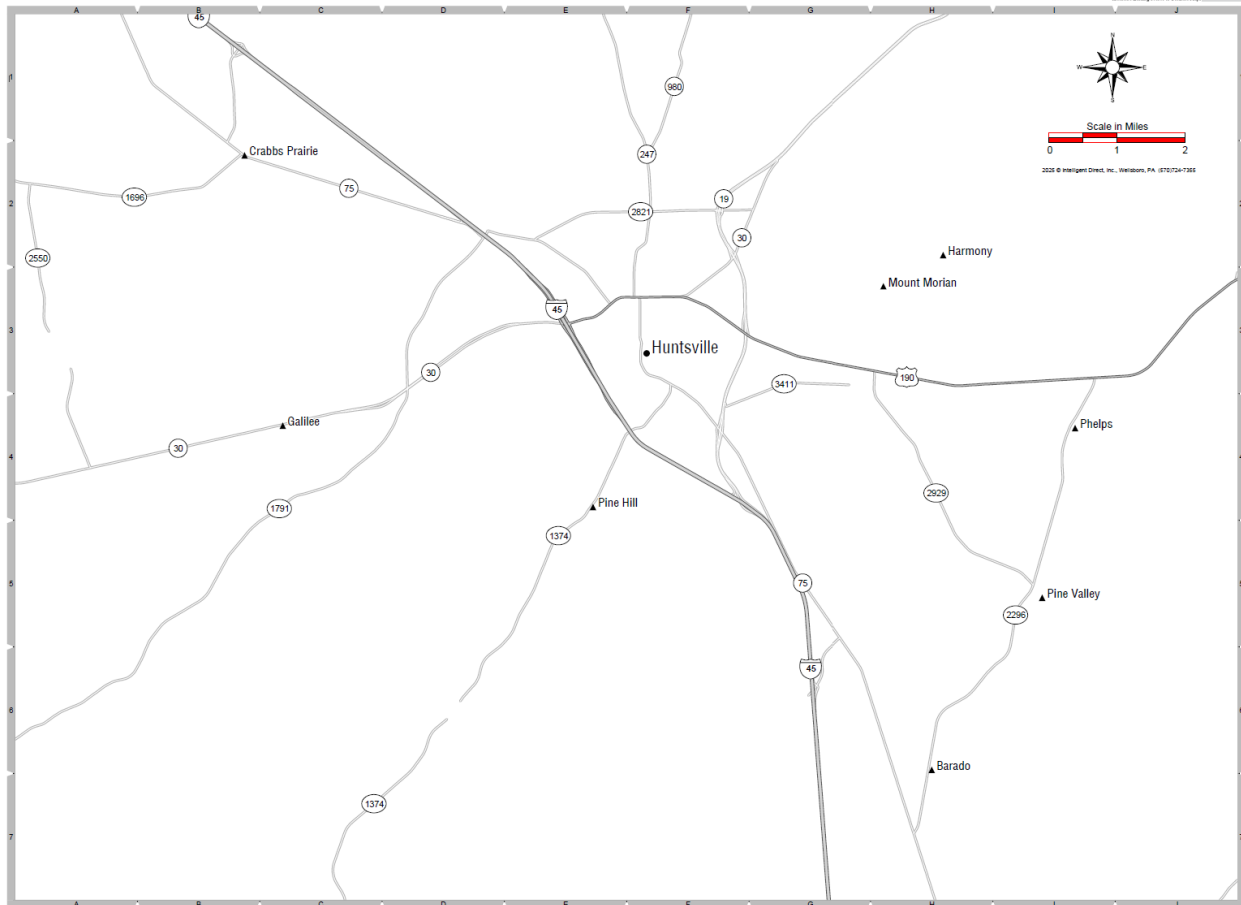
**EXHIBIT 1**

**MAP OF LOCAL GOVERNMENT PACE REGION**

(City of Huntsville)

**EXHIBIT 1**  
**MAP OF CITY OF HUNTSVILLE PACE REGION**

(City of Huntsville and ETJ)



**EXHIBIT 2**  
**FORM OWNER CONTRACT**

## FORM PACE OWNER CONTRACT

THIS PROPERTY ASSESSED CLEAN ENERGY (“**PACE**”) OWNER CONTRACT including the attached exhibits (“**Owner Contract**”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (“**Effective Date**”), by and between the City of Huntsville, Texas (“**Local Government**”), and \_\_\_\_\_ (“**Property Owner**”).

### RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a Local Government to establish a program and designate a region within the Local Government’s jurisdiction within which an authorized representative of the Local Government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a resolution dated \_\_\_\_\_, adopted by the City Council (“**PACE Program**”), and has designated \_\_\_\_\_ as a representative of Local Government (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City of Huntsville (the “**City**”), Texas jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owners’ property pursuant to the PACE Program.

C. Property Owner is/are the legal and record owner of the qualified “**real property**,” as defined in Section 399.002 of the PACE Act, within the Region located at \_\_\_\_\_, \_\_\_\_\_, Texas \_\_\_\_\_ - \_\_\_\_\_ (the “**Property**”).

D. Pursuant to Application number \_\_\_\_\_, Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (the “**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has requested that Local Government enter into this Owner Contract pursuant to the PACE Act and the PACE Program and has requested Local Government to impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the Official Public Records of Walker County, Texas (the “**Notice of Contractual Assessment Lien**”), a copy of which is attached hereto as Exhibit A and made a part hereof, to repay the financing of such Qualified Improvements. The Property, Qualified

Improvements and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing of such Qualified Improvements will be provided to Property Owner by \_\_\_\_\_ (“**Lender**”), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act (the “**Lender Contract**”). The financing will include only those costs and fees for which an assessment may be imposed under the PACE Act. Local Government has agreed to maintain and continue the Assessment for the benefit of Lender until such financing is repaid in full and to release the Assessment upon notice from Lender of such payment, or to foreclose the lien securing the Assessment for the benefit of Lender upon notice from Lender of a default by Property Owner.

F. As required by Section 399.010 of the PACE Act, Property Owner notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of this Owner Contract of Property Owner’s intention to participate in the PACE Program. The written consent of each mortgage holder to the Assessment was obtained on or prior to the date of this Owner Contract and is attached hereto as Exhibit B and made a part hereof.

### AGREEMENT

The parties agree as follows:

1. Imposition of Assessment. In consideration for the Financing advanced or to be advanced to Property Owner by Lender for the Project under the PACE Program pursuant to the Lender Contract, Property Owner hereby requests and agrees to the imposition by Local Government of the Assessment in the principal amount of \$\_\_\_\_\_, as set forth in the Notice of Contractual Assessment Lien. The Assessment includes the application and administration fees authorized by the PACE Program and Section 399.006(e) of the PACE Act. Property Owner promises and agrees to pay the Assessment, Contractual Interest thereon, any prepayment penalty, and all penalties, interest, fees, and costs due under and/or authorized by the PACE Act, PACE Program and the financing documents between Property Owner and Lender (the “**Financing Documents**”) which are described or listed in Exhibit C attached hereto and made a part hereof by reference. Property Owner promises and agrees pay such amount and interest to Local Government, in care of or as directed by Lender, in satisfaction of the Assessment imposed pursuant to this Owner Contract and the PACE Act. Accordingly, Local Government hereby imposes the Assessment on the Property to secure the payment of such amount, in accordance with the requirements of the PACE Program and the provisions of the PACE Act.

2. Maintenance and Enforcement of Assessment. In consideration for Lender’s agreement to advance Financing to Property Owner for the Project pursuant to the Financing Documents, Local Government agrees to maintain and continue the Assessment on the Property for the benefit of Lender until the Assessment, including all interest, fees, penalties, costs, and other sums due under and/or authorized by the PACE Act, PACE Program and the Financing Documents are paid in full, and to release or cause the release of the Assessment upon notice from Lender of such payment. Local Government, through its delinquent property tax collection process, agrees to undertake reasonable efforts to enforce the Assessment against the Property for

the benefit of Lender in the event of a default by Property Owner. Authorized Representative agrees to send an annual notice of assessment to the Property Owner each year there is a PACE lien balance. However, any failure of Local Government or Authorized Representative to deliver an annual notice of assessment to Property Owner will not affect the Assessment or Property Owner's obligations under the Owner Contract.

3. Installments. The Assessment, including the amount financed and contractual interest, is due and payable in installments as set forth in the Notice of Contractual Assessment Lien and the Financing Documents. The Assessment shall include: (1) an application fee to be paid by Property Owner to the Authorized Representative at the time of application, and (2) a closing fee (less application fee) paid to the Authorized Representative at the closing of the Financing. The Property Owner is further required to pay a recurring administration fee to Authorized Representative until the Assessment is released. The recurring administration fee amount shall be collected by Lender and paid to the Authorized Representative within thirty (30) days of receipt by Lender. The administration fee amounts due to Authorized Representative are identified in Exhibit C hereto. When the Assessment, together with any prepayment premium, and/or default penalties and interest, if any, has been paid in full, Local Government's rights under this Owner Contract will cease and terminate, except for rights under Section 18, 19, 20, and 21. Upon notice from Lender that all amounts due have been paid in full, Local Government will direct the Authorized Representative to execute a release of the Assessment and this Owner Contract and record the release. As required by Section 399.009(a) (8) of the PACE Act, the Property Owner represents to the Local Government that the period during which such Installments are payable does not exceed the useful life of the Project. If this is a US Department of Housing and Urban Development ("HUD") assisted or a Federal Housing Administration ("FHA") insured Project, then the Financing Documents shall provide for Installments to be escrowed in a manner acceptable to the HUD or FHA lender and paid to Lender.

4. Assignment of Right to Receive Installments or Require Enforcement of Lien. Lender will have the right, with or without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with all corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender as defined in the Lender Contract;

(b) Property Owner and Authorized Representative, and HUD, if this is a HUD assisted or FHA insured Project, are notified in writing of the assignment or transfer and the address to which payment of the future installments should be mailed at least 30 days before the next installment is due according to the payment schedule included in the Notice of Contractual Assessment Lien and the Financing Documents; and

(c) The assignee or transferee of the right to receive the payments executes an explicit written assumption of all of Lender's rights and obligations under the Lender Contract related to the receipt of the Installments or the enforcement of the assessment lien and provides a copy of such assumption to Property Owner and Authorized Representative.

Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately. Upon written notice to Property Owner and Authorized Representative of an assignment or transfer of the right to receive the installments that meets all of these conditions, the assignor shall be released of all of the obligations of the Lender under such Lender Contract accruing after the date of the assignment assumed by and transferred to such assignee or transferee and all of such obligations shall be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the installments that does not meet all of these conditions is void.

5. Lien Priority and Enforcement. Pursuant to Section 399.014 of the PACE Act:

(a) Delinquent installments of the Assessment will incur penalties and accrue interest in the same manner and in the same amount as delinquent property taxes under Texas law. Statutory penalties and statutory interest payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees and charges that become due pursuant to the Financing Documents, may be imposed and retained by Lender. To ensure that the collection of delinquent installments of Assessments and other amounts due pursuant to the Financing Documents is congruent with the collection of delinquent property taxes the following procedures will be followed:

(1) Any delinquent account on which two thirty (30) day notices of delinquency have been mailed as specified herein shall be enforced by means of Judicial Enforcement.

(2) Delinquent installments of Assessment(s) through November 30 of any year will incur penalties and accrue interest as specified in the Financing Documents.

(3) On or after February 1 of any year, the Authorized Representative will notify the County Tax Assessor/Collector and the entity that collects delinquent taxes for the county of the amount due as of January 31 of said year. The amount due on January 31 shall become the base amount of delinquency which will incur penalties and accrue interest and collection fees in the same manner and on the same schedule as delinquent property taxes.

(4) Installments of Assessment(s) becoming delinquent after November 30 of any year will incur penalties and accrue interest as specified in the Financing Documents but, notification of the County Tax Assessor/Collector and the entity that collects delinquent taxes for the county shall not occur until February 1 following delinquency. The amount due on January 31 following delinquency shall become the base amount of delinquency which will incur penalties and accrue interest and collection fees in the same manner and on the same schedule as delinquent property taxes.

(b) The Assessment, together with any penalties and interest thereon,

(1) is a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is filed in the Official Public Records of the county in which the Property is located as provided by Section 399.013 of the PACE Act, until the financing secured by the Assessment and any penalties and interest (including any Contractual Interest and penalties) are paid; and

(2) such lien has the same priority status as a lien for any other ad valorem tax.

(c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due is not eliminated by foreclosure of (i) a property tax lien, or (ii) the lien for a past due portion of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse on Local Government or Authorized Representative and with recourse on Property Owner only for any unpaid installments of the Assessment that became due during Property Owner's period of ownership.

(d) In the event of a default by Property Owner in payment of the installments called for by the Financing Documents, the lien created by the Assessment will be enforced by Local Government, in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local Government will be entitled to recover costs and expenses, including attorney's fees, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender shall be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) Distribution of Proceeds of a foreclosure sale pursuant to a Judgment ordering foreclosure of Property Tax Lien(s) and delinquent installments(s) of an Assessment Lien shall be made in the following order:

(1) the payment of the costs of suit and sale;

(2) the payment of ad valorem taxes, penalties, interest, and attorney's fees due under the judgment; and

(3) the payment of delinquent installment(s) of the Assessment, penalties, interest, fees, costs, and attorney's fees due under the judgment.

(g) As provided in Section 399.014 (a-1) of the PACE Act, after the Notice of Contractual Assessment Lien is recorded in the Official Public Records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a “qualified improvement” or the project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

6. Written Contract Required by PACE Act. This Owner Contract constitutes a written contract for the Assessment between the Property Owner and Local Government as required by Section 399.005 of the PACE Act. The Notice of Contractual Assessment Lien will be recorded in the Official Public Records of the county in which the Property is located as public notice of the contractual Assessment, in accordance with the requirements of Section 399.013 of the PACE Act.

7. Qualified Improvements. Property Owner agrees that all improvements purchased, constructed, and/or installed through the financing obtained pursuant to this Owner Contract shall be permanently affixed to the Property and will transfer with the Property to the transferee in the event of a sale or transfer of the Property. Property Owner agrees to provide to Authorized Representative within 30 days after the completion of the Project a verification by an independent third-party reviewer (“ITPR”) that the project was properly completed and is operating as intended. Property Owner agrees that Lender may retain the final advance of Financing until such verification is submitted or require Property Owner to pay liquidated damages for a failure to do so, according to paragraph 19 below.

8. Water or Energy Savings. For so long as the Assessment encumbers the Property, Property Owner agrees, on or before January 31<sup>st</sup> of each year, to report to Authorized Representative the water or energy savings realized through the Project in accordance with the reporting requirements established by Local Government.

9. Construction and Definitions. This Owner Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the PACE Program and/or the PACE Act.

10. Binding Effect. This Owner Contract inures to the benefit of Local Government and is binding upon Property Owner, its heirs, successors, and assigns.

11. Notices. All notices and other communications required or permitted by this Owner Contract shall be in writing and mailed by certified mail, return receipt requested, addressed to the other party at its address shown below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law. This Owner Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.

13. Entire Agreement. This Owner Contract constitutes the entire agreement between Local Government and Property Owner with respect to the subject matter hereof and may not be amended or altered in any manner except by a document in writing executed by both parties. If

this is a HUD assisted or FHA insured Project, then HUD or FHA must also consent in writing to any amendment or alteration of this Owner Contract, for as long as the Project remains HUD-assisted or FHA-insured.

14. Further Assurances. Property Owner further covenants and agrees to do, execute and deliver, or cause to be done, executed, and delivered all such further acts for implementing the intention of this Owner Contract as may be reasonably necessary or required.

15. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

16. Counterparts. This Owner Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together will constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

17. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the “**usury limit**”). If the total amount of interest payable to Local Government and Lender exceeds the usury limit, the interest payable to Local Government will be reduced and any interest in excess of the usury limit will be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Owner Contract.

18. Costs. No provisions of this Owner Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

19. Release. PROPERTY OWNER AGREES TO AND SHALL RELEASE THE LOCAL GOVERNMENT, ITS AUTHORIZED REPRESENTATIVES, AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE “RELEASED PERSONS”) FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS CONTRACT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE RELEASED PERSON’S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE RELEASED PERSON’S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, AND EVEN IF THE INJURY, DEATH, DAMAGE OR LOSS IS CAUSED BY THE RELEASED PERSON’S WRONGFUL OR NEGLIGENT ENFORCEMENT OF THE ASSESSMENT OR FORECLOSURE.

20. Indemnification. TO THE MAXIMUM EXTENT ALLOWED BY LAW, PROPERTY OWNER SHALL INDEMNIFY AND HOLD LOCAL GOVERNMENT, ITS AUTHORIZED REPRESENTATIVES, AND THEIR RESPECTIVE AFFILIATES, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS (EACH SUCH PERSON HEREIN REFERRED TO AS AN “INDEMNITEE”) ABSOLUTELY HARMLESS FROM AND

AGAINST ALL CLAIMS, LIABILITIES, LOSSES, DAMAGES, OBLIGATIONS OR RELATED EXPENSES INCURRED BY OR IMPOSED UPON OR ALLEGED TO BE DUE OF INDEMNITEE IN CONNECTION WITH THE EXECUTION OR DELIVERY OF THIS CONTRACT, THE NOTICE OF CONTRACTUAL ASSESSMENT LIEN, THE FINANCING DOCUMENTS, AND ANY OTHER DOCUMENT OR ANY OTHER AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR, IN THE CASE OF ANY INDEMNITEE, THE ADMINISTRATION OF THIS CONTRACT AND ANY OTHER AGREEMENTS RELATED TO THE PROJECT. HOWEVER, IF HUD LATER ACQUIRES TITLE TO ALL OR ANY PORTION OF THE PROPERTY PURSUANT TO A FORECLOSURE, DEED IN LIEU OF FORECLOSURE, OR OTHERWISE, THEN NOTWITHSTANDING ANYTHING IN THIS OWNER CONTRACT TO THE CONTRARY, HUD SHALL NOT BE OBLIGATED TO INDEMNIFY ANY INDEMNITEE OR ENTITY OR BE LIABLE FOR, OR TO CARRY OUT, ANY INDEMNITY.

21. No Personal Liability. Pursuant to Section 399.019 of the PACE Act, the Property Owner acknowledges that the members of the governing body of a local government, other elected officials of a local government, employees of a local government, and board members, executives, employees, and contractors of a third party who enter into a contract with a Local Government to provide administrative services for a program under this chapter are not personally liable as a result of exercising any rights or responsibilities under the PACE Program or any agreement in furtherance of the PACE Program.

22. Construction Terms. If the Lender Contract includes requirements related to the construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit D attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

**PROPERTY OWNER:**

\_\_\_\_\_

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

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

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

Address: \_\_\_\_\_

\_\_\_\_\_

Email address: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF TEXAS           §

COUNTY OF \_\_\_\_\_ §

This PACE Owner Contract pursuant to Property Assessed Clean Energy Act was  
acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_,  
\_\_\_\_\_, on behalf of \_\_\_\_\_.

\_\_\_\_\_

\_\_\_\_\_ (print name)

NOTARY PUBLIC, STATE OF TEXAS

**LOCAL GOVERNMENT:**

CITY OF HUNTSVILLE, TEXAS

BY:

ITS: Authorized Representative

\_\_\_\_\_  
BY:

ITS:

Pursuant to Tex. Local Gov't Code §399.006(b)

Address:

Email Address:

**ACKNOWLEDGEMENT**

STATE OF TEXAS           §

COUNTY OF \_\_\_\_\_ §

This PACE Owner Contract pursuant to Property Assessed Clean Energy Act was  
acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_,  
\_\_\_\_\_, on behalf of \_\_\_\_\_, a Texas  
\_\_\_\_\_, as Authorized Representative for the Local Government.

\_\_\_\_\_  
\_\_\_\_\_(print name)

NOTARY PUBLIC, STATE OF TEXAS

OWNER CONTRACT EXHIBIT A

NOTICE OF CONTRACTUAL ASSESSMENT LIEN  
PURSUANT TO  
PROPERTY ASSESSED CLEAN ENERGY ACT

OWNER CONTRACT EXHIBIT B  
MORTGAGE HOLDER(S) CONSENT

OWNER CONTRACT EXHIBIT C

FINANCING DOCUMENTS

Assessment Payment Schedule

Assessment Total:

Payment Frequency:

| Payment Date | Total Payment | Principal Paid | Interest Paid | Administration Fee | Remaining Balance |
|--------------|---------------|----------------|---------------|--------------------|-------------------|
|              |               |                |               |                    |                   |
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Financing Documents

| Document Title | Parties | Date Executed |
|----------------|---------|---------------|
|                |         |               |

OWNER CONTRACT EXHIBIT D

CONSTRUCTION TERMS

Retainage or Liquidated Damages:

Lender will retain \_\_\_\_\_% of the Financing until a report of completion by a qualified Independent Third Party Reviewer (“ITPR”) is provided to Authorized Representative.

OR

Property Owner will pay liquidated damages to Lender of \$\_\_\_\_\_ per day for every day after 30 days following completion of the Project that such a report of completion is not provided. Lender will then provide the report of completion to Authorized Representative.

Additional Construction Terms

| Date | Draw down<br>Amount | Purpose |
|------|---------------------|---------|
|      |                     |         |
|      |                     |         |
|      |                     |         |
|      |                     |         |
|      |                     |         |

**EXHIBIT 3**  
**FORM LENDER CONTRACT**

## **FORM PACE LENDER CONTRACT**

THIS PROPERTY ASSESSED CLEAN ENERGY (“**PACE**”) LENDER CONTRACT including the attached exhibits (“**Lender Contract**”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, (“**Effective Date**”) by and between the City of Huntsville, Texas (“**Local Government**”) and \_\_\_\_\_ (“**Lender**”).

### **RECITALS**

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a Local Government to establish a program and designate a region within the Local Government’s jurisdiction within which an authorized representative of the Local Government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a resolution dated \_\_\_\_\_, and adopted by the City Council (“**PACE Program**”), and has designated \_\_\_\_\_ as a representative of Local Government (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the Local Government’s jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owner’s property pursuant to the PACE Program.

C. Pursuant to Application number \_\_\_\_\_, \_\_\_\_\_ (“**Property Owner**”), the legal and record owner of the following qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region has/have applied to Local Government to participate in the PACE Program with respect to certain real property located at \_\_\_\_\_, \_\_\_\_\_, Texas, \_\_\_\_\_ - \_\_\_\_\_ (the “**Property**”) by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”).

D. Property Owner and Local Government have entered into a written contract as required by Section 399.005 of the PACE Act, a copy of which is attached hereto as Exhibit A and made a part hereof (the “**Owner Contract**”), in which Property Owner has requested that Local Government impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the Official Public Records of Walker County, Texas (the “**Notice of Contractual Assessment**”).

**Lien**”), to repay the financing of such Qualified Improvements. A copy of the Notice of Contractual Assessment Lien is attached as Exhibit A to the Owner Contract and made a part hereof. The Property, Qualified Improvements, and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing for the Project (the “**Financing**”) will be provided to Property Owner by Lender in accordance with financing documents which are described in or copies of which are attached as Exhibit B and made a part hereof (the “**Financing Documents**”). Such Financing will include only those costs and fees for which an assessment may be imposed under the PACE Act. This Lender Contract is entered into between Local Government and Lender as required by Section 399.006(c) of the PACE Act to provide for repayment of the Financing through the Assessment.

F. As required by Section 399.010 of the PACE Act, Property Owner has notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of the Owner Contract of Property Owner’s intention to participate in the PACE Program. Pursuant to the requirements of the PACE Act, the written consent of each mortgage lien holder to the Assessment was obtained on or prior to the date of the Owner Contract, as shown by the copy of such consent(s) attached as Exhibit B to the Owner Contract.

## **AGREEMENT**

The parties agree as follows:

1. Maintenance and Enforcement of Assessment. Lender agrees to provide Financing for the Project in the total principal amount of \$\_\_\_\_\_, according to the terms set out in the Financing Documents attached hereto as Exhibit B. In consideration for the Financing provided or to be provided by Lender for the Project, and subject to the terms and conditions of this Lender Contract, Local Government agrees to maintain and continue the Assessment for the benefit of Lender until the Assessment, all contractual interest (“**Contractual Interest**”), any prepayment penalty, and any penalties, interest, attorney’s fees, and/or costs due under or authorized by the PACE Act due to Lender according to the Financing Documents are paid in full, and to release the Assessment upon notice from Lender of such payment. The Authorized Representative shall record a release of lien in the property records of the County. Local Government will not release, sell, assign or transfer the Assessment or the lien securing it without the prior written consent of Lender. Local Government agrees to enforce the assessment lien against the Property at the request of Lender in the event of a default in payment by Property Owner in accordance with the provisions set forth in paragraph 6, as may be limited by applicable law. Local Government shall have no obligation to repurchase the Assessment and no liability to Lender should there be a default in the payment thereof or should there be any other loss or expense suffered by Lender or under any other circumstances.

2. Installments. The Assessment and Contractual Interest thereon are due and payable to Lender in installments (“**Installments**”) according to the payment schedule set forth in the Financing Documents attached hereto as Exhibit B. To participate in the PACE Program, the Property Owner is required to pay (1) an application fee to be paid to the Authorized Representative at the time of application, and (2) a closing fee (less application fee) paid to the Authorized Representative at the closing of the Financing. The Property Owner is further required

to pay a recurring administration fee paid by Property Owner to Authorized Representative until the Assessment is released. The recurring administration fee amount will be collected by Lender and paid to Authorized Representative within thirty (30) days of receipt by Lender, unless otherwise agreed to in writing by Authorized Representative. Notwithstanding the foregoing, in the event of delinquency in the payment of any Installment, Lender will, upon notice to Authorized Representative, withhold payment of any amounts due to Authorized Representative in connection with such Installment until the Installment is paid. Any such temporary withholding will not reduce the amount of administration fees included in the Assessment. The amounts due to Authorized Representative are identified in Exhibit B hereto. As required by Section 399.009(a)(8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project. When the Assessment together with any prepayment premium, and/or default penalties and interest, if any, has been paid in full, Local Government's rights under this Lender Contract will cease and terminate, except for rights under Section 18, 19, 20 and 21. Upon notice from Lender that all amounts owing have been paid in full, Authorized Representative will execute a release of the Assessment and this Lender Contract. Thereafter, the Authorized Representative will record the release.

3. Assignment of Right to Receive Installments or Require Enforcement of Lien. Lender will have the right, without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with the corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender, which may be one of the following:

(1) Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;

(2) Any insurance company authorized to conduct business in one or more states;

(3) Any registered investment company, registered business development company, or a Small Business Administration small business investment company;

(4) Any publicly traded entity;

(5) Any private entity that:

(i) Has a minimum net worth of \$5 million;

(ii) Has at least three years' experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years' experience in business or industrial lending or commercial real estate lending;

(iii) Can provide independent certification as to availability of funds; and

(iv) Has the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts; or

(6) A financially stable entity, whether or not from the list above, with the ability to carry out, either directly or through a servicer, the obligations of this Lender Contract related to the receipt and accounting of the Installments or the enforcement of the assessment lien.

(b) Property Owner and Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed at least 30 days before the next Installment is due according to the payment schedule included in the Financing Documents. If this is a US Department of Housing and Urban Development (“HUD”) assisted or a Federal Housing Administration (“FHA”) insured Project, the Lender shall notify HUD at the address below or a subsequent address provided by HUD.

US Department of Housing and Urban Development  
Fort Worth Regional Office  
307 W. 7th Street, Suite 1000  
Fort Worth, Texas 76102

(c) The assignee or transferee executes a written assumption agreement according to the Financing Documents of all of Lender’s rights and obligations under this Lender Contract related to the receipt of the Installments or enforcement of the assessment lien and provides a copy of such assumption to Property Owner and Authorized Representative within 10 days after execution of the agreement. Such written agreement must contain a certification by the Lender and the assignee that all of the conditions in this Section 3 have been met. Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately. Upon written notice to Property Owner and Authorized Representative of an assignment or transfer that meets all of these conditions, the assignor will be released of all of the rights and obligations of the Lender under this Lender Contract accruing after the date of the assignment that are specified in the assignment or transfer document, and all of such rights and obligations will be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments or to require enforcement of the assessment lien that does not meet all of these conditions is void. Lender will retain all of the rights and obligations of Lender under this Lender Contract until such rights and obligations are assigned or transferred according to this paragraph.

4. Financing Responsibility. Lender assumes full responsibility for determining the financial ability of the Property Owner to repay the Financing and for advancing the funds as set forth in the Financing Documents and performing Lender’s obligations and responsibilities

thereunder. In the event the assessment lien on the Property is enforced by foreclosure as provided below, Lender will have no further obligations to Property Owner with respect to the Installments that were the subject of the foreclosure, but Lender will retain the rights to enforcement of the lien for any Installments that are not eliminated by the foreclosure, and the succeeding owner of the Property will be subject to such lien.

5. Lien Priority and Enforcement. As provided in the Owner Contract and Section 399.014 of the PACE Act:

(a) Delinquent Installments of the Assessment incur penalties and accrue interest on the principal of the Installment in the same manner and in the same amount as delinquent property taxes. Statutory penalties and statutory interest payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees and charges that become due pursuant to the Financing Documents may be imposed and retained by Lender. To ensure that the collection of delinquent installments of Assessments is congruent with the collection of delinquent property taxes the following procedures will be followed:

(1) Any delinquent account on which two thirty (30) day notices of delinquency have been mailed as specified herein shall be enforced by means of Judicial Enforcement.

(2) Delinquent installments of Assessment(s) through November 30 of any year will incur penalties and accrue interest as specified in the Financing Documents.

(3) On or after February 1 of any year, the Authorized Representative will notify the County Tax Assessor/Collector and the entity that collects delinquent taxes for the County of the amount due as of January 31 of said year. The amount due on January 31 shall become the base amount of delinquency which will incur penalties and accrue interest and collection fees in the same manner and on the same schedule as delinquent property taxes.

(4) Installments of Assessment(s) becoming delinquent after November 30 of any year will incur penalties and accrue interest as specified in the Financing Documents but, notification of the County Tax Assessor/Collector and the entity that collects delinquent taxes for the County shall not occur until February 1 following delinquency. The amount due on January 31 following delinquency shall become the base amount of delinquency which will incur penalties and accrue interest and collection fees in the same manner and on the same schedule as delinquent property taxes.

(b) The Assessment, together with any penalties and interest thereon,

(1) are a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is recorded in the Official Public

Records of the county in which the Property is located, as provided by Section 399.013 of the PACE Act, until the Assessment, interest, or penalty is paid; and

(2) such lien has the same priority status as a lien for any other ad valorem tax.

(c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse to Lender, Local Government or Authorized Representative

(d) In the event of a default by Property Owner in payment of an Installment called for by the Financing Documents or the filing of a case under the U.S. Bankruptcy Code by or against Property Owner, the lien created by the Assessment will be enforced by Local Government for the benefit of Lender according to paragraph 6(c) below in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a Local Government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local Government will be entitled to recover costs and expenses, including attorney's fees, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender will be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) Notwithstanding any other provisions in this Lender Contract except Section 16 hereof, distribution of Proceeds of a foreclosure sale pursuant to a Judgment ordering foreclosure of Property Tax Lien(s) and delinquent installments(s) of an Assessment Lien shall be disbursed in the following order:

(1) the payment of the costs of suit and sale;

(2) the payment of ad valorem taxes, and associated penalties, interest, and attorney's fees due under the judgment; and

(3) the payment of delinquent installment(s) of the Assessment, and associated penalties, interest, fees, costs, and attorney's fees due under the judgment.

(g) As provided in Section 399.014(a-1) of the PACE Act, after written notice of the Assessment is recorded in the Official Public Records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis

that the improvement is not a “qualified improvement” or the project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

6. Servicing and Enforcement of Assessment.

(a) Servicing. The Installments and other amounts due under the Financing Documents will be billed, collected, received, and disbursed in accordance with the procedures set out in the Financing Documents. Lender or its designee will be responsible for all servicing duties other than those specifically undertaken by Local Government in this Lender Contract. If this is a HUD-assisted or FHA-insured Project, then the Financing Documents (i) shall provide for Installments to be escrowed in a manner acceptable to the HUD or FHA lender and paid to Lender, and (ii) not make Installments more frequently than semi-annually. Authorized Representative agrees to send an annual notice of assessment to the Property Owner each year there is a PACE lien balance. However, any failure of Local Government or Authorized Representative to deliver an annual notice of assessment to Property Owner will not affect the Assessment or Property Owner’s obligations under the Owner Contract.

(b) Remittances. Each of the parties covenants and agrees to promptly remit to the other party any payments incorrectly received by such party with respect to the Assessment after the execution of this Lender Contract.

(c) Default and Enforcement. In the event of a default in payment of any Installment according to the Financing Documents, Lender agrees to take at least the following steps to collect the delinquent Installment:

(1) Mail a written notice of delinquency and demand for payment to the Property Owner by both certified mail, return receipt requested, and first class mail. If this is a HUD-assisted or FHA-insured Project, Lender shall mail a copy of the first notice of delinquency to HUD; and

(2) Mail a second notice of delinquency to the Property Owner by both certified mail, return receipt requested, and first-class mail at least 30 days after the date of the first notice if the delinquency is continuing. If this is a HUD-assisted or FHA-insured Project, Lender shall mail a copy of the second notice of delinquency to HUD.

If this is a HUD-assisted or FHA-insured Project, HUD shall have not less than a sixty (60) day notice and right to cure the delinquency by paying the amount of the delinquent Installment. If the Property Owner fails to cure the delinquency within 30 days after the mailing of the second notice of delinquency, Lender or its designee may notify Authorized Representative in writing of a default in payment by Property Owner. Upon receipt of such notice and after doing its own due diligence, Local Government will enforce the assessment lien for the benefit of Lender pursuant to Sec. 399.014(c) of the PACE Act, in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(d) Priority. If the assessment lien is enforced by foreclosure or collected through a bankruptcy or similar proceeding, the assessment balance and any interest or penalties on the assessment will have the same priority status as a lien for any other ad valorem tax, pursuant to Sec. 399.014(a)(2) of the PACE Act.

(e) Final Payment and Release. When the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees, or costs due under or authorized by the PACE Act or the Financing Documents have been paid in full, Local Government's rights under the Owner Contract will cease and terminate. Upon notice from Lender that all amounts due have been paid in full, Authorized Representative will execute a release of the Assessment and the Owner Contract and record the release.

(f) Limitations on Local Government's Actions. Without the prior written consent of Lender, Local Government will not enter into any amendment or modification of or deviation from the Owner Contract. Local Government or Authorized Representative will not institute any legal action with respect to the Owner Contract, the Assessment, or the assessment lien without the prior written request of Lender.

(g) Limitations of Local Government's Obligations. Local Government undertakes to perform only such duties as are specifically set forth in this Lender Contract, and no implied duties on the part of Local Government are to be read into this Lender Contract. Local Government will not be deemed to have a fiduciary or other similar relationship with Lender. Local Government may request written instructions for action from Lender and refrain from taking action until it receives satisfactory written instructions. Local Government will have no liability to any person for following such instructions, regardless of whether they are to act or refrain from acting.

(h) Costs. No provisions of this Lender Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

7. Lender's Warranties and Representations. With respect to this Lender Contract, Lender hereby warrants and represents that on the date on which Lender executes this Lender Contract:

(a) Lender is a qualified lender under the PACE Program, as defined in paragraph 3(a) above, and is fully qualified under the PACE Program to enter into this Lender Contract and the Financing Documents;

(b) Lender has independently and without reliance upon Local Government conducted its own credit evaluation, reviewed such information as it has deemed adequate and appropriate, and made its own analysis of the Owner Contract, the Project, and Property Owner's financial ability to perform the financial obligations set out in the Financing Documents; and

(c) Lender has not relied upon any investigation or analysis conducted by, advice or communication from, or any warranty or representation by Local Government,

Authorized Representative, or any agent or employee of Local Government, express or implied, concerning the financial condition of the Property Owner or the tax or economic benefits of an investment in the Assessment.

8. Written Contract Required by the PACE Act. This Lender Contract constitutes a written contract between Local Government and Lender, as required under Section 399.006 (c) of the PACE Act.

9. Construction and Definitions. This Lender Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein have the meanings ascribed to them in the PACE Program, and/or the PACE Act.

10. Binding Effect. This Lender Contract is binding upon and inures to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

11. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted hereunder shall be in writing and delivered by first-class mail or by electronic mail, addressed to the other party at the address stated below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law. This Lender Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.

13. Entire Agreement. This Lender Contract constitutes the entire agreement between Local Government and Lender with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties. If this is a HUD-assisted or FHA-insured Project, then HUD or FHA must also consent in writing to any amendment or alteration of this Lender Contract, for as long as the Project remains HUD-assisted or FHA-insured.

14. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

15. Counterparts. This Lender Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together will constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

16. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the “**usury limit**”). If the total amount of interest payable to Local Government and Contractual Interest payable to Lender exceeds the usury limit, interest payable to Local

Government will be reduced and any interest in excess of the usury limit will be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Lender Contract.

17. Certification. Local Government certifies that the PACE Program has been duly adopted and is in full force and effect on the date of this Lender Contract. Property Owner has represented to Lender and Local Government that the Project is a “qualified project” as defined in the PACE Program and Section 399.002 of the PACE Act. The Assessment has been imposed on the Property as a lien in accordance with the PACE Owner Contract and the PACE Act. Local Government has not assigned or transferred any interest in the Assessment or the PACE Owner Contract.

18. Costs. No provision of this Lender Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

19. Release. LENDER AGREES TO AND SHALL RELEASE THE LOCAL GOVERNMENT, ITS AUTHORIZED REPRESENTATIVES, AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE “RELEASED PERSONS”) FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS CONTRACT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE RELEASED PERSON’S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE RELEASED PERSON’S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, AND EVEN IF THE INJURY, DEATH, DAMAGE OR LOSS IS CAUSED BY THE RELEASED PERSON’S WRONGFUL OR NEGLIGENT ENFORCEMENT OF THE ASSESSMENT OR FORECLOSURE. NOTWITHSTANDING THE FOREGOING, LOCAL GOVERNMENT AGREES THAT ITS OBLIGATION TO MAINTAIN, CONTINUE, AND ENFORCE THE ASSESSMENT AS WELL AS ITS OBLIGATION TO REMIT AMOUNTS IN ACCORDANCE WITH THIS AGREEMENT ARE MINISTERIAL ACTS, AND THE LENDER MAY BRING AN ACTION IN MANDAMUS, A CLAIM FOR SPECIFIC PERFORMANCE, OR ANY SIMILAR ACTION OR REMEDY (EXCEPT AN ACTION SEEKING MONETARY DAMAGES FROM THE LOCAL GOVERNMENT) AGAINST ANY NECESSARY PARTY TO ENSURE THE NECESSARY MINISTERIAL ACTS LISTED ABOVE ARE PERFORMED PURSUANT TO THIS AGREEMENT.

20. Indemnification. TO THE MAXIMUM EXTENT ALLOWED BY LAW, LENDER SHALL INDEMNIFY AND HOLD LOCAL GOVERNMENT, AUTHORIZED REPRESENTATIVES, AND THEIR RESPECTIVE AFFILIATES, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS (EACH SUCH PERSON HEREIN REFERRED TO AS AN “INDEMNITEE”) ABSOLUTELY HARMLESS FROM AND AGAINST ALL CLAIMS, LIABILITIES, LOSSES, DAMAGES, OBLIGATIONS OR RELATED EXPENSES INCURRED BY OR IMPOSED UPON OR ALLEGED TO BE DUE OF INDEMNITEE IN CONNECTION WITH THE EXECUTION OR DELIVERY OF THIS CONTRACT, THE NOTICE OF CONTRACTUAL ASSESSMENT LIEN, THE FINANCING DOCUMENTS, AND ANY OTHER DOCUMENT OR ANY OTHER AGREEMENT OR INSTRUMENT

CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR, IN THE CASE OF ANY INDEMNITEE, THE ADMINISTRATION OF THIS CONTRACT AND ANY OTHER AGREEMENTS RELATED TO THE PROJECT. NOTWITHSTANDING THE FOREGOING OR ANYTHING CONTAINED HEREIN TO THE CONTRARY, LENDER SHALL HAVE NO OBLIGATION TO INDEMNIFY AND HOLD ANY INDEMNITEE HARMLESS FROM AND AGAINST ALL CLAIMS, LIABILITIES, LOSSES, DAMAGES, OBLIGATIONS OR RELATED EXPENSES INCURRED BY OR IMPOSED UPON OR ALLEGED TO BE DUE OF AN INDEMNITEE IF SUCH CLAIMS, LIABILITIES, LOSSES, DAMAGES, OBLIGATIONS OR RELATED EXPENSES ARE CAUSED BY OR ARISE FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE RELATED TO THE FAILURE TO MAINTAIN, CONTINUE, AND ENFORCE THE ASSESSMENT AS WELL AS ITS OBLIGATION TO REMIT AMOUNTS IN ACCORDANCE WITH THIS AGREEMENT. HOWEVER, IF HUD LATER ACQUIRES TITLE TO ALL OR ANY PORTION OF THE PROPERTY PURSUANT TO A FORECLOSURE, DEED IN LIEU OF FORECLOSURE, OR OTHERWISE, THEN NOTWITHSTANDING ANYTHING IN THIS LENDER CONTRACT TO THE CONTRARY, HUD SHALL NOT BE OBLIGATED TO INDEMNIFY ANY INDEMNITEE OR ENTITY OR BE LIABLE FOR, OR TO CARRY OUT, ANY INDEMNITY.

21. No Personal Liability. Pursuant to Section 399.019 of the PACE Act, the Lender acknowledges that the members of the governing body of a Local Government, other elected officials of a Local Government, employees of a Local Government, and board members, executives, employees, and contractors of a third party who enters into a contract with a Local Government to provide administrative services for a program under this chapter are not personally liable as a result of exercising any rights or responsibilities under the PACE Program or any agreement in furtherance of the PACE Program.

22. Construction Terms. If this Lender Contract includes any additional requirements related to construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit C attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

LENDER:

\_\_\_\_\_

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

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

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

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

#### ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_, on behalf of \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_(print name)

NOTARY PUBLIC, STATE OF \_\_\_\_\_

LOCAL GOVERNMENT:

CITY OF HUNTSVILLE, TEXAS

BY:

ITS: Authorized Representative

\_\_\_\_\_  
BY:

ITS:

Pursuant to Tex. Local Gov't Code §399.006(b)

Address:

Email Address:

#### ACKNOWLEDGEMENT

STATE OF TEXAS           §

COUNTY OF \_\_\_\_\_ §

This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_, on behalf of \_\_\_\_\_, a Texas \_\_\_\_\_, as Authorized Representative for the Local Government.

\_\_\_\_\_  
\_\_\_\_\_  
(print name)

NOTARY PUBLIC, STATE OF TEXAS

LENDER CONTRACT EXHIBIT A

OWNER CONTRACT

LENDER CONTRACT EXHIBIT B  
FINANCING DOCUMENTS

Assessment Payment Schedule

Assessment Total:  
Payment Frequency:

| Payment Date | Total Payment | Principal Paid | Interest Paid | Administration Fee | Remaining Balance |
|--------------|---------------|----------------|---------------|--------------------|-------------------|
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Financing Documents

| Document Title | Parties | Date Executed |
|----------------|---------|---------------|
|                |         |               |

LENDER CONTRACT EXHIBIT C

CONSTRUCTION TERMS

Retainage or Liquidated Damages:

Lender will retain \_\_\_\_\_% of the Financing until a report of completion by a qualified Independent Third Party Reviewer (“ITPR”) is provided to Authorized Representative.

OR

Property Owner will pay liquidated damages to Lender of \$\_\_\_\_\_ per day for every day after 30 days following completion of the Project that such a report of completion is not provided. Lender will then provide the report of completion to Authorized Representative.

| Date | Draw down<br>Amount | Purpose |
|------|---------------------|---------|
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**EXHIBIT 4**  
**FORM NOTICE OF CONTRACTUAL ASSESSMENT LIEN**  
**PURSUANT TO PROPERTY ASSESSED CLEAN ENERGY ACT**

**FORM NOTICE OF CONTRACTUAL ASSESSMENT LIEN  
PURSUANT TO  
PROPERTY ASSESSED CLEAN ENERGY ACT**

STATE OF TEXAS                   §  
                                                 §  
CITY OF HUNTSVILLE       §

**RECITALS**

A.     The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand. Unless otherwise expressly provided herein, all terms used herein have the same meanings ascribed to them in the PACE Act.

B.     The City of Huntsville, Texas (“**Local Government**”) has established a program under the PACE Act (“**PACE Program**”) pursuant to a resolution dated \_\_\_\_\_ adopted by the City Council.

C.     Local Government has designated \_\_\_\_\_ as a representative of Local Government (“**Authorized Representative**”) authorized to enter into and enforce the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City of Huntsville, Texas jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owners’ property pursuant to the PACE Program.

D.     \_\_\_\_\_ (“**Property Owner**”) is/are the sole legal and record owner of the qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region located at \_\_\_\_\_, \_\_\_\_\_, Texas \_\_\_\_\_ - \_\_\_\_\_ and more fully described in Exhibit A attached hereto and made a part hereof (the “**Property**”).

E.     Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements described in Exhibit B attached hereto and made a part hereof, which are intended to decrease water or energy consumption or demand and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (the “**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has entered into a written contract (the “**Owner Contract**”) with Local Government

pursuant to the PACE Act and the PACE Program and has requested Local Government to impose an assessment on the Property to repay the financing of such Qualified Improvements.

F. The financing of such Qualified Improvements will be provided to Property Owner by \_\_\_\_\_ (“**Lender**”), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act (the “**Lender Contract**”). Lender will be responsible for all servicing duties other than those specifically undertaken by Local Government in the Lender Contract.

THEREFORE, Local Government hereby gives notice to the public pursuant to Section 399.013 of the PACE Act that it has imposed an assessment on the Property in the amount of \$\_\_\_\_\_ as set forth on Exhibit C attached hereto, which together with all interest, fees, penalties, costs and other sums due under and/or authorized by the PACE Act, PACE Program and the financing documents between Property Owner and Lender (the "Financing Documents") is herein referred to as the "Assessment".

Pursuant to Section 399.014 of the PACE Act,

1. The Assessment, including any interest and/or penalties, costs and fees accrued thereon,
  - (i) is a first and prior lien against the Property from the date on which this Notice of Contractual Assessment Lien is recorded in the Official Public Records of \_\_\_\_\_ County, Texas, until such Assessment, interest, penalties, costs, and fees are paid; and
  - (ii) such lien has the same priority status as a lien for any other ad valorem tax.
2. The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of: (i) a property tax lien, or (ii) the lien for any past due portion of the Assessment. In the event of a sale or transfer of the Property by Property Owner (including, without limitation, a foreclosure sale for a past due portion of the Assessment), the obligation for the Assessment and the Property Owner’s obligations under the Financing Documents (including, without limitation, the portion of the Assessment that has not yet become due) will be transferred to the succeeding owner without recourse to Local Government, or Authorized Representative and with recourse on Property Owner only for any unpaid installments of the Assessment that became due during Property Owner's period of ownership.

As provided in Section 399.014(a-1) of the PACE Act, after this Notice of Contractual Assessment Lien is recorded in the Official Public Records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a “qualified improvement” or the project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

EXECUTED on \_\_\_\_\_, \_\_\_\_\_.

LOCAL GOVERNMENT:  
CITY OF HUNTSVILLE, TEXAS

BY:

ITS: Authorized Representative

\_\_\_\_\_  
BY:

ITS:

Pursuant to Tex. Local Gov't Code §399.006(b)

Address:

Email Address:

#### ACKNOWLEDGEMENT

STATE OF TEXAS           §

COUNTY OF \_\_\_\_\_ §

This Notice of Contractual Assessment Lien pursuant to Property Assessed Clean Energy Act was acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_, \_\_\_\_\_, on behalf of \_\_\_\_\_, a Texas \_\_\_\_\_, as Authorized Representative for the Local Government.

\_\_\_\_\_  
\_\_\_\_\_  
(print name)

NOTARY PUBLIC, STATE OF TEXAS

NOTICE OF LIEN EXHIBIT A

PROPERTY DESCRIPTION

NOTICE OF LIEN EXHIBIT B  
QUALIFIED IMPROVEMENTS

NOTICE OF LIEN EXHIBIT C  
FINANCING DOCUMENTS

Assessment Payment Schedule

Assessment Total:  
Payment Frequency:

| Payment Date | Total Payment | Principal Paid | Interest Paid | Administration Fee | Remaining Balance |
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Financing Documents

| Document Title | Parties | Date Executed |
|----------------|---------|---------------|
|                |         |               |

INDEXING INSTRUCTION:

Grantor: \_\_\_\_\_, Property Owner  
Grantees: \_\_\_\_\_, Local Government  
              \_\_\_\_\_, Lender

After recording, return to-

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 2.c.

**Agenda Item:** Consider amending the ground lease footprint of GL-4 and GL-5 at the Bruce Brothers Huntsville Regional Airport and authorizing the City Manager to enter into the amended ground lease agreement for said hangar.

**Initiating Department/Presenter:** Development Services

**Presenter:**

Layne Yeager, City Planner/Airport Manager

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**Recommended Motion:** Move to approve amending the ground lease footprint of GL-4 and GL-5 at the Bruce Brothers Huntsville Regional Airport and authorizing the City Manager to enter into the amended ground lease agreement for said hangar.

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**Strategic Initiative:** Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

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**Discussion:** The leaseholders of ground leases GL-4 and GL-5 have approached city staff to further expand the original footprint of the current ground leases. The economic growth of the city and the airport has brought businesses to Huntsville in the aviation sector. This has brought opportunities for the current leaseholders to expand on the original development plan that was originally proposed. The relocation of Airport Road has also played a key part in the expansion opportunities of these ground lease locations. The current ground lease will remain the same; the only amendment will be for the footprint location to expand for GL-4 from 160 feet by 82 feet to 230 feet by 85 feet, with GL-5 from 92 feet by 82 feet to 340 feet by 85 feet.

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**Previous Council Action:** Council approved the City Manager to enter into a ground lease agreement with Huntsville Hangars LLC for GL-4 and Mr. Conrad Liles for GL-5 on February 6, 2024.

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**Financial Implications:** N/A

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**Approvals:**

Kevin Byal  
Leonard Schneider  
Sam Masiel  
Scott Swigert  
Kristy Doll

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**Associated Information:**

1. HANGAR LEASE SURVEY 1-2024

- 
2. HUNTSVILLE HANGER DIMENSIONS AND LAYOUTS
  3. HANGER LAYOUT DESIGNS - ROUGH REVISED 4-30 GL-4 and GL-5
  4. Huntsville Hangars GL-4 2024 - Executed and Signed
  5. Liles GL-5 Ground Lease 2024 - Executed and Signed

| Line Table |               |        |
|------------|---------------|--------|
| Line No.   | Bearing       | Length |
| L1         | S 86°39'09" E | 283.85 |
| L2         | S 03°20'51" W | 44.14  |
| L3         | N 86°39'09" W | 137.52 |
| L4         | S 03°20'51" W | 33.27  |
| L5         | N 86°39'09" W | 146.33 |
| L6         | N 03°20'51" E | 77.41  |
| L7         | S 03°20'51" W | 99.37  |
| L8         | N 86°39'09" W | 91.62  |
| L9         | N 03°20'51" E | 66.10  |
| L10        | N 86°39'09" W | 45.91  |
| L11        | S 86°39'09" E | 91.87  |
| L12        | S 03°13'06" W | 112.28 |

| Line Table |               |        |
|------------|---------------|--------|
| Line No.   | Bearing       | Length |
| L13        | N 86°39'09" W | 17.00  |
| L14        | N 03°20'51" E | 94.17  |
| L15        | N 86°39'09" W | 75.12  |
| L16        | N 03°20'51" E | 206.45 |
| L17        | S 86°39'09" E | 82.24  |
| L18        | S 03°20'51" W | 160.00 |
| L19        | N 86°39'09" W | 82.24  |
| L20        | N 03°20'51" E | 160.00 |
| L21        | N 86°39'09" W | 82.24  |
| L22        | N 03°20'51" E | 92.50  |
| L23        | S 03°20'51" W | 92.50  |

#### Notes:

1. All corners of Lease parcels are monumented with 1/2" iron rod with 2" dia. alum. cap stamped "City of Huntsville, L. E. Woods, R.P.L.S. 2524" unless otherwise noted.

2. See metes and bounds descriptions labeled Exhibit "A" prepared concurrently with this plat.

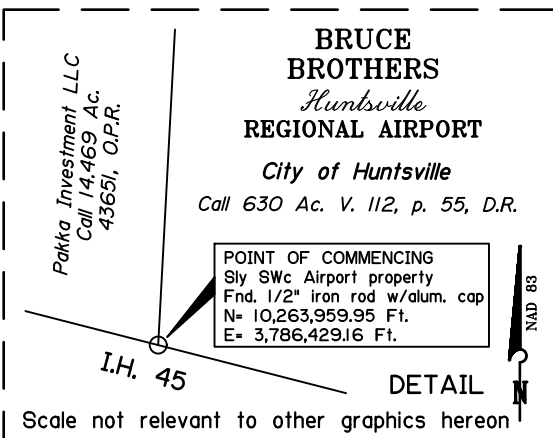
P.O.B. GL-1  
N= 10,264,643.28 Ft.  
E= 3,787,374.11 Ft.  
bears N 54°07'40" E  
1,661.3 from Sly SWc of  
Airport property

P.O.B. GL-2  
N= 10,264,582.64 Ft.  
E= 3,787,654.91 Ft.  
bears N 63°04'08" E  
1,374.84 from Sly SWc of  
Airport property

P.O.B. GL-3  
N= 10,264,459.22 Ft.  
E= 3,787,555.91 Ft.  
bears N 66°06'06" E  
1,232.41 from Sly SWc of  
Airport property

P.O.B. GL-4  
N= 10,264,456.19 Ft.  
E= 3,787,363.17 Ft.  
bears N 62°01'05" E  
1,057.65 from Sly SWc of  
Airport property

P.O.B. GL-5  
N= 10,264,199.32 Ft.  
E= 3,787,430.52 Ft.  
bears N 76°33'21" E  
1,029.57 from Sly SWc of  
Airport property



#### Coordinate System, Basis of Bearings and Linear Units:

Coordinates and bearings hereon are referred to the Texas Coordinate System of 1983, Central Zone, and based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 Meters and E= 1,154,289.433 Meters. Distances shown hereon are U. S. Survey Feet in "GRID" units and may be converted to "Geodetic Horizontal" units by dividing by a combined scale factor of 0.99988.

I, Leonard E. Woods, certify that this plat represents a survey made on the ground under my direct supervision and that all corners, found or set, are monumented as shown hereon.

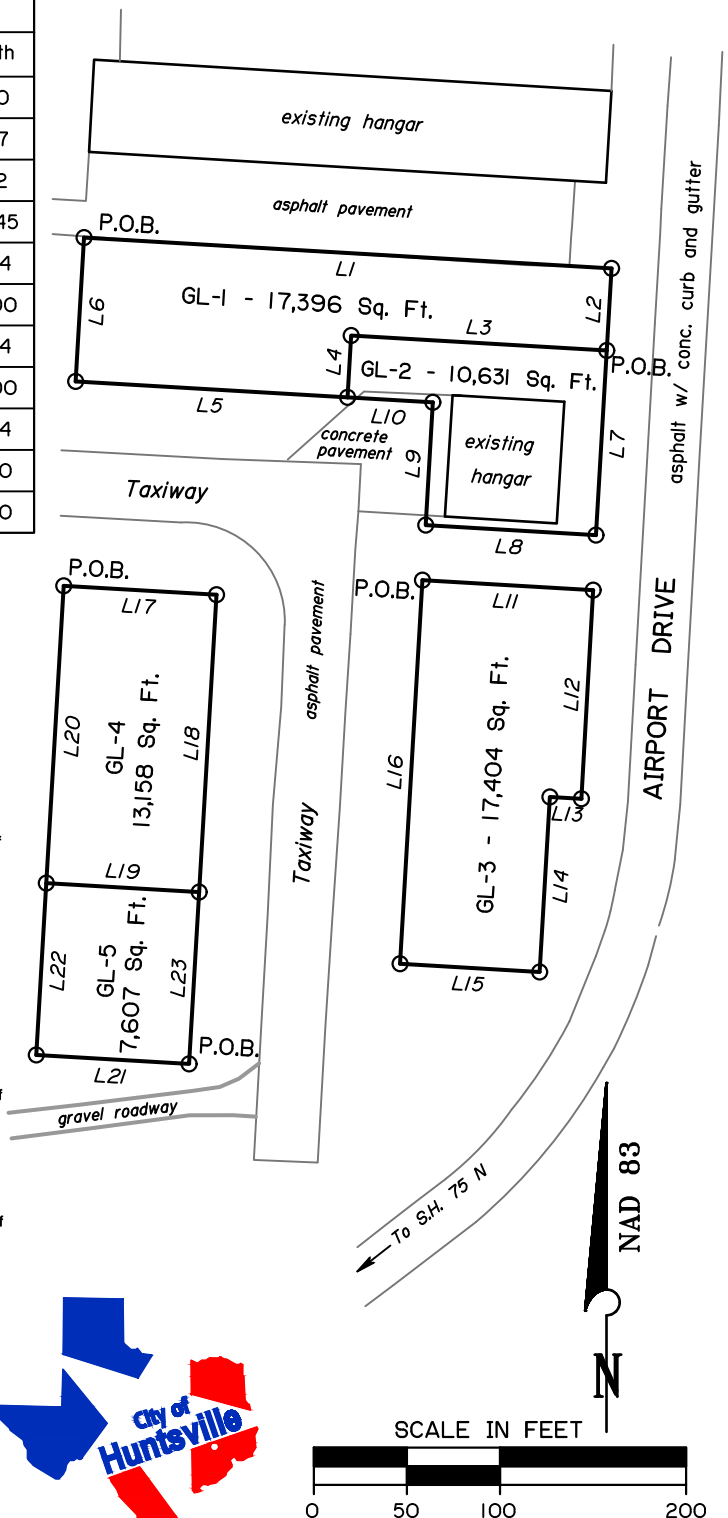
*Leonard E. Woods*

Leonard E. Woods  
Reg. Prof. Land Surveyor No. 2524  
FEBRUARY 2024



City of Huntsville  
Engineering - Surveying  
448 State Hwy. 75 North  
Huntsville, Texas 77320  
Project No. 12-01-02  
Y:\SURVEYORS\PROJECTS\COH2\PS\12-01-02  
AIRPORT\NEW HANGAR LEASE\HANGAR LEASE  
1-2024.dwg

EXHIBIT "B"



PLAT OF SURVEY OF  
GROUND LEASE PARCELS  
GL-1, GL-2, GL-3, GL-4 AND GL-5  
UPON

CITY OF HUNTSVILLE, TEXAS PROPERTY  
CITY OF HUNTSVILLE  
WARREN BIRSELL LEAGUE, A-6  
WALKER COUNTY, TEXAS

FEBRUARY 2024

- PUBLIC RAMP
- HANGER
- HP
- PARKING
- FUTURE EXPANSION
- WATER LINE
- SAN. LINE
- STORM LINE
- FENCE

NOT TO SCALE

SHIFT GL1 15'  
SOUTH FROM POB

SHIFT GL4/5 12'  
SOUTH FROM  
EXISTING POB

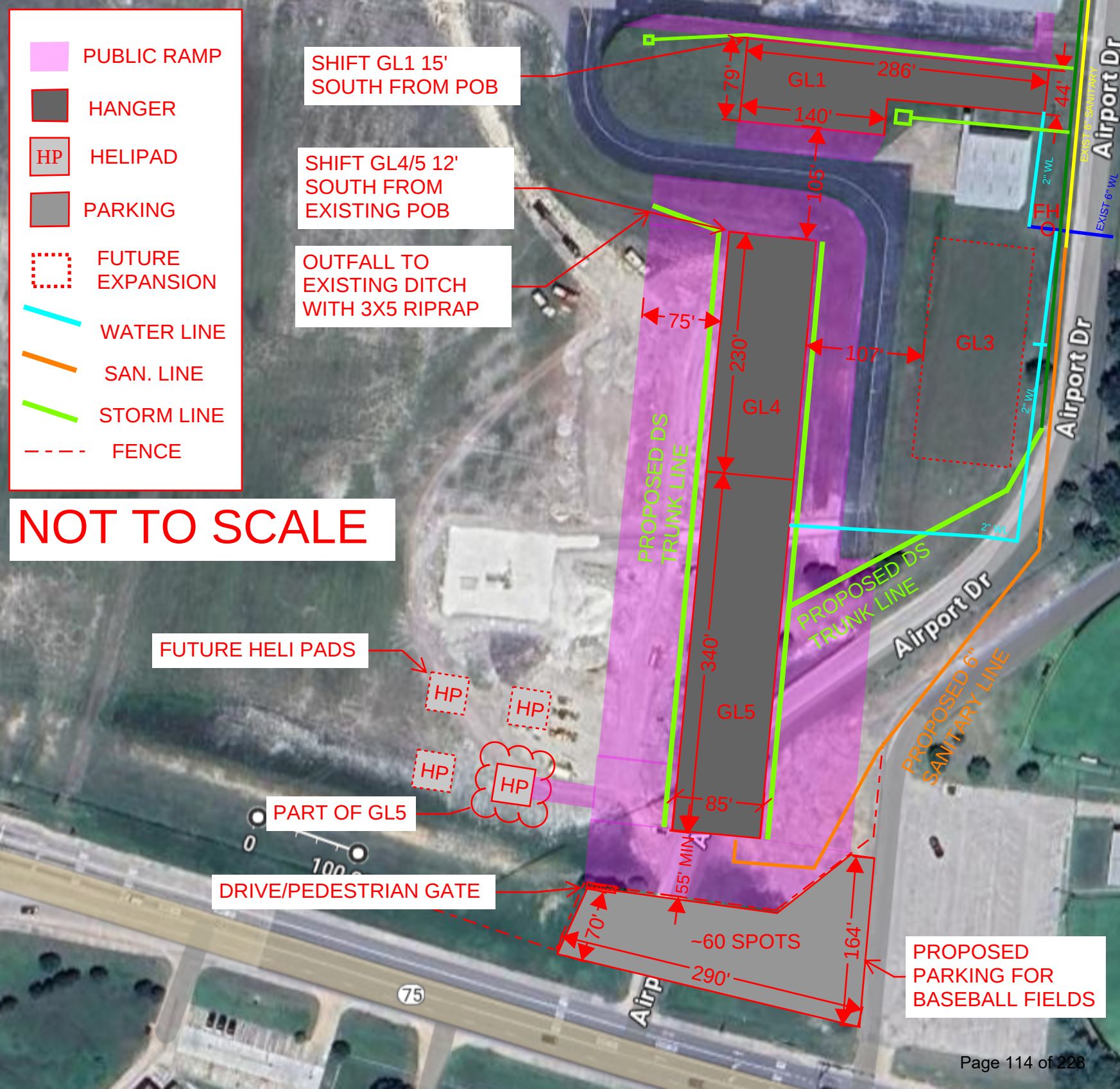
OUTFALL TO  
EXISTING DITCH  
WITH 3X5 RIPRAP

FUTURE HELI PADS

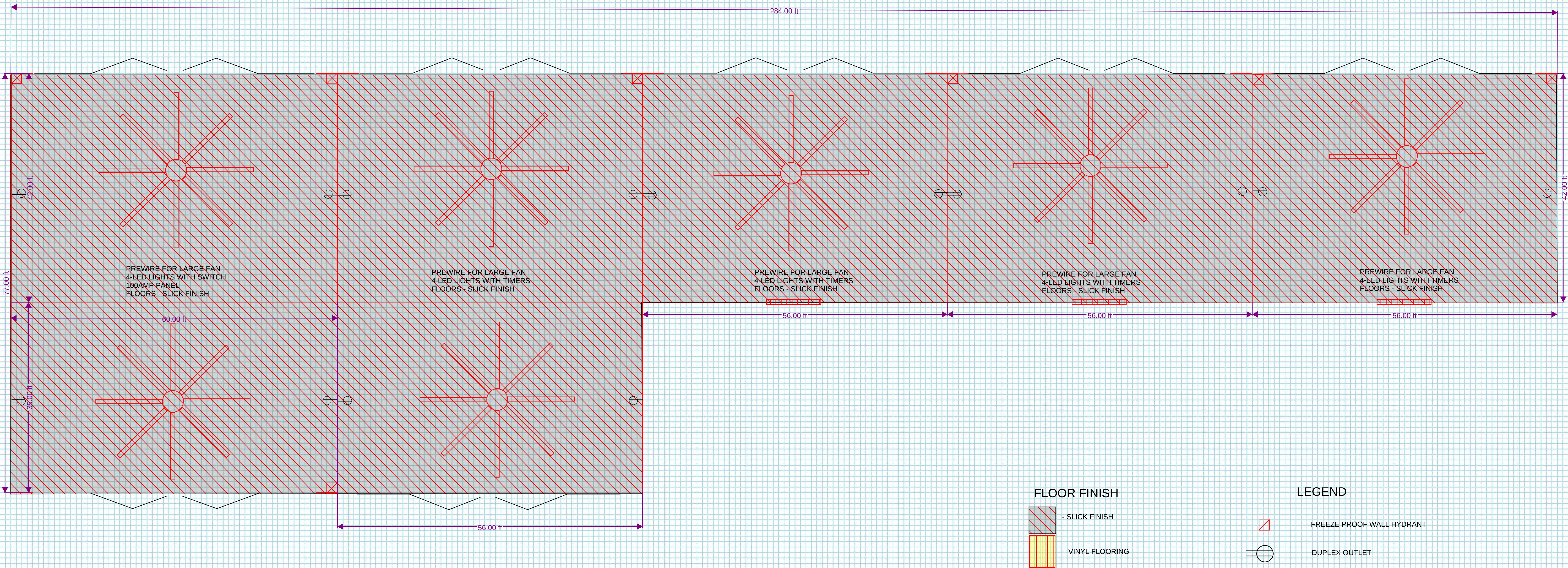
PART OF GL5

DRIVE/PEDESTRIAN GATE

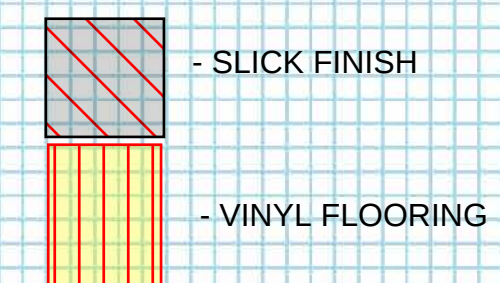
PROPOSED  
PARKING FOR  
BASEBALL FIELDS



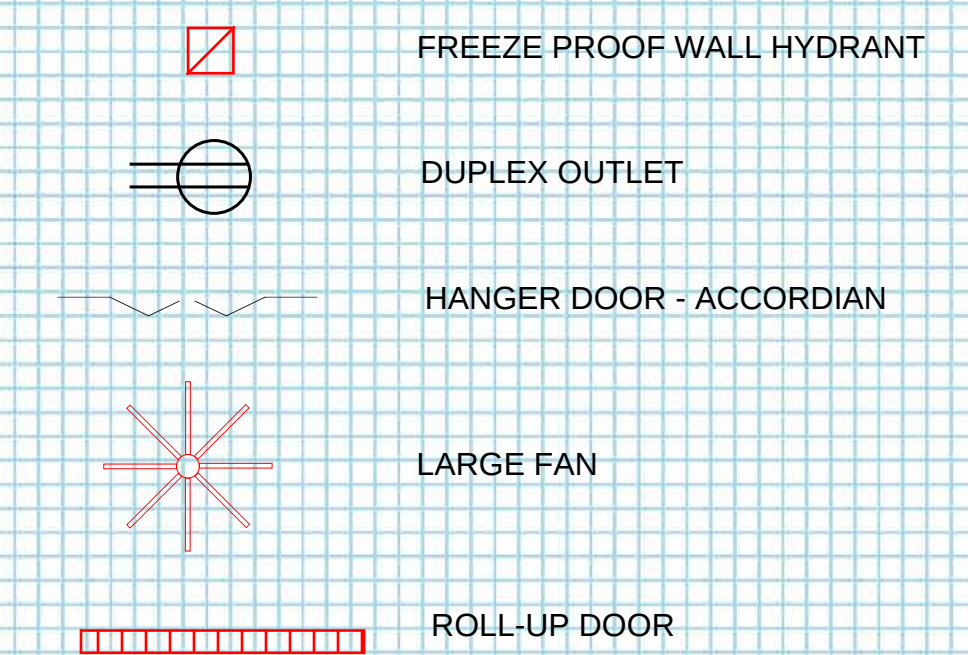
# HUNTSVILLE AIRPORT HANGER GL1 REVISED



## FLOOR FINISH

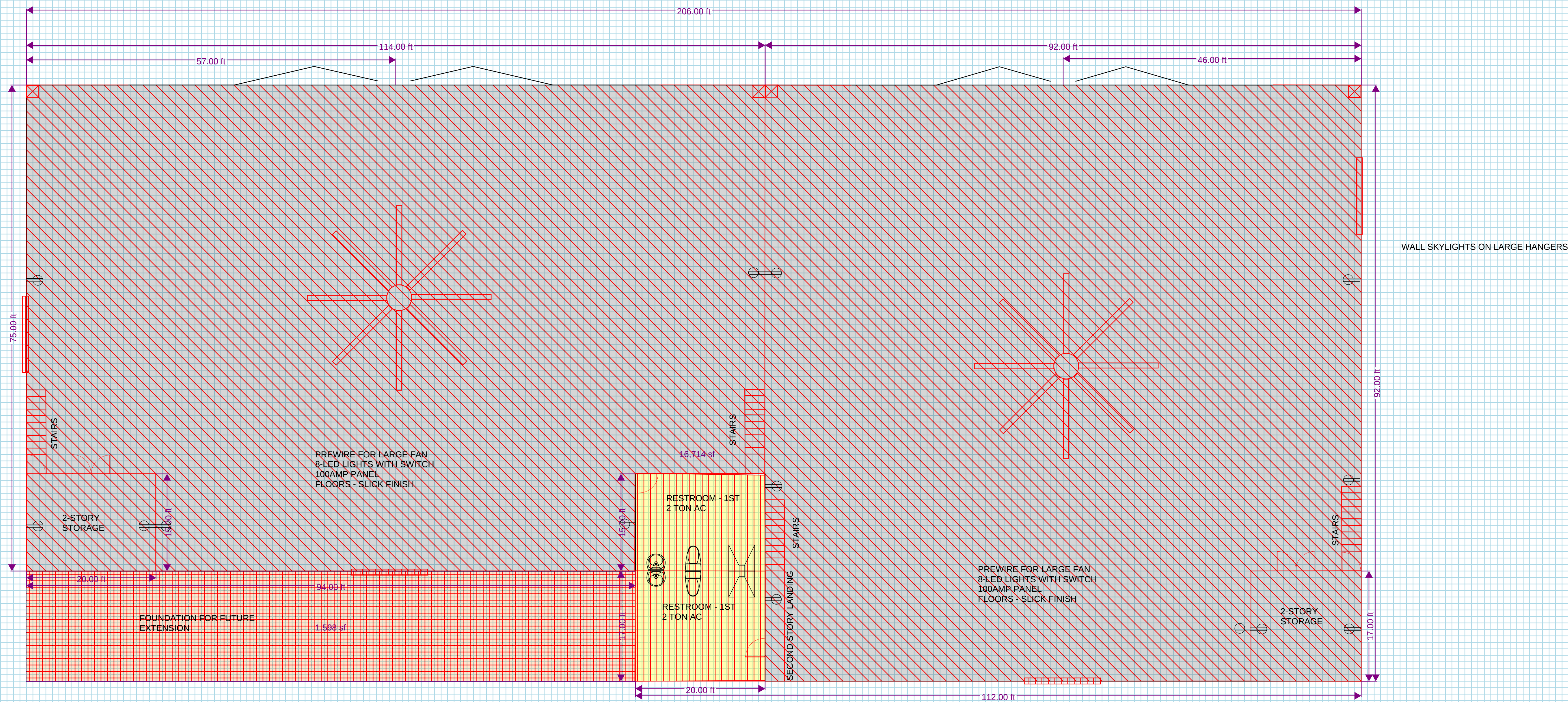


## LEGEND



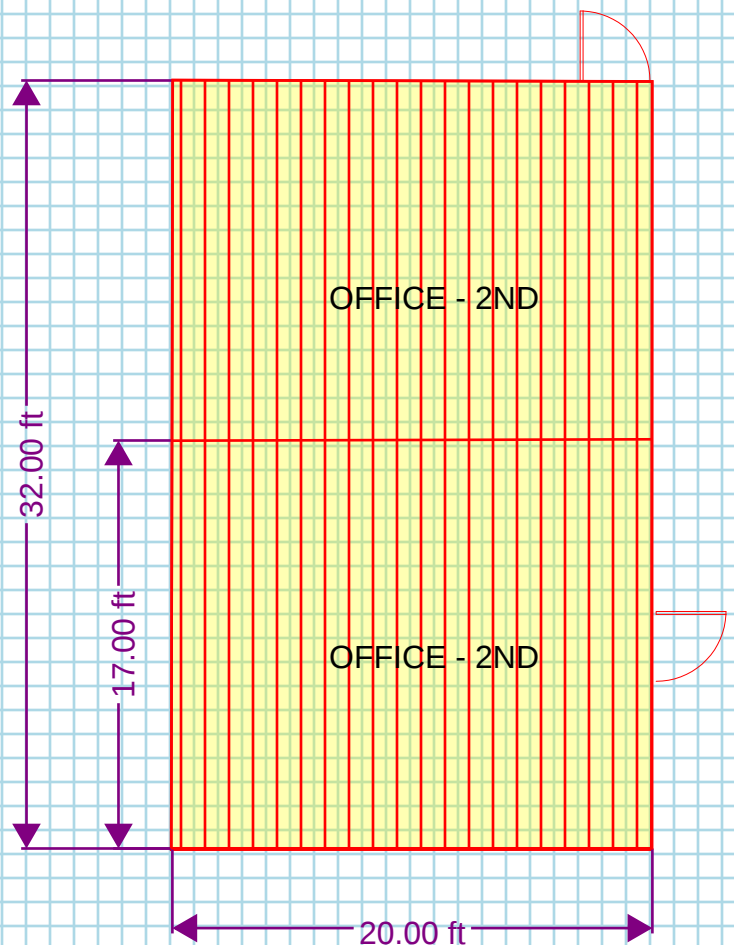
NOTES:  
HANGER DOORS TO BE ACCORDIAN TYPE, FABRICATE IN HOUSE  
USE ZURN FREEZE PROOF WALL HYDRANTS IN HANGERS NEAR DOORS  
INSULATE WALLS WITH NO HANGER DOORS  
RESTROOM TO HAVE MINISPLIT  
PREWIRE FOR BIG ASS FANS  
OUTLETS IN EACH HANGER  
BUILDING EXTERIOR TO BE SLATE GRAY WITH RED TRIM

# HUNTSVILLE AIRPORT HANGER GL3

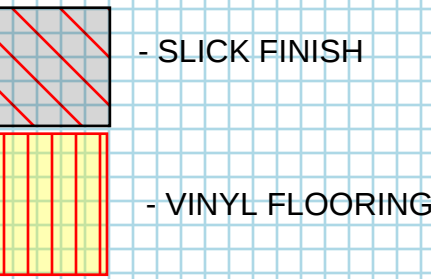


NOTES:  
HANGER DOORS TO BE ACCORDIAN TYPE, FABRICATE IN HOUSE  
USE ZURN FREEZE PROOF WALL HYDRANTS IN HANGERS NEAR DOORS  
INSULATE WALLS WITH NO HANGER DOORS  
RESTROOM TO HAVE MINISPLIT  
PREWIRE FOR BIG ASS FANS  
OUTLETS IN EACH HANGER  
BUILDING EXTERIOR TO BE SLATE GRAY WITH RED TRIM  
EACH HANGER TO HAVE SEPARATE METERS  
22' TALL ACCORDIAN DOORS  
26' EAVE HEIGHT

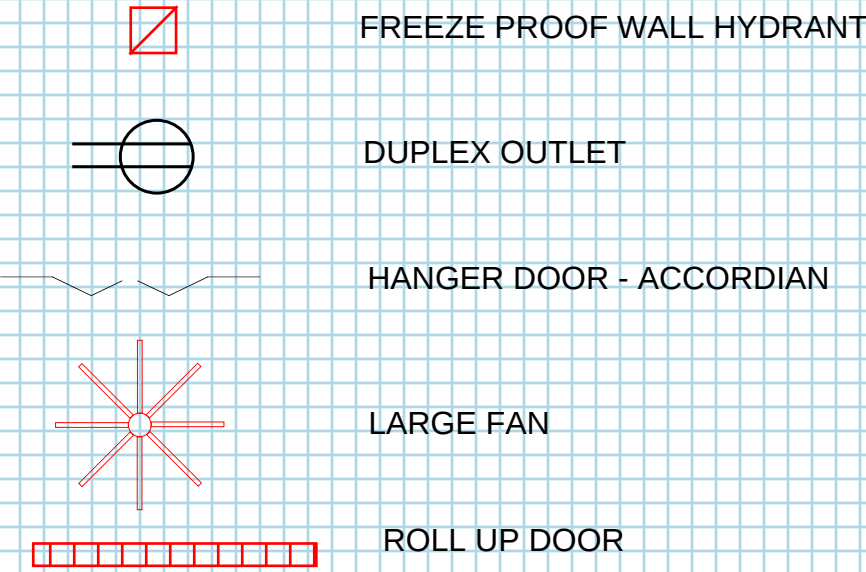
30/60 2-EACH? WES NOTE



## FLOOR FINISH

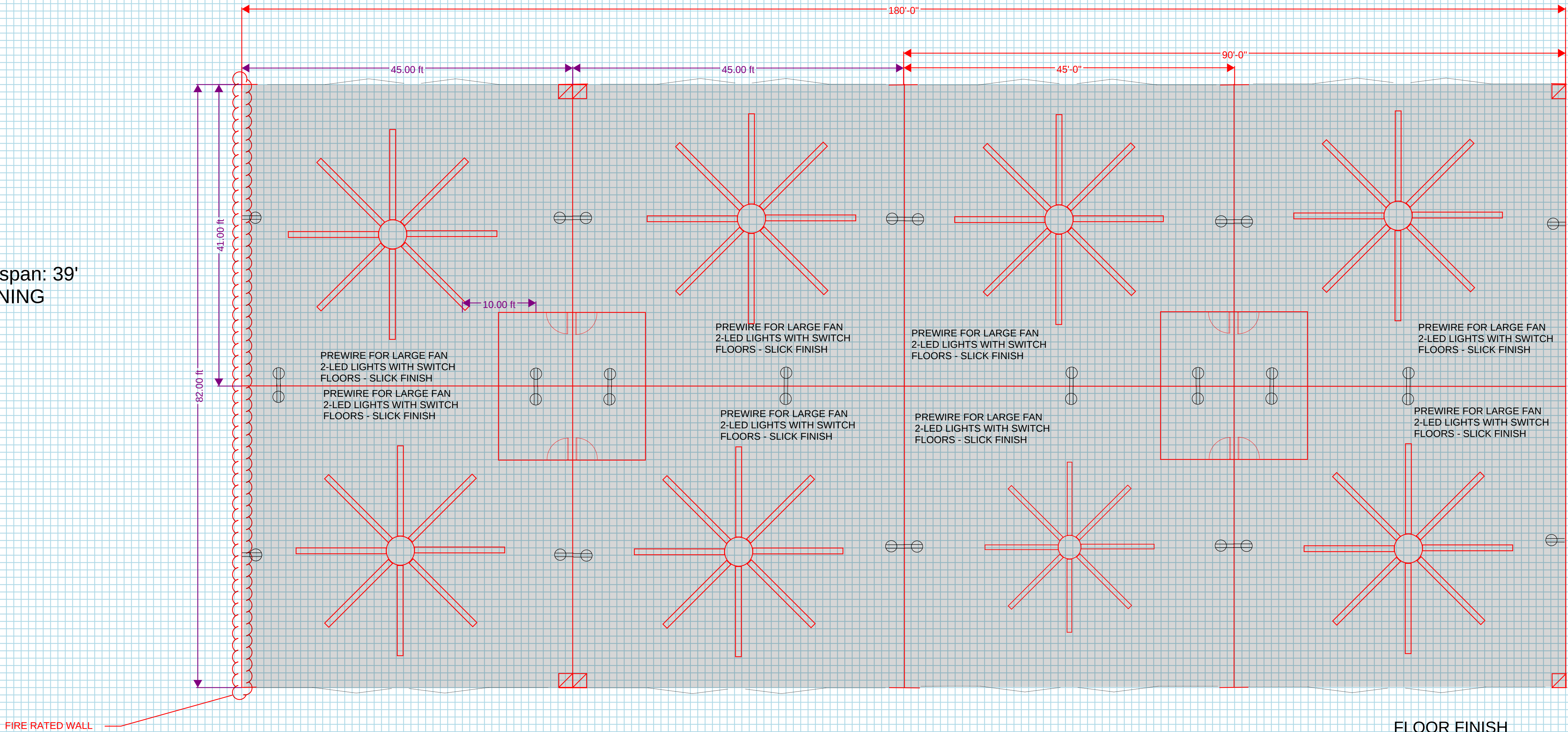


## LEGEND



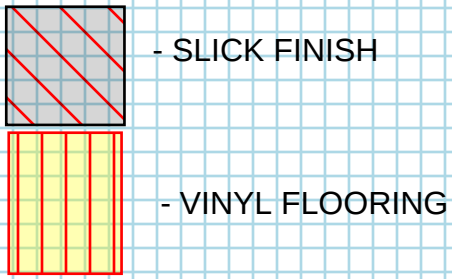
# HUNTSVILLE AIRPORT HANGER GL4 REVISED

Wingspan: 39'  
OPENING

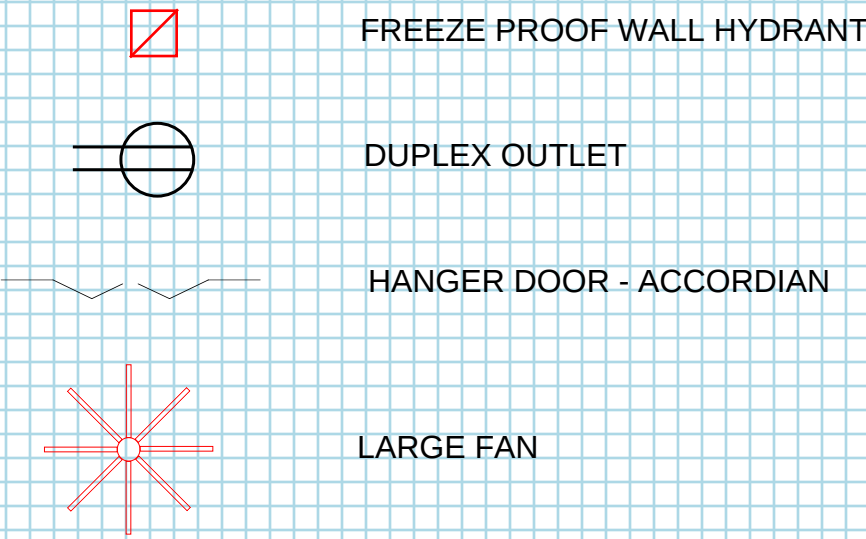


NOTES:  
HANGER DOORS TO BE ACCORDIAN TYPE, FABRICATE IN HOUSE  
USE ZURN FREEZE PROOF WALL HYDRANTS IN HANGERS NEAR DOORS  
INSULATE WALLS WITH NO HANGER DOORS  
RESTROOM TO HAVE MINISPLIT  
PREWIRE FOR BIG ASS FANS  
OUTLETS IN EACH HANGER  
BUILDING EXTERIOR TO BE SLATE GRAY WITH RED TRIM  
EACH HANGER TO HAVE SEPARATE METERS  
18' TALL ACCORDIAN DOORS ON SMALL HANGERS  
22' TALL ACCORDIAN DOOR ON LARGE HANGER  
25' EAVE HEIGHT

## FLOOR FINISH



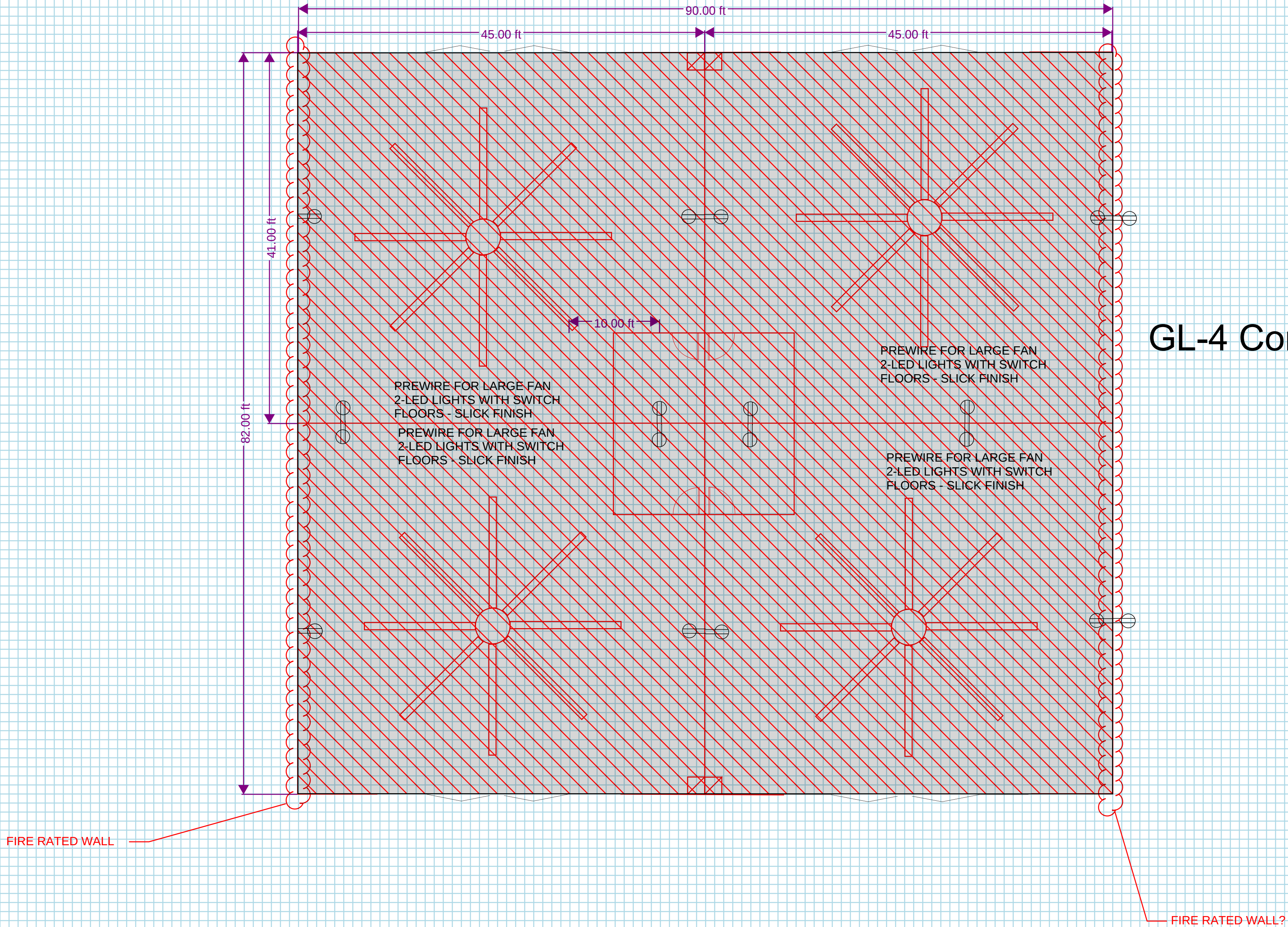
## LEGEND



# HUNTSVILLE AIRPORT HANGER

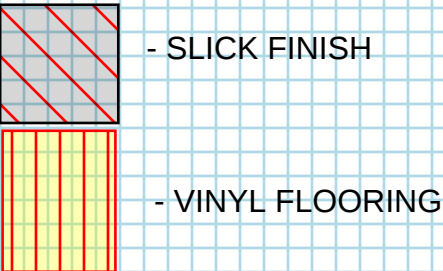
## GL-5 North ADDITIONAL

Wingspan: 39'  
OPENING

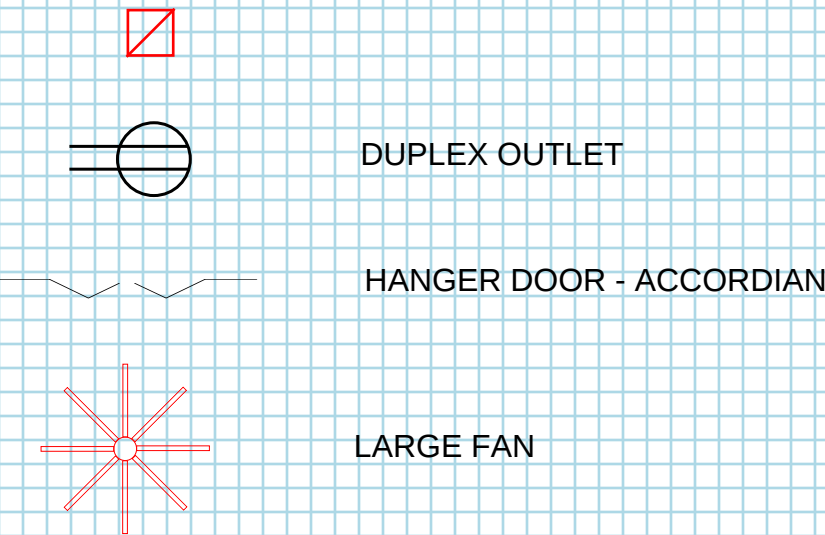


GL-4 Common Wall

### FLOOR FINISH

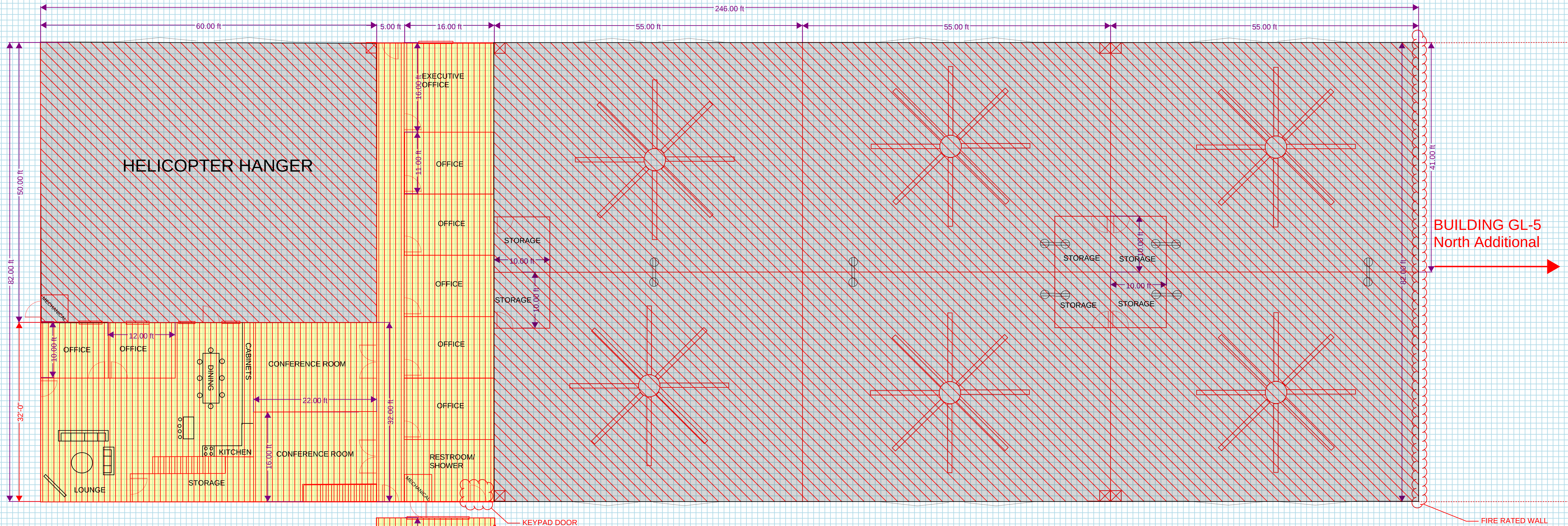


### LEGEND

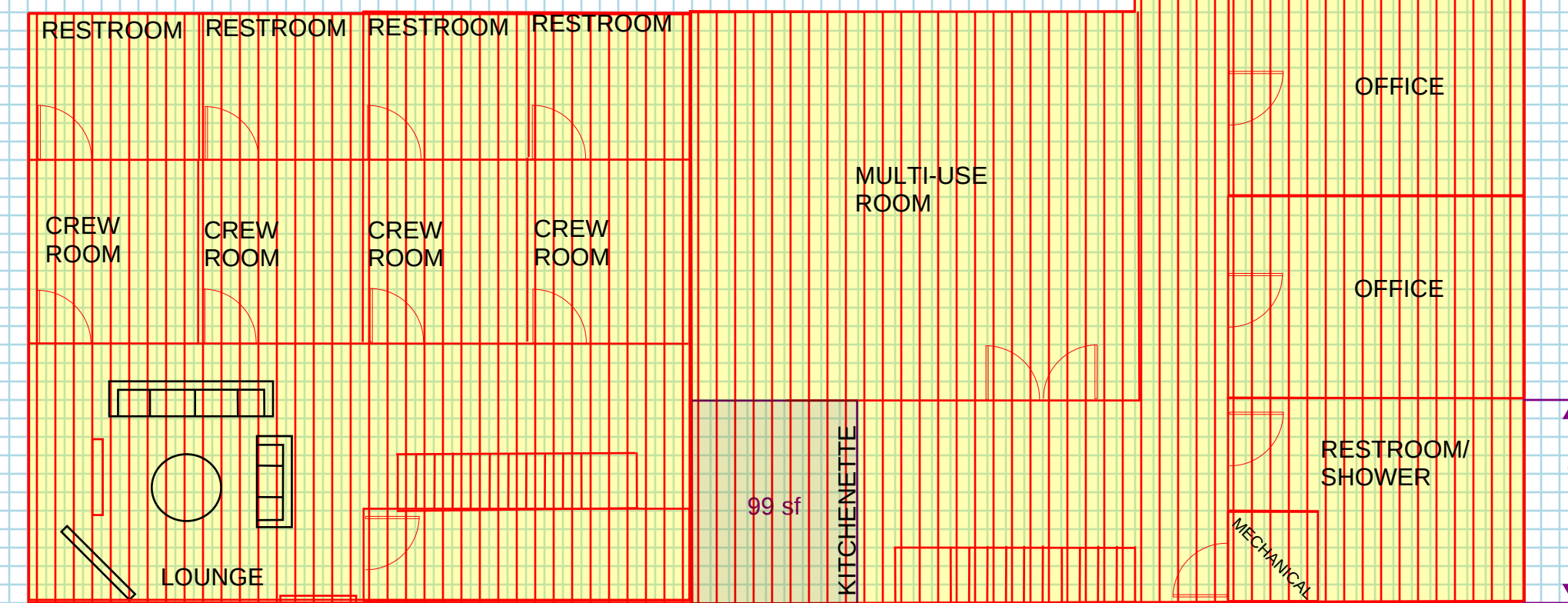


- NOTES:
- HANGER DOORS TO BE ACCORDIAN TYPE, FABRICATE IN HOUSE
  - USE ZURN FREEZE PROOF WALL HYDRANTS IN HANGERS NEAR DOORS
  - INSULATE WALLS WITH NO HANGER DOORS
  - RESTROOM TO HAVE MINISPLIT
  - PREWIRE FOR BIG ASS FANS
  - OUTLETS IN EACH HANGER
  - BUILDING EXTERIOR TO BE SLATE GRAY WITH RED TRIM
  - EACH HANGER TO HAVE SEPARATE METERS
  - 18' TALL ACCORDIAN DOORS
  - 20' EAVE HEIGHT

# HUNTSVILLE AIRPORT HANGER GL5 REVISED



## SECOND FLOOR



### LEGEND

- FREEZE PROOF WALL HYDRANT
- DUPLEX OUTLET
- HANGER DOOR - ACCORDIAN
- LARGE FAN
- WINDOW

NOTES:  
HANGER DOORS TO BE ACCORDIAN TYPE, FABRICATE IN HOUSE  
USE ZURN FREEZE PROOF WALL HYDRANTS IN HANGERS NEAR DOORS  
INSULATE WALLS WITH NO HANGER DOORS  
RESTROOM TO HAVE MINISPLIT  
PREWIRE FOR BIG ASS FANS  
OUTLETS IN EACH HANGER  
BUILDING EXTERIOR TO BE SLATE GRAY WITH RED TRIM  
EACH HANGER TO HAVE SEPARATE METERS  
18' TALL ACCORDIAN DOORS  
20' EAVE HEIGHT

### FLOOR FINISH

- SLICK FINISH
- VINYL FLOORING

**Bruce Brothers Huntsville Municipal AIRPORT  
GROUND LEASE AGREEMENT**

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF Walker§

This lease is made and entered into this 6<sup>th</sup> day of February, by and between the City of Huntsville, hereinafter referred to as LESSOR and which is the owner of the Bruce Brothers Huntsville Municipal Airport, hereinafter referred to as AIRPORT and Huntsville Hangars, LLC, hereinafter referred to as LESSEE who covenant and agree as follows:

**WHEREAS**, Lessor and Lessee are committed to the proper operation, improvement and continued development of the AIRPORT; and

**WHEREAS**, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

**NOW THEREFORE**, in accordance with the terms, considerations and privileges listed herein, Lessor and Lessee covenant and agree as follows:

**I. LEASED AREA**

Lessor, in consideration of the rents, covenants and promises by Lessee herein contained, does hereby lease to Lessee and Lessee does hereby rent and accept from Lessor that real property referred to as the leased premises and more particularly described as Tract No. GL-4, located on the Airport as shown on Exhibit A attached hereto and incorporated herein by reference.

**II. TERM**

This Lease shall be for a term of thirty (30) years (the 'lease term') beginning on February 6, 2024, and ending 30 years from the issuance of the certificate of occupancy, subject to earlier termination as hereinafter provided. At the end of the lease term the Lessee shall have the right of first refusal to re-lease the leased property on terms to be negotiated in good faith by both parties. Upon approval of this ground lease agreement construction of the hanger must commence within one (1) year.

**III. GROUNDS FOR TERMINATION**

Grounds for termination of this lease at any time by Lessor shall include but not limited to:

1. Non-payment of rental.
2. Violation of any term, condition or promise contained or referenced herein.
3. Violation by Lessee of any provision of Chapter 10, Aviation of the Code of Ordinances of the City of Huntsville as amended, and as amended in the future, all of which is incorporated herein by reference.
4. Violation of Airport Zoning or the lawful rules, regulations, or orders of the City of Huntsville.
5. Violation of the laws, rules, rulings, orders or regulations of the State of Texas, the United States or the Federal Aviation Administration pertaining to the Bruce Brothers Huntsville Municipal Airport of tenants or aircraft operators thereon.

6. Failure to comply with the commencement of construction within the one (1) year period.

Prior to termination under this section, the City of Huntsville shall provide Lessee with written notice of anything deemed to be a violation or cause for lease termination and Lessee shall, except as otherwise set forth herein, have seven (7) days to cease and desist such violation or to remedy such other act or omission. As to any such violation, act or omission deemed by the City Manager or appropriate officers or officials of Lessor to be a source of substantial or imminent danger to the safety of persons or property, including air or ground traffic, Lessee shall, upon written or oral notice from Lessor, immediately and forthwith cease and desist such violation, act or omission or Lessee's leasehold right hereunder shall be subject to immediate oral termination by Lessor. The seven (7) day notice, where applicable, shall further only apply to the first two notifications of violations, acts or omissions by Lessee in any lease term, there being no necessity for such notice before termination thereafter.

#### **IV. CONSIDERATION**

1. In consideration for the lease of the Land/Hangar/Building/Office referenced herein, Lessee hereby agrees to pay yearly rental of \$1,973.70 (fifteen (\$0.15) cents per sq. ft.) of lease premises leased to Lessee. The first year's payment shall be prorated to the beginning of the City's next fiscal year and shall be made in advance upon the signing of this lease. Thereafter, all future payments shall be billed during the first month of each fiscal year during the term of this contract plus any extensions thereto, and shall be payable within 20 days of billing.
2. Lessee agrees that the lease payment listed herein shall be subject to review annually by Lessor throughout the term of the lease and prior to any extensions granted. Any adjustments to the lease payment shall be based on the United States Consumer Price Index for all Urban Consumers (CPI-U) for the month of June preceding the change date. Any adjustment to the lease fee shall become effective the first day of Lessor's fiscal year and shall not exceed five percent (5%) per year. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next adjustment. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Office/Building shall not be decreased, but shall remain at the same level as was charged during the preceding 1 year period.
3. Lessee agrees to at all times keep the premises of the Land/Hangar/Building/Office, including the inside and outside of the Hangar/Building/Office, clean and free of trash, litter, tall grass, weeds, junked automobiles, boats and scrap aircraft parts. Lessee shall abide by all applicable rules and regulations of the Environmental Protection Agency, the Texas Natural Resources Conservation Commission, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency regarding the use, storage, and disposal of hazardous chemicals, fuel and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased premises clean and free of hazards, such failure shall be a ground for termination under this lease. Lessor may, after thirty (30) days written notice, arrange for the clean-up of the littered or hazardous area. Such clean-up shall be charged to Lessee and payable upon demand. Failure to render proper payment for such clean-up and/or general disregard of the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.
4. Lessee agrees to maintain the hangar and improvements located on the leased premises in a good state of repair. Such Lessee shall further keep the leased premises insured with policies of general liability insurance, in an amount of \$1,000,000.00 for each person injured, up to an aggregated \$1,000,000.00 for personal injury in any one accident and \$2,000,000.00 for property damage. Such policy originals shall name the City of Huntsville as additional insured and be paid for and kept in force by Lessee throughout the term of this lease and duplicates of such policies and renewals thereof and changes thereto shall promptly be delivered to Lessor.
5. Lessee shall be responsible for any and all taxes assessed on improvements placed on leased premises.

#### **V. PERMITTED USE**

Lessor covenants and agrees that Lessee, on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the leased premises during the term of this lease without hindrance

or molestation of Lessor or any person claiming under Lessor except such portion of the leased premises, if any, as shall be taken under the power of eminent domain.

In the event the tract herein leased has a hangar or other improvements located thereon or such are subsequently placed thereon, Lessor expressly disclaims any express or implied warranties regarding such structure including soundness, habitability, safety, or condition. Lessor further advises Lessee that it makes no warranties regarding the fitness for purpose of any equipment and fixtures and the like, Lessee taking them As Is and with all faults since this is a ground lease only.

Where allowed by Lessor, Lessee agrees to allow other Lessees of adjoining tracts subsequently constructing hangars to attach to and use Lessee's walls and supports. Consideration for such use to the Lessee of the existing hangar shall be prompt payment by the subsequent hangar Lessee of one-half (1/2) of the actual cost of hangar common walls payable to the current Lessees of the adjoining hangars.

Lessee may store his privately owned property inside the hangar, provided that it meets local fire codes and at least seventy-five (75) percent of the hangar floor area is used for aircraft and aviation related purposes.

Lessee may store aviation related products or equipment inside the hangar for use in his aircraft so long, and only so long, as such products or equipment are contained in marked, approved containers, and are stored in accordance with the Airport Rules and Regulations as amended and incorporated herein by reference. Such storage shall be at the discretion of and with written approval from the Huntsville Fire Marshal certifying such storage is allowed under local fire codes.

Lessor reserves the right to enter the leased premises at all reasonable times to inspect for compliance with this lease and the ordinances, regulations, laws, rules and orders of the Lessor, the State of Texas and of the United States.

At the expiration of the lease term, Lessee shall quit and surrender the leased premises hereby demised in as good state and condition as they were in at the commencement of the term, reasonable use and wear and tear thereof and in accordance with the other terms within this lease.

## **VI. RESTRICTED USE**

Lessee agrees that he will not conduct any commercial activity on the leased premises without permission for such operations being granted in writing by Lessor.

Lessee agrees that, subject to the other terms of this paragraph, the usage of at least seventy-five (75) percent of the hangar floor area shall be limited to aircraft and aviation related purposes. In addition, no personal property, including automobile, bus, truck, or other transportation mode, may be permanently stored on associated apron, paved, or grass area.

A Lessee shall not be deemed to be engaged in commercial operations for purposes of determining whether such person is or should become a Fixed Base Operator engaged in hangar rental if the Lessee:

- A. Allows such storage or parking pursuant to a written sublease agreement on a form provided by the City of Huntsville which requires Sublessee to honor all terms and conditions of the Sublessor's lease with the City, and
- B. Owns, leases or subleases not more than 35 percent of the number of hangars of all types located at the Bruce Brothers Huntsville Municipal Airport, whether or not such hangars are subleased.

The fact that a Lessee or Sublessee is a corporation, partnership, joint venture, limited partnership, or association shall not, of itself, cause the Lessor's or Sublessor's use of the leased premises to be deemed commercial use. Use of the leased premises for purposes other than storage or parking of tenant's aircraft (whether owned or bona fide leased to tenant) and storage and use of aircraft related items such as tools and parts and Lessee's or Sublessee's maintenance on his owned or leased aircraft, or expense sharing as set out in this section, shall be deemed commercial.

For purposes of item B above, a Lessee shall be considered to include persons related in the second degree of consanguinity or affinity or a legal entity majority owned or controlled by such person.

If a hangar is not presently located on the leased premises, Lessee represents that Lessee has the present intention of constructing a permanent conforming aircraft hangar on the leased premises and shall begin construction of such hangar within thirty (30) days of obtaining a building permit from the City of Huntsville, which permit shall be obtained within three hundred and sixty-five (365) days after the signing of this Agreement. Such permit shall be sought with due diligence. Hangars shall be completed within two hundred seventy (270) days of the date of beginning of construction. All hangars constructed on the leased premises shall be built to the minimum requirements of the International Building Code, as amended, as adopted by the City of Huntsville and as from time to time amended. Plans, construction, materials, and workmanship of and in such hangar shall be subject to the same approval and inspection and certificates of occupancy by the building inspectors, officials, and sanitarians of the City of Huntsville as if such were located within the corporate limits of the City of Huntsville. Failure to obtain such building permit, to timely commence and complete such hangar construction, or to build such hangar in compliance with the referenced code and requirements or to obtain such inspections and certificate shall be an additional ground for termination of this lease by Lessor.

Nonconforming hangars already built on leased premises shall be allowed to remain unless abandoned for aircraft storage for one (1) year, destroyed or damaged to the extent of fifty percent (50%). Such abandoned, destroyed, or damaged hangars shall be forthwith removed by the Lessee at Lessee's expense. Such abandoned, destroyed, or damaged hangar may be rebuilt in conforming manner as if it were new construction under the terms of Section V above.

Lessee agrees to have an acceptable number of fire extinguishers of acceptable size as determined by the local fire marshal inside the hangar. Such fire extinguishers shall be readily available in the event of fire.

Lessee's agents, employees, invitees, and guests shall be held to the same standards for conduct as Lessee, and their violations, acts or omissions hereunder shall be seen as those of Lessee for the purposes of this lease.

Lessee, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of sex, race, color, or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation, Part 15 of the Federal Aviation Regulations or by the United States or the State of Texas. The Lessor is hereby granted the right to take such action, anything for the contrary notwithstanding, as the United States, State of Texas or their agencies or courts may direct to enforce this nondiscrimination covenant.

## **VII. SUBLEASE, ASSIGNMENT OR SALE**

Lessee agrees not to assign or sublease the leased premises, or any improvements placed on leased premises, or allow any other person except Lessor's agents and employees to occupy the premises, without first obtaining Lessor's written consent. This lease is for the purpose of aviation related business or bona fide leased to Lessee or Sublessee. Upon written consent from Lessor to sublease or assign the leased premises, the proposed Sublessee or assignee shall agree to perform Lessee's duties and responsibilities contained in this Lease Agreement.

Should Lessee or Lessee's assignee in an assignment approved in writing by Lessor, have completed construction on a hangar on the leased premises and Lessee or Lessee's assignee desire to sell such improvements, assign or transfer such leasehold interest herein granted, or such leasehold interest is terminated, then Lessor shall have the first option to purchase such improvements, based upon the following provisions:

- a) Lessee may at his option sell any improvements placed by Lessee on the leased premises. If Lessee has received a bona fide offer to purchase the improvements, then Lessee shall serve written notice to Lessor of such offer, accompanied by an appraisal from a certified appraiser, enclosing a copy of such appraisal and offer which shall be made in writing. Value shall be based upon present value of improvements assuming a ten (10) year lease. Should Lessor elect not to exercise its option to purchase, such sale shall be made subject to approval by Lessor of a new lease to the purchaser of the improvements, (such approval shall not be unreasonably withheld, and provided such sale shall be subject to the right of first refusal provided above).

- b) Lessee shall not serve written notice of such offer upon Lessor unless Lessee actually intends to accept same.
- c) Upon receipt of such written notice, Lessor shall have the option to purchase Lessee's leasehold interest upon the same terms stated in such bona fide offer.
- d) Lessor shall exercise such option to purchase by serving written notice to Lessee within ten (10) days after receipt of Lessee's written notice of the offer.
- e) If Lessor fails to exercise its option to purchase in the manner provided in this section, Lessor's right to purchase shall terminate and Lessee may assign the remaining portion of the Lease (subject to Lessor's approval which shall not be unreasonably withheld) to the offeror in accordance with the terms of such written offer.
- f) Lessee shall not assign this lease or sell such improvements except as herein provided, and any attempted assignment or sale in violation hereof shall be voidable by Lessor.
- g) If improvements placed on the leased premises by Lessee are determined by Lessor to impede airport improvements or expansions detailed in the Airport Master Plan or Airport Layout Plan approved by the Texas Department of Transportation and the Federal Aviation Administration, Lessor may elect to terminate this lease, or refuse any renewal term upon any proposed sale or assignment by Lessee. Further, Lessor may refuse to negotiate a further lease at the end of the lease term. In the event Lessor refuses renewal of this lease on the grounds stated above, then Lessor shall so notify Lessee in writing and pay Lessee the unamortized portion of appraised value of Lessee's improvements based on the remaining years of this lease in accordance with section h below. The appraised value of the improvements shall be determined by a panel of three certified appraisers. Lessor and Lessee shall each appoint one certified appraiser, and the two appraisers so appointed shall select a third person to serve as appraiser. The appraisers shall be selected by Lessor and Lessee within thirty (30) days after Lessor serves notice upon Lessee of its election not to re-lease the leased premises. Lessor shall pay Lessee the calculated appraised value of such improvements, and Lessee shall transfer and convey such improvements to Lessor within ninety (90) days after Lessor serves notice of its election not to re-lease the leased premises.
- (h) Within 6 months of the termination of this lease the Lessor shall pay to Lessee the unamortized portion of the cost of the permanent structures and fixed improvements constructed and installed there. That amortization is to be computed based on the number of months remaining on the lease from the date the Certificate of Occupancy is issued to the expiration date of the initial term of this agreement.
- (i) In the event of default by Lessee of any term or condition of this lease, and the lease is terminated by Lessor on grounds so specified in this Agreement, or in the event that Lessors and Lessee are unable in the exercise of good faith to agree on the terms of a re-lease of the leased premises at the end of the lease term, then Lessee may at his option either:
  - 1. Within a period of sixty (60) days, upon reasonable advance notice to the Airport Manager, remove all personal property, equipment, or trade fixtures owned by Lessee, with the exception of common walls in hangars, provided that if Lessee elects to remove such improvements he shall restore the leased premises to as good a condition as at the commencement of this Lease, normal use and wear and slab removal excepted. Lessee shall not remove the common wall on any hangars having a common wall. If Lessee so elects to remove such improvements, he shall quit and surrender the leased premises to Lessor on the termination date of the Lease subject to his right of re-entry upon the Leased Premises for the sole purpose of removing such improvements and restoring the leased premises to its original condition.
  - 2. Elect to sell improvements placed on the leased premises. If Lessee elects to sell such improvements, Lessee shall serve written notice of such election upon Lessor within sixty (60)

days after the termination of the Lease. Such notice shall be accompanied by payment of rent for a period of one (1) year, together with any rent arrearage owed by Lessee to Lessor. Upon giving notice and paying the rent stipulated above, Lessee shall have a period of one (1) year following the Lease termination date within which to sell such improvements, and upon such termination of such one-year period Lessee shall have an option to extend the time for selling such improvements for additional one-year periods by giving notice and paying one year's rent in the same manner set forth above. During such period of time, not to exceed five (5) years following termination of the Lease, the leased premises shall remain vacant and shall not be used for any purpose by Lessor or Lessee. Upon the sale of such improvements by Lessee, Lessee's right and privilege to use the leased premises for any purpose whatsoever shall terminate, and the ratable portion of rent paid by Lessee for the remainder of the year during which the sale of such improvements is made shall be refunded by Purchaser to Lessee.

- (i) If Lessee fails to remove or sell his improvements on the Leased Premises in the manner provided above, or if Lessee fails to serve such notices on Lessor and pay the rent required above for extending the time within which Lessee may sell such improvements, such improvements shall be deemed abandoned by Lessee sixty (60) days following the Lease termination date, and all improvements on the Leased Premises shall be forfeited to Lessor as liquidated damages for any past or future default by Lessee in payment of rent under this Agreement, and Lessee's obligation to pay rent hereunder, either arrearages or future rent, shall be terminated.
- (ii) All sublease(s), assignments or sale are subject to the provisions of Article X "Title to Improvements".

#### **VIII. INDEMNITY**

Lessee shall indemnify the Lessor, its officers, agents and employees, against all liabilities of and to third persons, excluding liabilities resulting from the primary or active negligence of the Lessor, its officers, agents and employees, arising out of the use or occupancy of the premises by Lessee or others with its consent or out of any other acts or omissions of Lessee, its officers, agents and employees, on the premises or elsewhere on the airport. In the event any claim is made, or action brought that is covered by the above indemnity the Lessor shall give prompt written notice of that claim or action to Lessee and, if requested, Lessee shall attend to the defense of it. The Lessor shall not take any action, including settlement or compromise, which may in any manner adversely affect Lessee's ability to defend against any claim or action, and if the Lessor desires to defend itself without waiving its rights under the indemnity above it shall do so at its own expense and Lessee shall be allowed to participate, at its expense, in the defense.

#### **IX. MAINTENANCE, IMPROVEMENT OF AIRPORT**

Lessor has applied for and received or may receive a grant or grants of money from the Federal Aviation Administration pursuant to the Federal Airport Act of 1946, as amended, and/or the Texas Department of Transportation, and the Lessor may in the future apply for and receive other such grants. In connection therewith, Lessor has undertaken and may in the future undertake certain obligations respecting its operation of the airport and activities of its contractors, lessees, and permittees thereon. The performance by Lessee of the covenants, conditions, and obligations contained in this agreement is therefore a special inducement to and consideration for the execution of this lease by Lessor, and Lessee further covenants and agrees that if the Federal Aviation Administration, the Texas Department of Transportation or other governmental body or officer having jurisdiction over the enforcement of the obligations of Lessor in connection with federal or state aid shall make any orders, recommendations, or suggestions respecting the performance by Lessee of its obligations under this agreement, Lessee will promptly comply therewith at the time or when and to the extent that Lessor may direct.

Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the leased premises would have a negative impact on, or impair any proposed development or improvements at the Airport. This

contract agreement may be terminated regardless of the desires, wishes or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan. In this case, Lessor shall exercise its right to acquire such improvements as outlined in Section VII above. If the Lessee is unable to utilize the leased space due to improvements and/or repairs to the public use areas of the airport, this lease may be extended by the number of days the leased area is unable to be utilized.

Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities necessary at the Airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies, or other compensation will be owed to Lessee by Lessor.

Lessee shall pay or cause to be paid all charges for water, heat, gas, electricity, sewers and any and all other utilities used on the leased premises throughout the term of this lease, including any connection fees.

#### **X. Title to Improvements**

The Lessor solely owns the Leased Premises. Any and all improvements made to the Leased Premises by Lessee shall become the property of Lessor upon the expiration or termination of this Agreement in accordance with Section VII above; provided, however if Lessee is not then in default hereunder, Lessee shall have the right to remove all personal property, equipment, or trade fixtures owned by Lessee from the Leased Premises, but Lessee shall be required to repair any damage to the Leased Premises caused by such removal in a good and workmanlike manner and at Lessee's sole cost and expense. If LESSEE fails or refuses to remove any or all of Lessee's personal property, equipment, and trade fixtures from the Leased Premises on or before the date of the termination of this Agreement, the items which Lessee has failed or refused to remove: (i) shall be considered abandoned by Lessee, (ii) shall become the property of Lessor, and (iii) may be disposed of by Lessor in any manner desired by Lessor in Lessor's unfettered discretion.

#### **XI. EXCLUSIONS**

No waiver by Lessor of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation hereof.

In the event Lessor or Lessee breaches any of the terms of this agreement whereby the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the other party reasonable attorney's fees so incurred by such other party.

The numeric captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.

Time is of the essence of this agreement.

For the purpose of this agreement, the singular number shall include the plural and the masculine shall include the feminine and vise-versa, whenever the context so admits or requires.

This agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this agreement.

This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Walker County, Texas.

In case any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof and this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the written subject matter.

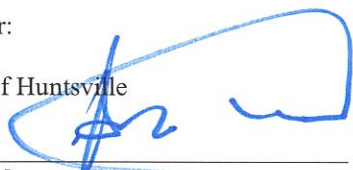
No amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

The rights and remedies provided by this lease agreement are cumulative.

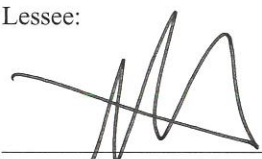
This lease entered into this the \_\_\_\_ day of \_\_\_\_\_

Lessor:

City of Huntsville

  
\_\_\_\_\_  
City Manager  
1212 Avenue M  
Huntsville, TX 77340

Lessee:

 CEO  
\_\_\_\_\_  
Huntsville Hangars LLC  
P.O. Box 9643  
The Woodlands, Texas 77387

ATTEST:

  
\_\_\_\_\_

**CITY OF HUNTSVILLE, TEXAS**

Engineering - Surveying  
448 State Hwy. 75 North  
Huntsville, Texas 77320

THE STATE OF TEXAS §

COUNTY OF WALKER §

I, Leonard E. Woods, Registered Professional Land Surveyor No. 2524, do hereby certify that the following field notes represent a survey made on the ground of the following described tract or parcel of land located in Walker County, Texas. Coordinates and bearings herein are referred to the Texas Coordinate System of 1983, Central Zone and are based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 meters and E= 1,154,289.433 meters. Distances herein are U. S. Survey Feet in "Grid" units and may be converted to "Geodetic Horizontal" by dividing by a combined scale factor of 0.99988.

***GROUND LEASE parcel GL-4***

***UPON***

***CITY OF HUNTSVILLE, TEXAS PROPERTY***

***W. BIRDSSELL LEAGUE, A-6, WALKER COUNTY, TEXAS***

Being 13,158 square feet of land, more or less, situated in the WARREN BIRDSSELL LEAGUE, Abstract No. 6, Walker County, Texas, and being out of and a part of a called 630 acres described in a Deed from The Texas Prison Board to the City of Huntsville, Texas dated November 19, 1945 recorded in Volume 112, page 55, Deed Records of Walker County, Texas, and being within that portion of said City of Huntsville 630 acre tract currently utilized for the Bruce Brothers Huntsville Regional Airport, said 13,158 square feet of land being described by metes and bounds as follows:

COMMENCING, for reference only, in the south line of said City of Huntsville 630 acre tract at the southeast corner of a called 3 acre tract (a daughter tract of said City of Huntsville 630 acre tract) described in a Deed from Curry H. Vogelsang, Trustee to J & W Corporation dated January 8, 1992 and recorded in Volume 159, page 637, Official Public Records of Walker County, Texas, said 3 acre tract being part of a called 14.469 acre tract described in a Deed from J & W Corporation to Pakka Investment LLC dated December 17, 2018 and recorded as Instrument No. 43651, Official Public Records, found a 1/2" iron rod with aluminum cap for corner, having coordinates of N= 10,263,959.95 feet and E= 3,786,429.16 feet, in the north right-of-way line State Highway No. 75, said right-of-way being a strip of land eighty feet in width as described in a Quit Claim Deed from Board of Prison Commissioners to Walker County, Texas dated March 23, 1925, and recorded in Volume 54, page 546, Deed Records and currently utilized as right-of-way for Interstate Highway No. 45;

**EXHIBIT "A"**

**Page 1 of 2**

THENCE N 62°01'05" E, within said City of Huntsville 630 acre tract, a distance of 1,057.65 feet to the **POINT OF BEGINNING**, set 1/2" iron rod with aluminum cap for corner, having coordinates of N= 10,264,456.19 feet and E= 3,787,363.17 feet;

THENCE S 86°39'09" E a distance of 82.24 feet to a 1/2" iron rod with aluminum cap set for corner;

THENCE S 03°20'51" W a distance of 160.00 feet to a 1/2" iron rod with aluminum cap set for corner;

THENCE N 86°39'09" W a distance of 82.24 feet to a 1/2" iron rod with aluminum cap set for corner;

THENCE N 03°20'51" E a distance of 160.00 feet to the **POINT OF BEGINNING**.

NOTES:

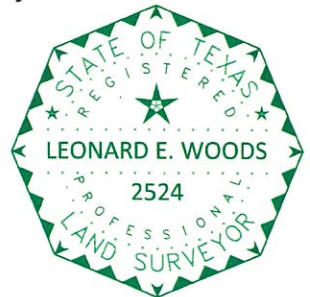
1. For further information, see Survey Plat, prepared concurrently with the legal description herein.
2. All aluminum caps, referenced herein, are 2" in diameter and stamped "City of Huntsville L. E. Woods, RPLS 2524".

Surveyed: February 2024.

Signed \_\_\_\_\_



Leonard E. Woods  
Reg. Prof. Land Surveyor No.2524



Y:\SURVEYORS\PROJECTS\COH12\PS\12-01-02 AIRPORT\NEW HANGAR LEASE\GL-4.fns.doc

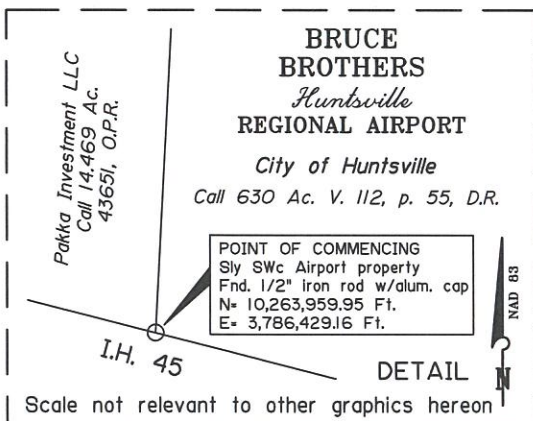
| Line Table |               |        |
|------------|---------------|--------|
| Line No.   | Bearing       | Length |
| L1         | S 86°39'09" E | 283.85 |
| L2         | S 03°20'51" W | 44.14  |
| L3         | N 86°39'09" W | 137.52 |
| L4         | S 03°20'51" W | 33.27  |
| L5         | N 86°39'09" W | 146.33 |
| L6         | N 03°20'51" E | 77.41  |
| L7         | S 03°20'51" W | 99.37  |
| L8         | N 86°39'09" W | 91.62  |
| L9         | N 03°20'51" E | 66.10  |
| L10        | N 86°39'09" W | 45.91  |
| L11        | S 86°39'09" E | 91.87  |
| L12        | S 03°13'06" W | 112.28 |

| Line Table |               |        |
|------------|---------------|--------|
| Line No.   | Bearing       | Length |
| L13        | N 86°39'09" W | 17.00  |
| L14        | N 03°20'51" E | 94.17  |
| L15        | N 86°39'09" W | 75.12  |
| L16        | N 03°20'51" E | 206.45 |
| L17        | S 86°39'09" E | 82.24  |
| L18        | S 03°20'51" W | 160.00 |
| L19        | N 86°39'09" W | 82.24  |
| L20        | N 03°20'51" E | 160.00 |
| L21        | N 86°39'09" W | 82.24  |
| L22        | N 03°20'51" E | 92.50  |
| L23        | S 03°20'51" W | 92.50  |

#### Notes:

1. All corners of Lease parcels are monumented with 1/2" iron rod with 2" dia. alum. cap stamped "City of Huntsville, L. E. Woods, R.P.L.S. 2524" unless otherwise noted.

2. See metes and bounds descriptions labeled Exhibit "A" prepared concurrently with this plat.



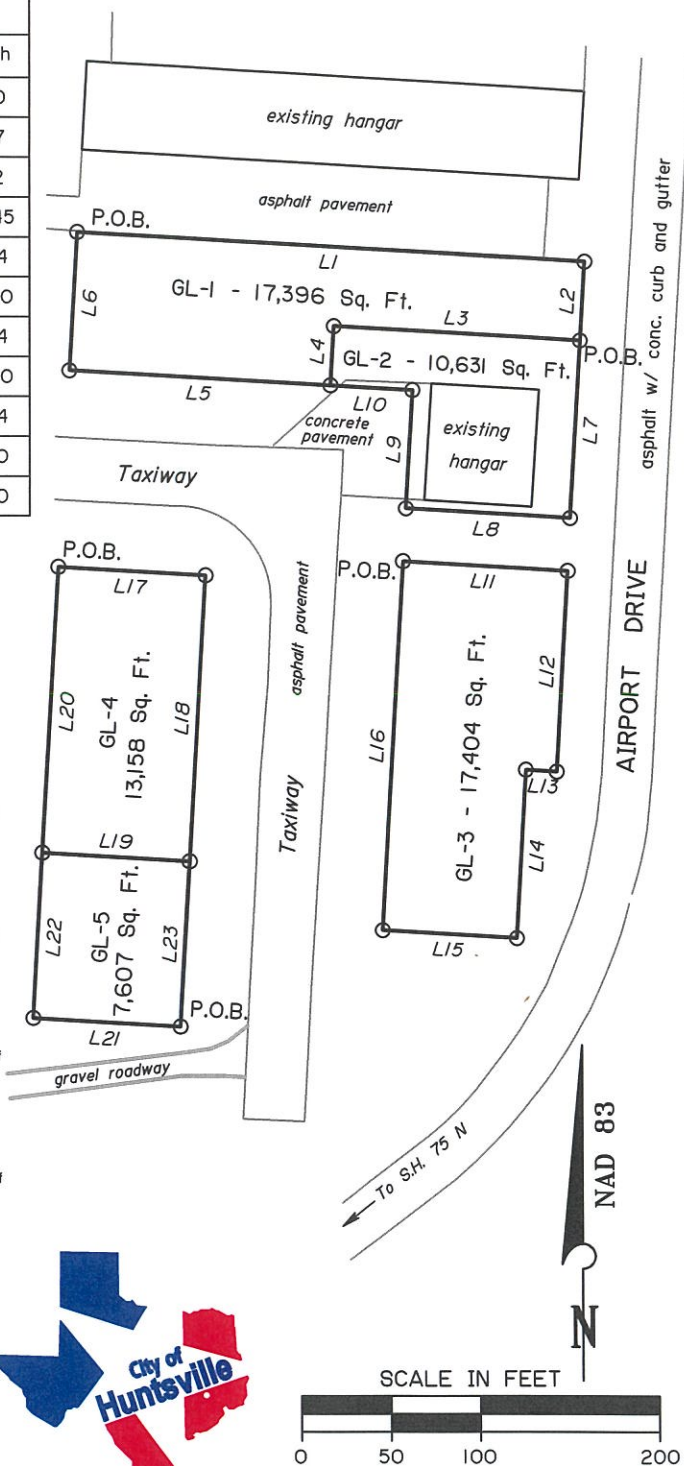
P.O.B. GL-1  
N= 10,264,643.28 Ft.  
E= 3,787,374.11 Ft.  
bears N 54°07'40" E  
1,166.13 from Sly SWc of  
Airport property

P.O.B. GL-2  
N= 10,264,582.64 Ft.  
E= 3,787,654.91 Ft.  
bears N 63°04'08" E  
1,374.84 from Sly SWc of  
Airport property

P.O.B. GL-3  
N= 10,264,459.22 Ft.  
E= 3,787,555.91 Ft.  
bears N 66°06'06" E  
1,232.41 from Sly SWc of  
Airport property

P.O.B. GL-4  
N= 10,264,456.19 Ft.  
E= 3,787,363.17 Ft.  
bears N 62°01'05" E  
1,057.65 from Sly SWc of  
Airport property

P.O.B. GL-5  
N= 10,264,199.32 Ft.  
E= 3,787,430.52 Ft.  
bears N 76°33'21" E  
1,029.57 from Sly SWc of  
Airport property



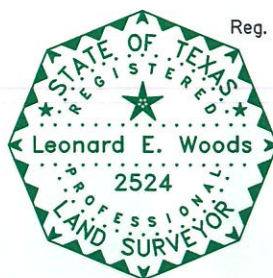
#### Coordinate System, Basis of Bearings and Linear Units:

Coordinates and bearings hereon are referred to the Texas Coordinate System of 1983, Central Zone, and based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 Meters and E= 1,154,289.433 Meters. Distances shown hereon are U. S. Survey Feet in "GRID" units and may be converted to "Geodetic Horizontal" units by dividing by a combined scale factor of 0.99988.

I, Leonard E. Woods, certify that this plat represents a survey made on the ground under my direct supervision and that all corners, found or set, are monumented as shown hereon.

*Leonard E. Woods*

Leonard E. Woods  
Reg. Prof. Land Surveyor No. 2524  
FEBRUARY 2024



City of Huntsville  
Engineering - Surveying  
448 State Hwy. 75 North  
Huntsville, Texas 77320  
Project No. 12-01-02  
Y:\SURVEYORS\PROJECTS\COH\12\PS\12-01-02  
AIRPORT\NEW HANGAR LEASE\HANGAR LEASE  
1-2024.dwg

EXHIBIT "B"

PLAT OF SURVEY OF  
GROUND LEASE PARCELS  
GL-1, GL-2, GL-3, GL-4 AND GL-5  
UPON

CITY OF HUNTSVILLE, TEXAS PROPERTY

CITY OF HUNTSVILLE  
WARREN BIRSELL LEAGUE, A-6  
WALKER COUNTY, TEXAS

FEBRUARY 2024

**Bruce Brothers Huntsville Municipal AIRPORT  
GROUND LEASE AGREEMENT**

**STATE OF TEXAS**

§

§

**KNOW ALL MEN BY THESE PRESENTS:**

**COUNTY OF Walker§**

This lease is made and entered into this 6th day of February 2024, by and between the City of Huntsville, hereinafter referred to as LESSOR and which is the owner of the Bruce Brothers Huntsville Municipal Airport, hereinafter referred to as AIRPORT and Conrad Liles, hereinafter referred to as LESSEE who covenant and agree as follows:

**WHEREAS**, Lessor and Lessee are committed to the proper operation, improvement and continued development of the AIRPORT; and

**WHEREAS**, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

**NOW THEREFORE**, in accordance with the terms, considerations and privileges listed herein, Lessor and Lessee covenant and agree as follows:

**I. LEASED AREA**

Lessor, in consideration of the rents, covenants and promises by Lessee herein contained, does hereby lease to Lessee and Lessee does hereby rent and accept from Lessor that real property referred to as the leased premises and more particularly described as Tract No. **GL-5**, located on the Airport as shown on Exhibit A attached hereto and incorporated herein by reference.

**II. TERM**

This Lease shall be for a term of thirty (30) years (the 'lease term') beginning on February 6, 2024, and ending 30 years from the issuance of the certificate of occupancy, subject to earlier termination as hereinafter provided. At the end of the lease term the Lessee shall have the right of first refusal to re-lease the leased property on terms to be negotiated in good faith by both parties. Upon approval of this ground lease agreement construction of the hanger must commence within one (1) year.

**III. GROUNDS FOR TERMINATION**

Grounds for termination of this lease at any time by Lessor shall include but not limited to:

1. Non-payment of rental.
2. Violation of any term, condition or promise contained or referenced herein.
3. Violation by Lessee of any provision of Chapter 10, Aviation of the Code of Ordinances of the City of Huntsville as amended, and as amended in the future, all of which is incorporated herein by reference.
4. Violation of Airport Zoning or the lawful rules, regulations, or orders of the City of Huntsville.
5. Violation of the laws, rules, rulings, orders or regulations of the State of Texas, the United States or the Federal Aviation Administration pertaining to the Bruce Brothers Huntsville Municipal Airport of tenants or aircraft operators thereon.

6. Failure to comply with the commencement of construction within the one (1) year period.

Prior to termination under this section, the City of Huntsville shall provide Lessee with written notice of anything deemed to be a violation or cause for lease termination and Lessee shall, except as otherwise set forth herein, have seven (7) days to cease and desist such violation or to remedy such other act or omission. As to any such violation, act or omission deemed by the City Manager or appropriate officers or officials of Lessor to be a source of substantial or imminent danger to the safety of persons or property, including air or ground traffic, Lessee shall, upon written or oral notice from Lessor, immediately and forthwith cease and desist such violation, act or omission or Lessee's leasehold right hereunder shall be subject to immediate oral termination by Lessor. The seven (7) day notice, where applicable, shall further only apply to the first two notifications of violations, acts or omissions by Lessee in any lease term, there being no necessity for such notice before termination thereafter.

#### **IV. CONSIDERATION**

1. In consideration for the lease of the Land/Hangar/Building/Office referenced herein, Lessee hereby agrees to pay yearly rental of \$1,141.05 (fifteen (\$0.15) cents per sq. ft.) of lease premises leased to Lessee. The first year's payment shall be prorated to the beginning of the City's next fiscal year and shall be made in advance upon the signing of this lease. Thereafter, all future payments shall be billed during the first month of each fiscal year during the term of this contract plus any extensions thereto, and shall be payable within 20 days of billing.
2. Lessee agrees that the lease payment listed herein shall be subject to review annually by Lessor throughout the term of the lease and prior to any extensions granted. Any adjustments to the lease payment shall be based on the United States Consumer Price Index for all Urban Consumers (CPI-U) for the month of June preceding the change date. Any adjustment to the lease fee shall become effective the first day of Lessor's fiscal year and shall not exceed five percent (5%) per year. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next adjustment. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Office/Building shall not be decreased, but shall remain at the same level as was charged during the preceding 1 year period.
3. Lessee agrees to at all times keep the premises of the Land/Hangar/Building/Office, including the inside and outside of the Hangar/Building/Office, clean and free of trash, litter, tall grass, weeds, junked automobiles, boats and scrap aircraft parts. Lessee shall abide by all applicable rules and regulations of the Environmental Protection Agency, the Texas Natural Resources Conservation Commission, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency regarding the use, storage, and disposal of hazardous chemicals, fuel and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased premises clean and free of hazards, such failure shall be a ground for termination under this lease. Lessor may, after thirty (30) days written notice, arrange for the clean-up of the littered or hazardous area. Such clean-up shall be charged to Lessee and payable upon demand. Failure to render proper payment for such clean-up and/or general disregard of the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.
4. Lessee agrees to maintain the hangar and improvements located on the leased premises in a good state of repair. Such Lessee shall further keep the leased premises insured with policies of general liability insurance, in an amount of \$1,000,000.00 for each person injured, up to an aggregated \$1,000,000.00 for personal injury in any one accident and \$2,000,000.00 for property damage. Such policy originals shall name the City of Huntsville as additional insured and be paid for and kept in force by Lessee throughout the term of this lease and duplicates of such policies and renewals thereof and changes thereto shall promptly be delivered to Lessor.
5. Lessee shall be responsible for any and all taxes assessed on improvements placed on leased premises.

#### **V. PERMITTED USE**

Lessor covenants and agrees that Lessee, on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the leased premises during the term of this lease without hindrance

or molestation of Lessor or any person claiming under Lessor except such portion of the leased premises, if any, as shall be taken under the power of eminent domain.

In the event the tract herein leased has a hangar or other improvements located thereon or such are subsequently placed thereon, Lessor expressly disclaims any express or implied warranties regarding such structure including soundness, habitability, safety, or condition. Lessor further advises Lessee that it makes no warranties regarding the fitness for purpose of any equipment and fixtures and the like, Lessee taking them As Is and with all faults since this is a ground lease only.

Where allowed by Lessor, Lessee agrees to allow other Lessees of adjoining tracts subsequently constructing hangars to attach to and use Lessee's walls and supports. Consideration for such use to the Lessee of the existing hangar shall be prompt payment by the subsequent hangar Lessee of one-half (1/2) of the actual cost of hangar common walls payable to the current Lessees of the adjoining hangars.

Lessee may store his privately owned property inside the hangar, provided that it meets local fire codes and at least seventy-five (75) percent of the hangar floor area is used for aircraft and aviation related purposes.

Lessee may store aviation related products or equipment inside the hangar for use in his aircraft so long, and only so long, as such products or equipment are contained in marked, approved containers, and are stored in accordance with the Airport Rules and Regulations as amended and incorporated herein by reference. Such storage shall be at the discretion of and with written approval from the Huntsville Fire Marshal certifying such storage is allowed under local fire codes.

Lessor reserves the right to enter the leased premises at all reasonable times to inspect for compliance with this lease and the ordinances, regulations, laws, rules and orders of the Lessor, the State of Texas and of the United States.

At the expiration of the lease term, Lessee shall quit and surrender the leased premises hereby demised in as good state and condition as they were in at the commencement of the term, reasonable use and wear and tear thereof and in accordance with the other terms within this lease.

## **VI. RESTRICTED USE**

Lessee agrees that he will not conduct any commercial activity on the leased premises without permission for such operations being granted in writing by Lessor.

Lessee agrees that, subject to the other terms of this paragraph, the usage of at least seventy-five (75) percent of the hangar floor area shall be limited to aircraft and aviation related purposes. In addition, no personal property, including automobile, bus, truck, or other transportation mode, may be permanently stored on associated apron, paved, or grass area.

A Lessee shall not be deemed to be engaged in commercial operations for purposes of determining whether such person is or should become a Fixed Base Operator engaged in hangar rental if the Lessee:

- A. Allows such storage or parking pursuant to a written sublease agreement on a form provided by the City of Huntsville which requires Sublessee to honor all terms and conditions of the Sublessor's lease with the City, and
- B. Owns, leases or subleases not more than 35 percent of the number of hangars of all types located at the Bruce Brothers Huntsville Municipal Airport, whether or not such hangars are subleased.

The fact that a Lessee or Sublessee is a corporation, partnership, joint venture, limited partnership, or association shall not, of itself, cause the Lessor's or Sublessor's use of the leased premises to be deemed commercial use. Use of the leased premises for purposes other than storage or parking of tenant's aircraft (whether owned or bona fide leased to tenant) and storage and use of aircraft related items such as tools and parts and Lessee's or Sublessee's maintenance on his owned or leased aircraft, or expense sharing as set out in this section, shall be deemed commercial.

For purposes of item B above, a Lessee shall be considered to include persons related in the second degree of consanguinity or affinity or a legal entity majority owned or controlled by such person.

If a hangar is not presently located on the leased premises, Lessee represents that Lessee has the present intention of constructing a permanent conforming aircraft hangar on the leased premises and shall begin construction of such hangar within thirty (30) days of obtaining a building permit from the City of Huntsville, which permit shall be obtained within three hundred and sixty-five (365) days after the signing of this Agreement. Such permit shall be sought with due diligence. Hangars shall be completed within two hundred seventy (270) days of the date of beginning of construction. All hangars constructed on the leased premises shall be built to the minimum requirements of the International Building Code, as amended, as adopted by the City of Huntsville and as from time to time amended. Plans, construction, materials, and workmanship of and in such hangar shall be subject to the same approval and inspection and certificates of occupancy by the building inspectors, officials, and sanitarians of the City of Huntsville as if such were located within the corporate limits of the City of Huntsville. Failure to obtain such building permit, to timely commence and complete such hangar construction, or to build such hangar in compliance with the referenced code and requirements or to obtain such inspections and certificate shall be an additional ground for termination of this lease by Lessor.

Nonconforming hangars already built on leased premises shall be allowed to remain unless abandoned for aircraft storage for one (1) year, destroyed or damaged to the extent of fifty percent (50%). Such abandoned, destroyed, or damaged hangars shall be forthwith removed by the Lessee at Lessee's expense. Such abandoned, destroyed, or damaged hangar may be rebuilt in conforming manner as if it were new construction under the terms of Section V above.

Lessee agrees to have an acceptable number of fire extinguishers of acceptable size as determined by the local fire marshal inside the hangar. Such fire extinguishers shall be readily available in the event of fire.

Lessee's agents, employees, invitees, and guests shall be held to the same standards for conduct as Lessee, and their violations, acts or omissions hereunder shall be seen as those of Lessee for the purposes of this lease.

Lessee, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of sex, race, color, or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation, Part 15 of the Federal Aviation Regulations or by the United States or the State of Texas. The Lessor is hereby granted the right to take such action, anything for the contrary notwithstanding, as the United States, State of Texas or their agencies or courts may direct to enforce this nondiscrimination covenant.

## **VII. SUBLEASE, ASSIGNMENT OR SALE**

Lessee agrees not to assign or sublease the leased premises, or any improvements placed on leased premises, or allow any other person except Lessor's agents and employees to occupy the premises, without first obtaining Lessor's written consent. This lease is for the purpose of aviation related business or bona fide leased to Lessee or Sublessee. Upon written consent from Lessor to sublease or assign the leased premises, the proposed Sublessee or assignee shall agree to perform Lessee's duties and responsibilities contained in this Lease Agreement.

Should Lessee or Lessee's assignee in an assignment approved in writing by Lessor, have completed construction on a hangar on the leased premises and Lessee or Lessee's assignee desire to sell such improvements, assign or transfer such leasehold interest herein granted, or such leasehold interest is terminated, then Lessor shall have the first option to purchase such improvements, based upon the following provisions:

- a) Lessee may at his option sell any improvements placed by Lessee on the leased premises. If Lessee has received a bona fide offer to purchase the improvements, then Lessee shall serve written notice to Lessor of such offer, accompanied by an appraisal from a certified appraiser, enclosing a copy of such appraisal and offer which shall be made in writing. Value shall be based upon present value of improvements assuming a ten (10) year lease. Should Lessor elect not to exercise its option to purchase, such sale shall be made subject to approval by Lessor of a new lease to the purchaser of the improvements, (such approval shall not be unreasonably withheld, and provided such sale shall be subject to the right of first refusal provided above).

- b) Lessee shall not serve written notice of such offer upon Lessor unless Lessee actually intends to accept same.
- c) Upon receipt of such written notice, Lessor shall have the option to purchase Lessee's leasehold interest upon the same terms stated in such bona fide offer.
- d) Lessor shall exercise such option to purchase by serving written notice to Lessee within ten (10) days after receipt of Lessee's written notice of the offer.
- e) If Lessor fails to exercise its option to purchase in the manner provided in this section, Lessor's right to purchase shall terminate and Lessee may assign the remaining portion of the Lease (subject to Lessor's approval which shall not be unreasonably withheld) to the offeror in accordance with the terms of such written offer.
- f) Lessee shall not assign this lease or sell such improvements except as herein provided, and any attempted assignment or sale in violation hereof shall be voidable by Lessor.
- g) If improvements placed on the leased premises by Lessee are determined by Lessor to impede airport improvements or expansions detailed in the Airport Master Plan or Airport Layout Plan approved by the Texas Department of Transportation and the Federal Aviation Administration, Lessor may elect to terminate this lease, or refuse any renewal term upon any proposed sale or assignment by Lessee. Further, Lessor may refuse to negotiate a further lease at the end of the lease term. In the event Lessor refuses renewal of this lease on the grounds stated above, then Lessor shall so notify Lessee in writing and pay Lessee the unamortized portion of appraised value of Lessee's improvements based on the remaining years of this lease in accordance with section h below. The appraised value of the improvements shall be determined by a panel of three certified appraisers. Lessor and Lessee shall each appoint one certified appraiser, and the two appraisers so appointed shall select a third person to serve as appraiser. The appraisers shall be selected by Lessor and Lessee within thirty (30) days after Lessor serves notice upon Lessee of its election not to re-lease the leased premises. Lessor shall pay Lessee the calculated appraised value of such improvements, and Lessee shall transfer and convey such improvements to Lessor within ninety (90) days after Lessor serves notice of its election not to re-lease the leased premises.
- (h) Within 6 months of the termination of this lease the Lessor shall pay to Lessee the unamortized portion of the cost of the permanent structures and fixed improvements constructed and installed there. That amortization is to be computed based on the number of months remaining on the lease from the date the Certificate of Occupancy is issued to the expiration date of the initial term of this agreement.
- (i) In the event of default by Lessee of any term or condition of this lease, and the lease is terminated by Lessor on grounds so specified in this Agreement, or in the event that Lessors and Lessee are unable in the exercise of good faith to agree on the terms of a re-lease of the leased premises at the end of the lease term, then Lessee may at his option either:
  - 1. Within a period of sixty (60) days, upon reasonable advance notice to the Airport Manager, remove all personal property, equipment, or trade fixtures owned by Lessee, with the exception of common walls in hangars, provided that if Lessee elects to remove such improvements he shall restore the leased premises to as good a condition as at the commencement of this Lease, normal use and wear and slab removal excepted. Lessee shall not remove the common wall on any hangars having a common wall. If Lessee so elects to remove such improvements, he shall quit and surrender the leased premises to Lessor on the termination date of the Lease subject to his right of re-entry upon the Leased Premises for the sole purpose of removing such improvements and restoring the leased premises to its original condition.
  - 2. Elect to sell improvements placed on the leased premises. If Lessee elects to sell such improvements, Lessee shall serve written notice of such election upon Lessor within sixty (60)

days after the termination of the Lease. Such notice shall be accompanied by payment of rent for a period of one (1) year, together with any rent arrearage owed by Lessee to Lessor. Upon giving notice and paying the rent stipulated above, Lessee shall have a period of one (1) year following the Lease termination date within which to sell such improvements, and upon such termination of such one-year period Lessee shall have an option to extend the time for selling such improvements for additional one-year periods by giving notice and paying one year's rent in the same manner set forth above. During such period of time, not to exceed five (5) years following termination of the Lease, the leased premises shall remain vacant and shall not be used for any purpose by Lessor or Lessee. Upon the sale of such improvements by Lessee, Lessee's right and privilege to use the leased premises for any purpose whatsoever shall terminate, and the ratable portion of rent paid by Lessee for the remainder of the year during which the sale of such improvements is made shall be refunded by Purchaser to Lessee.

- (i) If Lessee fails to remove or sell his improvements on the Leased Premises in the manner provided above, or if Lessee fails to serve such notices on Lessor and pay the rent required above for extending the time within which Lessee may sell such improvements, such improvements shall be deemed abandoned by Lessee sixty (60) days following the Lease termination date, and all improvements on the Leased Premises shall be forfeited to Lessor as liquidated damages for any past or future default by Lessee in payment of rent under this Agreement, and Lessee's obligation to pay rent hereunder, either arrearages or future rent, shall be terminated.
- (ii) All sublease(s), assignments or sale are subject to the provisions of Article X "Title to Improvements".

#### **VIII. INDEMNITY**

Lessee shall indemnify the Lessor, its officers, agents and employees, against all liabilities of and to third persons, excluding liabilities resulting from the primary or active negligence of the Lessor, its officers, agents and employees, arising out of the use or occupancy of the premises by Lessee or others with its consent or out of any other acts or omissions of Lessee, its officers, agents and employees, on the premises or elsewhere on the airport. In the event any claim is made, or action brought that is covered by the above indemnity the Lessor shall give prompt written notice of that claim or action to Lessee and, if requested, Lessee shall attend to the defense of it. The Lessor shall not take any action, including settlement or compromise, which may in any manner adversely affect Lessee's ability to defend against any claim or action, and if the Lessor desires to defend itself without waiving its rights under the indemnity above it shall do so at its own expense and Lessee shall be allowed to participate, at its expense, in the defense.

#### **IX. MAINTENANCE, IMPROVEMENT OF AIRPORT**

Lessor has applied for and received or may receive a grant or grants of money from the Federal Aviation Administration pursuant to the Federal Airport Act of 1946, as amended, and/or the Texas Department of Transportation, and the Lessor may in the future apply for and receive other such grants. In connection therewith, Lessor has undertaken and may in the future undertake certain obligations respecting its operation of the airport and activities of its contractors, lessees, and permittees thereon. The performance by Lessee of the covenants, conditions, and obligations contained in this agreement is therefore a special inducement to and consideration for the execution of this lease by Lessor, and Lessee further covenants and agrees that if the Federal Aviation Administration, the Texas Department of Transportation or other governmental body or officer having jurisdiction over the enforcement of the obligations of Lessor in connection with federal or state aid shall make any orders, recommendations, or suggestions respecting the performance by Lessee of its obligations under this agreement, Lessee will promptly comply therewith at the time or when and to the extent that Lessor may direct.

Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the leased premises would have a negative impact on, or impair any proposed development or improvements at the Airport. This

contract agreement may be terminated regardless of the desires, wishes or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan. In this case, Lessor shall exercise its right to acquire such improvements as outlined in Section VII above. If the Lessee is unable to utilize the leased space due to improvements and/or repairs to the public use areas of the airport, this lease may be extended by the number of days the leased area is unable to be utilized.

Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities necessary at the Airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies, or other compensation will be owed to Lessee by Lessor.

Lessee shall pay or cause to be paid all charges for water, heat, gas, electricity, sewers and any and all other utilities used on the leased premises throughout the term of this lease, including any connection fees.

#### **X. Title to Improvements**

The Lessor solely owns the Leased Premises. Any and all improvements made to the Leased Premises by Lessee shall become the property of Lessor upon the expiration or termination of this Agreement in accordance with Section VII above; provided, however if Lessee is not then in default hereunder, Lessee shall have the right to remove all personal property, equipment, or trade fixtures owned by Lessee from the Leased Premises, but Lessee shall be required to repair any damage to the Leased Premises caused by such removal in a good and workmanlike manner and at Lessee's sole cost and expense. If LESSEE fails or refuses to remove any or all of Lessee's personal property, equipment, and trade fixtures from the Leased Premises on or before the date of the termination of this Agreement, the items which Lessee has failed or refused to remove: (i) shall be considered abandoned by Lessee, (ii) shall become the property of Lessor, and (iii) may be disposed of by Lessor in any manner desired by Lessor in Lessor's unfettered discretion.

#### **XI. EXCLUSIONS**

No waiver by Lessor of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation hereof.

In the event Lessor or Lessee breaches any of the terms of this agreement whereby the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the other party reasonable attorney's fees so incurred by such other party.

The numeric captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.

Time is of the essence of this agreement.

For the purpose of this agreement, the singular number shall include the plural and the masculine shall include the feminine and vice-versa, whenever the context so admits or requires.

This agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this agreement.

This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Walker County, Texas.

In case any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof and this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the written subject matter.

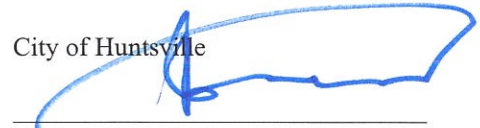
No amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

The rights and remedies provided by this lease agreement are cumulative.

This lease entered into this the \_\_\_\_ day of \_\_\_\_\_

Lessor:

City of Huntsville

  
\_\_\_\_\_  
City Manager  
1212 Avenue M  
Huntsville, TX 77340

Lessee:

  
\_\_\_\_\_  
Conrad Liles  
217 Blue Crane  
Huntsville, Texas 77320

ATTEST:   
\_\_\_\_\_

**CITY OF HUNTSVILLE, TEXAS**

Engineering - Surveying  
448 State Hwy. 75 North  
Huntsville, Texas 77320

THE STATE OF TEXAS §

COUNTY OF WALKER §

I, Leonard E. Woods, Registered Professional Land Surveyor No. 2524, do hereby certify that the following field notes represent a survey made on the ground of the following described tract or parcel of land located in Walker County, Texas. Coordinates and bearings herein are referred to the Texas Coordinate System of 1983, Central Zone and are based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 meters and E= 1,154,289.433 meters. Distances herein are U. S. Survey Feet in "Grid" units and may be converted to "Geodetic Horizontal" by dividing by a combined scale factor of 0.99988.

***GROUND LEASE parcel GL-5***

***UPON***

***CITY OF HUNTSVILLE, TEXAS PROPERTY***

***W. BIRDELL LEAGUE, A-6, WALKER COUNTY, TEXAS***

Being 7,607 square feet of land, more or less, situated in the WARREN BIRDELL LEAGUE, Abstract No. 6, Walker County, Texas, and being out of and a part of a called 630 acres described in a Deed from The Texas Prison Board to the City of Huntsville, Texas dated November 19, 1945 recorded in Volume 112, page 55, Deed Records of Walker County, Texas, and being within that portion of said City of Huntsville 630 acre tract currently utilized for the Bruce Brothers Huntsville Regional Airport, said 7,607 square feet of land being described by metes and bounds as follows:

COMMENCING, for reference only, in the south line of said City of Huntsville 630 acre tract at the southeast corner of a called 3 acre tract (a daughter tract of said City of Huntsville 630 acre tract) described in a Deed from Curry H. Vogelsang, Trustee to J & W Corporation dated January 8, 1992 and recorded in Volume 159, page 637, Official Public Records of Walker County, Texas, said 3 acre tract being part of a called 14.469 acre tract described in a Deed from J & W Corporation to Pakka Investment LLC dated December 17, 2018 and recorded as Instrument No. 43651, Official Public Records, found a 1/2" iron rod with aluminum cap for corner, having coordinates of N= 10,263,959.95 feet and E= 3,786,429.16 feet, in the north right-of-way line State Highway No. 75, said right-of-way being a strip of land eighty feet in width as described in a Quit Claim Deed from Board of Prison Commissioners to Walker County, Texas dated March 23, 1925, and recorded in Volume 54, page 546, Deed Records and currently utilized as right-of-way for Interstate Highway No. 45;

**EXHIBIT "A"**

**Page 1 of 2**

THENCE N 76°33'21" E, within said City of Huntsville 630 acre tract, a distance of 1,029.57 feet to the **POINT OF BEGINNING**, set 1/2" iron rod with aluminum cap for corner, having coordinates of N= 10,264,199.32 feet and E= 3,787,430.52 feet;

THENCE N 86°39'09" W a distance of 82.24 feet to a 1/2" iron rod with aluminum cap set for corner;

THENCE N 03°20'51" E a distance of 92.50 feet to a 1/2" iron rod with aluminum cap set for corner;

THENCE S 86°39'09" E a distance of 82.24 feet to a 1/2" iron rod with aluminum cap set for corner;

THENCE S 03°20'51" W a distance of 92.50 feet to the **POINT OF BEGINNING**.

NOTES:

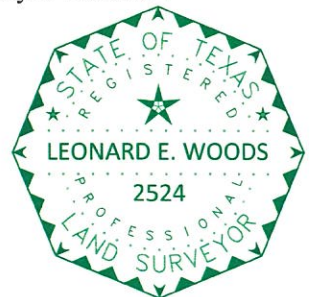
1. For further information, see Survey Plat, prepared concurrently with the legal description herein.
2. All aluminum caps, referenced herein, are 2" in diameter and stamped "City of Huntsville L. E. Woods, RPLS 2524".

Surveyed: February 2024.

Signed \_\_\_\_\_

*Leonard E. Woods*

Leonard E. Woods  
Reg. Prof. Land Surveyor No.2524



Y:\SURVEYORS\PROJECTS\COH12\PS\12-01-02 AIRPORT\NEW HANGAR LEASE\GL-5.fns.doc

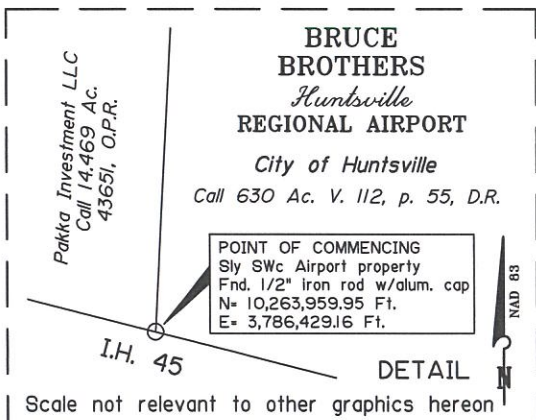
| Line Table |               |        |
|------------|---------------|--------|
| Line No.   | Bearing       | Length |
| L1         | S 86°39'09" E | 283.85 |
| L2         | S 03°20'51" W | 44.14  |
| L3         | N 86°39'09" W | 137.52 |
| L4         | S 03°20'51" W | 33.27  |
| L5         | N 86°39'09" W | 146.33 |
| L6         | N 03°20'51" E | 77.41  |
| L7         | S 03°20'51" W | 99.37  |
| L8         | N 86°39'09" W | 91.62  |
| L9         | N 03°20'51" E | 66.10  |
| L10        | N 86°39'09" W | 45.91  |
| L11        | S 86°39'09" E | 91.87  |
| L12        | S 03°13'06" W | 112.28 |

| Line Table |               |        |
|------------|---------------|--------|
| Line No.   | Bearing       | Length |
| L13        | N 86°39'09" W | 17.00  |
| L14        | N 03°20'51" E | 94.17  |
| L15        | N 86°39'09" W | 75.12  |
| L16        | N 03°20'51" E | 206.45 |
| L17        | S 86°39'09" E | 82.24  |
| L18        | S 03°20'51" W | 160.00 |
| L19        | N 86°39'09" W | 82.24  |
| L20        | N 03°20'51" E | 160.00 |
| L21        | N 86°39'09" W | 82.24  |
| L22        | N 03°20'51" E | 92.50  |
| L23        | S 03°20'51" W | 92.50  |

#### Notes:

1. All corners of Lease parcels are monumented with 1/2" iron rod with 2" dia. alum. cap stamped "City of Huntsville, L. E. Woods, R.P.L.S. 2524" unless otherwise noted.

2. See metes and bounds descriptions labeled Exhibit "A" prepared concurrently with this plat.



Coordinate System, Basis of Bearings and Linear Units:

Coordinates and bearings hereon are referred to the Texas Coordinate System of 1983, Central Zone, and based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 Meters and E= 1,154,289.433 Meters. Distances shown hereon are U. S. Survey Feet in "GRID" units and may be converted to "Geodetic Horizontal" units by dividing by a combined scale factor of 0.99988.

I, Leonard E. Woods, certify that this plat represents a survey made on the ground under my direct supervision and that all corners, found or set, are monumented as shown hereon.

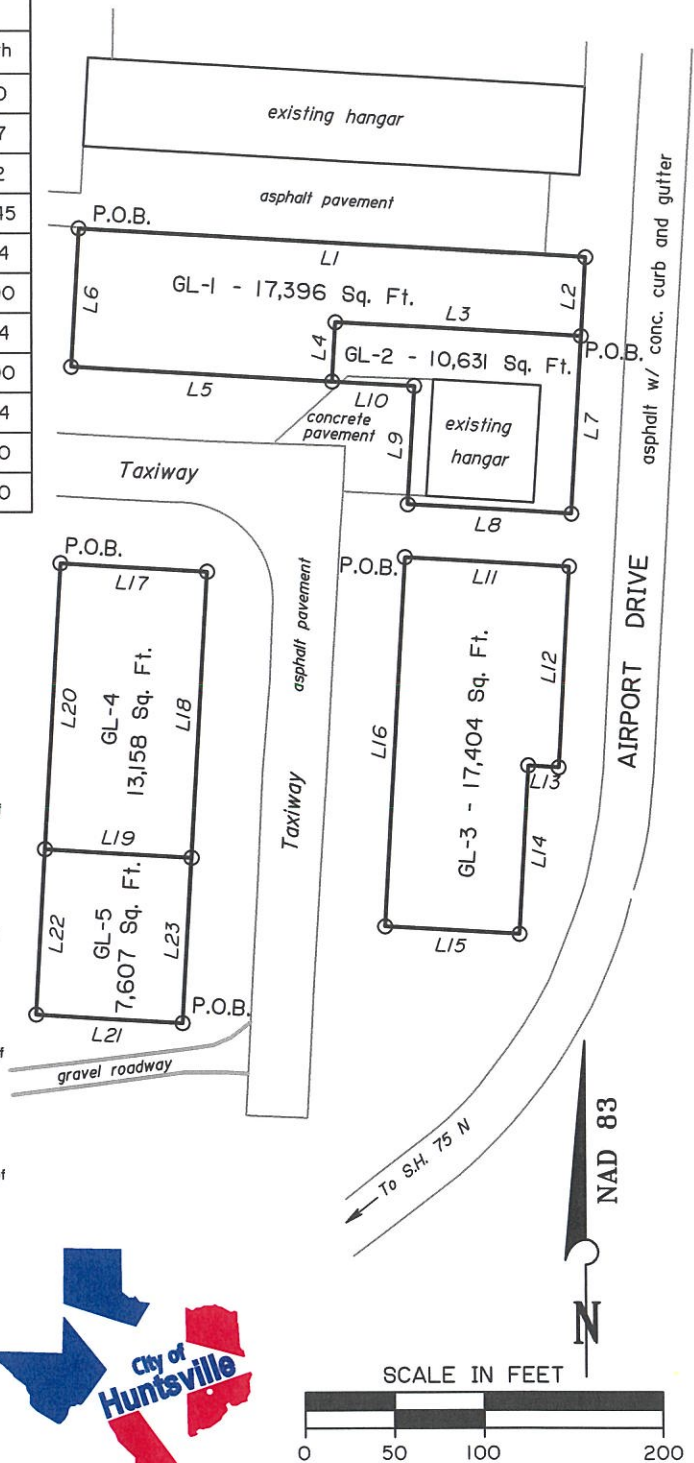
*Leonard E. Woods*

Leonard E. Woods  
Reg. Prof. Land Surveyor No. 2524  
FEBRUARY 2024



City of Huntsville  
Engineering - Surveying  
448 State Hwy. 75 North  
Huntsville, Texas 77320  
Project No. 12-01-02  
Y:\SURVEYORS\PROJECTS\COH12\PS\12-01-02  
AIRPORT\NEW HANGAR LEASE\HANGAR LEASE  
1-2024.dwg

EXHIBIT "B"



PLAT OF SURVEY OF  
GROUND LEASE PARCELS  
GL-1, GL-2, GL-3, GL-4 AND GL-5  
UPON

CITY OF HUNTSVILLE, TEXAS PROPERTY  
CITY OF HUNTSVILLE  
WARREN BIRDSSELL LEAGUE, A-6  
WALKER COUNTY, TEXAS

FEBRUARY 2024



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 2.d.

**Agenda Item:** Consider approving an Agreement with the Texas Grand Ranch, LLC, to construct a Water Distribution System in the ETJ for the Estates of Texas Grand Ranch Section II.

**Initiating Department/Presenter:** Engineering

**Presenter:**

Kathlie Jeng-Bulloch, City Engineer

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**Recommended Motion:** Move to approve **the** Agreement with the Texas Grand Ranch, LLC, to construct a Water Distribution System in the ETJ for the Estates of Texas Grand Ranch Section II.

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**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

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**Discussion:** The Estates of Texas Grand Ranch Section II is located West of I-45 and within the City ETJ. It contains 9 Blocks, 200 Lots, and 4 Reserves. This phase of development includes 256.69 Acres out of 3,314.028 Acres of land.

The Opinion of the project construction cost is \$3,543,506.77, which includes Paving & Grading, Water Distribution System, Storm Sewer & Detention, and Erosion Control.

Construction shall be done strictly in accordance with the city-approved plans and specifications prepared by the developer/engineer. Upon completion of the construction, as-built drawings and supporting documentation must be submitted. The developer shall pay for all soil and material testing.

The Water Distribution System, estimated to cost \$891,954.00, will provide service to the Estates of Texas Grand Ranch Section II and be dedicated to the City for operation and maintenance. After the construction of this proposed water system, the developer will provide a one-year maintenance bond.

There is no participation cost to the City for this public improvement project.

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**Previous Council Action:** No

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**Financial Implications:** \$0.00.

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**Approvals:**

Kathlie Jeng-Bulloch

Leonard Schneider

Sam Masiel

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Scott Swigert  
Kristy Doll

---

**Associated Information:**

1. Public Improvement Agreement 6 3 2025

AGREEMENT TO CONSTRUCT PUBLIC IMPROVEMENTS  
PROJECT: **Estates of Texas Grand Ranch Section II, PD#2016-04-01**

THIS AGREEMENT TO CONSTRUCT PUBLIC IMPROVEMENTS (this “**Agreement**”), is between the CITY OF HUNTSVILLE, a home-rule municipal corporation, 1212 Avenue M, Huntsville, Texas 77340, hereinafter referred to as “**CITY**” and **I Texas Grand Ranch , LLC**, hereinafter referred to as “**DEVELOPER**”:

**WHEREAS**, The City is a home-rule city and municipal corporation that provides a full-range of governmental services to its citizens; and

**WHEREAS**, Developer is the owner of that certain parcel of land situated in the ETJ of the City of Huntsville, Walker County, Texas, generally known and described as **Estates of Texas Grand Ranch (TGR) Section II, PD#2016-04-01** as further described on **Exhibit “A”** attached hereto, and Developer proposes to do and perform certain work of improvement thereon as hereinafter set forth; and

**WHEREAS**, City desires to assure that the proposed public improvements will be done in good workmanlike manner and in accordance with the laws now in force and effect in the City of Huntsville, Texas, including the Development Code, the terms and conditions of which are incorporated herein by reference; and,

**WHEREAS**, Developer declares that it is familiar with the regulations and laws now in force and effect in the City of Huntsville, Texas, including the current Development Code and agrees to comply therewith, and

**WHEREAS**, a final plat of this tract prepared in accordance with the City's Development Code, has been filed by Developer with City for approval by the City Planning and Zoning Commission;

**NOW, THEREFORE**, in consideration of the approval and acceptance by the City Planning and Zoning Commission of final plat and the acceptance of **Water, Streets, and Storm Drainage Systems**, therein offered for dedication for public purposes and the covenants herein contained, the parties hereto mutually covenant and agree as follows:

**1. General Requirements:**

Developer shall, at its own cost and expense, supply all materials and complete all of the improvements set forth in the attached **Exhibit “B”** attached hereto (the “**Improvements**”) with such improvements to be completed to the satisfaction of the City Engineer of the City at an estimated construction cost of **Three Million Five Hundred Forty Three Thousand Five Hundred Six Dollars and 77/100. (\$3,543,506.77), reference Exhibit “C”.**

**2. Monumentation:**

Developer shall replace, or have replaced, or repair, or have repaired, as the case may be, all property corners and monuments shown on the map that have been destroyed or damaged, and Developer shall replace or have replaced, repair, or have repaired, as the case may be, or pay to the owner, the entire cost of replacement or repairs, of any and all property damaged or destroyed by reason of any work done hereunder, whether such property be owned by the United States or any agency thereof, or the State of Texas, or any agency or political subdivision thereof, or by the City or by any public or private corporation, or by any person whomsoever or by any combination of such owners. Any such repair or replacement shall be to the satisfaction, and subject to the approval, of the City Engineer.

**3. Permits; Compliance with Law:**

Developer shall, at Developer's expense, obtain all necessary permits and licenses for the construction of such improvements, give all necessary notices and pay all fees and taxes required by law. The Developer understands and agrees that all City ordinances and codes, including applicable permits, fees and inspections, shall be of full force and effect within its boundaries the same as to other areas within the City's corporate limits and this Contract shall at all times be subject to the City Code of Ordinances.

**4. Superintendence by Developer:**

Developer shall give personal superintendence to the work of the improvements, or have a competent foreman or superintendent, satisfactory to the City Engineer, on the work at all times during progress, with authority to act for Developer.

**5. Inspection by City:**

Developer shall at all times maintain proper facilities and provide safe access for inspection by City to all parts of the work and to the shops wherein the work is in preparation.

**6. Repair or Reconstruction of Defective Work:**

Upon completion of the work performance as outlined in **Exhibit "B"** a Certificate of Completion letter (for improvements within the ETJ) will be issued by the City to the Developer.

If, within a period of one year after final acceptance of the work performed, (other than roads in the ETJ and improvements in the right of ways of those roads) under this agreement, any structure or part of any structure furnished, and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this agreement, fails to fulfill any of the requirements of this agreement, or the specifications referred to herein, Developer shall without delay and without any cost to the City, repair

or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should Developer fail to act promptly or in accordance with this requirement or should the exigencies of the case require repairs or replacements, to be made before developer can be notified, City may, at its option, make the necessary repairs or replacements or perform the necessary work and Developer shall pay to City the actual cost of such repairs plus fifteen percent (15%).

For developments in the ETJ, the City has no responsibility for repairs unless there is maintenance bond that upon demand, will pay for the repairs, and then only if the bond names the City. Any acceptance of the road for maintenance or roads in the ETJ shall be made by the Commissioners Court of Walker County. All repair or reconstruction of defective work will be administered by Walker County.

**7. Definition and Ownership of Improvements:**

- a. The term **"Improvements"** as defined herein and described on **Exhibit "B"** shall include grading, paving, curbs and gutters, pathway, storm and sanitary sewers, utilities, drainage facilities, traffic control, landscaping, and street lights, that shall be shown in detail upon plans, profiles and specifications that have been prepared by engineers acting for Developer subject to approval by the City Engineer. No work on these improvements shall be commenced until plans and profiles therefore have been submitted to and approved by the City Engineer. The cost of plan checking and inspection shall be paid by Developer. All public improvements constructed or installed pursuant to this agreement (other than paved street right of ways, sidewalks and drainage for the streets), shall become the sole exclusive property of the City of Huntsville, without payment therefore, upon acceptance of the improvements by the City. Developer agrees to execute any documents required for the transfer of the completed Improvements to the City.
- b. **Public Improvements Plan**  
The Developer's Public Improvement Plan is attached as **Exhibit "B"**. The City and the Developer agree that approvals or certifications by the City are required for each phase or part of the Public Improvement Plan. The City and the Developer agree that the Developer shall develop the Tract in accordance with the Public Improvements Plan and that the City has been induced to enter into this Contract based upon Developer's representation that it will develop the Tracts in accordance with the Public Improvements Plan.

**8. Time of Completion:**

All of the public improvements shall be completed within twelve (12) months from the effective date of this Agreement. In the event that Developer fails to complete the public improvements within the twelve months' period, the City may complete the work and shall be entitled to recover the full cost and expenses thereof from Developer, or his surety, to pay the City in advance, sufficient monies to cover the City's cost in completing

construction of these public improvements. The time for completion may be extended by the City Engineer, in writing, for good cause shown by the Developer. It is understood and the Developer agrees it is required to pay for the public improvements whether a plat is approved or not approved.

9. **Surety:**

- A. Before construction begins on the Improvements, Developer shall file with the City both:
  - (1) acceptable surety in the amount equal to 100 percent (100%) of the estimated construction cost hereinabove set forth to guarantee performance of all the provisions of this contract, and
  - (2) acceptable surety in the amount equal to 100 percent (100%) of the estimated construction cost hereinabove set forth to guarantee payment to the contractor, his subcontractor, and to persons renting equipment or furnishing labor and materials to them for the improvements required under this contract.
- B. Acceptable surety shall be in the form of surety bonds (issued by a company acceptable according to the latest list of companies on file with the Secretary of State of Texas), or in the form of an irrevocable letter of credit from a local bank, on a form acceptable to the City, or in the form of a cash deposit to be held by the City. In the event the Developer fails to meet its obligations contained in this Agreement, the City shall have the right to draw the entire amount of the Letter of Credit as a reimbursement to the City for the cost by the City to complete construction of the Public Improvements and any legal and administrative costs associated with completion thereof.
- C. If the Developer does not wish to provide surety, then the Developer agrees that the City will withhold final plat approval and recording of the plat (or withhold the approved plat from filing) until certification of satisfactory completion of public improvements by the City Engineer and the below required Maintenance Bonds are filed by the Developer with the City of Huntsville.
- D. For development in the ETJ of the City, Developer shall file with Walker County a maintenance bond in the amount determined by Walker County, of the estimated construction cost of the road and associated improvements within the rights-of-way that will be maintained by the County. Developer shall file with the City of Huntsville a maintenance bond in the amount of 100% of the estimated construction cost of the public **Water system**.

**10. Effective Date of Contract:**

This agreement will become effective when all the parties have signed it. The date this agreement is signed by the last party to sign it (as indicated by the date stated opposite or under that party's signature) will be deemed the effective date of this agreement.

**11. Liability for Nonperformance:**

Neither the City nor any of its officers or agents shall be liable to Developer or its contractors for any error or omission arising out of or in connection with any work to be performed under this contract.

**12. Liability for Personal Injuries:**

The City shall not be liable to the Developer or to any other person, firm, or corporation whatsoever, for any injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about the subdivision of the land covered by this Agreement, or any part thereof.

**13. Release and Indemnification:**

**The Developer hereby releases and agrees to indemnify and save the City harmless from and against any and all injuries to and deaths of persons and injuries to property, and all claims, demands, costs, loss, damage and liability, howsoever the same may be caused and whensoever's the same may appear, resulting directly or indirectly from the performance or nonperformance of any or all work to be done in and upon premises adjacent thereto pursuant to this Agreement, and also from any and all injuries to and deaths of persons and injuries to property or their interests and all claims, demands, costs loss, damage, and liability, howsoever may be caused and whensoever's the same may appear, either directly or indirectly made or suffered by the Developer, the Developer's agents, employees, and subcontractors, while engaged in the performance of that work.**

Before any work pursuant to this contract, Developer's contractors shall furnish to City satisfactory evidence of an insurance policy written upon a form and by a company which meets with the approval of City insuring City, its officers, agents, and employees against loss or liability which may arise during the work or which may result from any of the work herein required to be done, including all costs of defending any claim arising as a result thereof. Minimum liability and property damage insurance shall be not less than **\$500,000** for all damages arising out of bodily injury or to death of one person and not less than **\$1,000,000** for all damages arising out of bodily injuries to or death of more than one person in any one occurrence; and not less than \$100,000 for all damages and/or destruction of property in any one occurrence and not less than \$500,000 for all damages and/or destruction of property during the policy period. This policy shall be in favor of Developer or its contractors and of the City, its officers, agents, and employees and shall be maintained

in full force and effect during the life of this contract. This policy shall not be canceled until City shall have had at least thirty (30) days notice in writing of such cancellation.

**14. Liability of Developer:**

The Developer agrees that the use for any purpose and by any person of any and all of the streets and improvements herein before specified, shall be at the sole and exclusive risk of the Developer at all times prior to final acceptance by the City of the completed street and other improvements thereon and therein; provided, that acceptance by the City shall in no way eliminate or lessen any of Developer's obligations or undertakings contained in this Agreement.

**15. Developer's Expenses:**

The Developer shall pay for the following expenses:

- a. The Developer shall cause to be made and pay for soil tests made by a reputable and certified soils testing laboratory to determine gradation, bearing, and resistance value of soils within the subdivision from which to determine the nature of the improvement necessary. The developer shall also cause to be made and pay for all compaction tests required by the City Engineer.
- b. The Developer and his subcontractors shall pay for all testing of public improvements required by the City Engineer of the City before acceptance as public improvement.
- c. The Developer and his subcontractors shall pay for any materials, provision, provender, and other supplies or equipment used in, upon, for or about the performance of the work contracted to be done.
- d. All required improvements shall be constructed under the inspection of and subject to approval of the City Engineer. The cost of inspections shall be paid by the Developer.
- e. Sewer and water fees as established by City shall be paid prior to the time of connection to any existing sewer or water line, or to any extension of an existing sewer or water line. In the event the Developer sells lots before the sewer and water connection fees are paid, no building permit shall be issued for any lot within the subdivision until the sewer and water connection fees therefore are paid. The payment of these connection fees shall be the primary obligation of Developer subject to the right of the City to collect connection fees at the time of issuance of a building permit.

**16. Approval by City Engineer:**

It is mutually agreed by the parties hereto that the City Engineer shall have the right to reject any or all of the work to be performed under this contract if such work does not conform to the plans and specifications mentioned herein or the ordinances of the City of Huntsville. Any damage to the sewer system, utilities, concrete work, or street paving that occurs after installation shall be made good to the satisfaction of the City Engineer by the Developer before release of bond or final acceptance of completed work.

**17. Obligations of Developer:**

Notwithstanding the fact that Developer's plans and specifications, completion of the work, and other acts are subject to approval of the City, it is understood and agreed that any approval by the City thereof shall in no way relieve Developer of satisfactorily performing the work or his obligations hereunder. The construction shall be done strictly in accordance with the plans and specifications prepared by Developer or its engineer, with the City of Huntsville's standards and with the provisions of the Huntsville city code. In accordance to the Texas Occupations Code 1001.407, the Engineering Construction is to be performed under the direct supervision of an Engineer. "As-built" drawings and supporting documentation are required to be submitted upon completion of the Work, certified by the Engineer supervising the Work. Developer warrants that its plans and specifications conform as a minimum to the ordinances and that they are adequate to accomplish the work in good workmanlike manner and in accordance with sound construction practices. Developer's engineer is required to perform services under the standard or care provided for in Texas Local Government code § 271.904 (d)(1-2).

**18. Notice of Completion:**

Developer shall file a Notice of Completion with the City Engineer of the improvements herein specified. The Notice of Completion will include a letter from the Engineer of Record for the Project, certifying that the Work has been completed and installed in conformance with the plans and specifications approved by the City.

**19. Relationship of Contractors:**

It is hereby mutually covenanted and agreed by the parties hereto that Developer's contractors are not agents of City, and that the contractors' relations to City, if any, are those of independent contractors.

**20. Certification of Satisfactory Completion:**

Upon the satisfactory completion of the improvements by the Developer, the City Engineer shall certify that the work of these improvements has been satisfactorily completed.

**21. Assignment:**

This contract shall not be assignable by Developer without written consent of City.

**22. Filing of Improvement Plans:**

Upon completion of the job and subsequent to the acceptance of the job by the City, the Developer shall supply the City with electronic versions, in PDF and AutoCAD formats, one set of Engineer certified "as built" and shall reflect the job as actually constructed, with all changes incorporated therein. In addition, the Developer shall provide to the City the materials testing results, construction submittals, change orders, and clarifications.

**23. Choice of Law; Venue; Dispute Resolution:**

This contract shall be governed by the laws of the State of Texas and venue for any lawsuit or court action shall be in district court in Walker County, Texas.

The parties recognize that disputes may occur and the Agreement involves a governmental entity and as such, there can be no delegation to a third party individual or third party entity for a final resolution of the duties and obligation of the City as herein provided. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least 30 days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the 30-day period, the commencement of the cure within the 30-day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period.

If either Party defaults under this Agreement and fails to cure the default within the applicable cure period, the non-defaulting Party will have all rights and remedies available under this Agreement or applicable law, including the right to institute legal action to cure any default, to enjoin any threatened or attempted violation of this Agreement or to enforce the defaulting Party's obligations under this Agreement by specific performance or writ of mandamus, or to terminate this Agreement. All remedies available to a Party will be cumulative and the pursuit of one remedy will not constitute an election of remedies or a waiver of the right to pursue any other available remedy.

**24. Merger and Modifications:**

This Contract, including the exhibits that are attached hereto and incorporated herein for all purposes, embodies the entire agreement between the parties relative to the subject matter hereof. This Contract shall be subject to change or modification only with the written mutual consent of the parties.

**25. Reservation of Rights:**

All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

**26. Captions:**

All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

**27. Severability:**

The provisions of this Contract are severable, and if any part of this Contract or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of part of this Contract to other persons or circumstances shall not be affected thereby.

**28. Benefits of Contract:**

This Contract is for the benefit of the City and the Developer and shall not be construed to confer any benefit on any other person except as expressly provided for herein.

**29. Addresses and Notice:**

Unless otherwise provided in this Contract, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to the other (except bills), must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to such party, addressed to the party to be notified. Notice deposited in the mail in the manner herein above described shall be conclusively deemed to be effective, unless otherwise stated in this Contract, from and after the expiration of three (3) days after it is so deposited. Notice given in any such other manner shall be effective when received by the party to be notified. For the purpose of notice, addresses of the parties shall, until changed as hereinafter provided, be as follows:

*If to the City, to:*

City of Huntsville  
1212 Avenue M  
Huntsville, TX 77340  
Phone: (936) 294-5760  
Attn: City Engineer

*If to the Developer, to:*

**Estates of Texas Grand Ranch Section 11**

**Renee Howes, Project Manager**

**P.O. Box 261**

**Skull Valley, AZ 86338**

**Contact #: (928) 713-1841**

The parties shall have the right from time-to-time and at any time to change their respective addresses and each shall have the right to specify any other address by at least fifteen (15) days written notice to the other.

30. Developer warrants and certifies that Developer, and any other person designated to provide Services hereunder has the requisite training, license and/or certification to provide said services and meets all competence standards promulgated by all other authoritative bodies as applicable to the service provided herein.
31. If the Developer is a corporation or LLC or partnership, Company warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and is authorized and in good standing to conduct business in the State of Texas.
32. The signer of this agreement for the Developer represents, warrants, assures and guarantees that he or she has full legal authority to execute this Agreement on behalf of the Developer and to bind the Developer to all of the terms, conditions, provisions and obligations herein contained.
33. **Texas Government Code Mandatory Provision.** The City of Huntsville may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company that it; (i) does not boycott Isarel; and (ii) does not boycott Israel during the term of the contract. (Texas Government Code Chapter 2270.002) by accepting this rider, the Consultant hereby verifies that it does not boycott Israel as that term is defined in the Texas Government Code, Section 808.001 as amended. Further, the Company hereby certifies that it is not a company identified under Texas Government Code, Section 2252.152 as a company engaged in business with Iran, Sudan, or Foreign Terrorist Organization.

Executed on \_\_\_\_ day of \_\_\_\_\_, 2025, at \_\_\_\_\_, Texas

CITY OF HUNTSVILLE

ATTEST:

BY: \_\_\_\_\_  
Scott E. Swigert  
City Manager

BY: \_\_\_\_\_  
Kristy Doll  
City Secretary

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

BY: \_\_\_\_\_  
Leonard Schneider  
City Attorney

BY: \_\_\_\_\_  
Dr. Kathlie S. Jeng Bulloch, P.E., BC.WRE, CFM  
City Engineer

**Developer Name: I Texas Grand Ranch,  
LLC, a Texas Limited Company**

BY: Gary Sumner  
**Gary Sumner, Authorized  
Representative of Patten Special  
Assets, LLC, as Sole Manager of I  
Texas Grand Ranch, LLC**

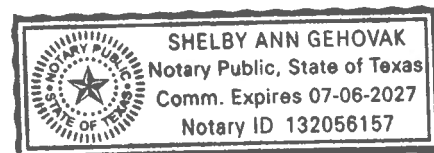
Date: 5-8-2025

STATE OF TEXAS §

COUNTY OF WALKER §

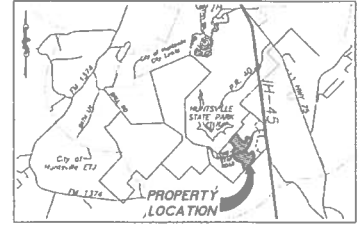
This instrument was acknowledged before me on the 8 day of May, 2025, by **Gary Sumner**, as Authorized Representative of Patten Special Assets, LLC, as Sole Manager of I Texas Grand Ranch, LLC, and who represents he has been given authority to sign this Agreement by and on behalf of said entities.

Shelby Ann Gehovak  
Notary Public, State of Texas



**Exhibit A**  
**PI Agreement Final Plat**  
**Estates of TGR Section II**  
**PD#2016-04-01**

# ESTATES OF TEXAS GRAND RANCH SECTION 2 SHEET INDEX



VICINITY MAP  
Not To Scale

HUNTSVILLE STATE PARK

LONESTAR ROAD  
Unrestricted Reserve North  
Vol. 7, pg. 114, WCPR

1 Texas Grand Ranch, LLC  
Residue of Called 3314.028 Acres  
Vol. 1271, pg. 484, WCPR

Future Sections of Estates  
of Texas Grand Ranch

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Unrestricted Reserve South  
Vol. 7, pg. 114, WCPR

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FOR TAX PURPOSES  
THIS PLAT COMPLIES  
WITH SECTION 12.002  
OF THE PROPERTY  
CODE

## LEGEND

- 0 Set 5/8" Iron Rod w/cap marked "MICHAEL A. NAMKEN RPLS 6533", UNLESS otherwise noted
- Block Number
- Flood Zone A
- Certificate of Convenience and Necessity, area line
- Public Drainage Easement
- Minimum Finished Floor Elevation
- No Clear Zone
- No Clear Zone Private Property
- No Clear Zone Reserves
- No Clear Zone State Park
- Nature Trail Easement
- Private Drainage Easement
- Public Utility Easement
- Vegetative Buffer
- Variable Width Private Drainage Easement
- Walker County Deed Records
- Walker County Official Public Records
- Walker County Official Records
- Walker County Plat Records

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|-------------------------|-----------------------------------|----|---------------------------------|
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| 2                       | Certifications and Dedications    | 9  | Blocks 1, 8, 9 and 10           |
| 3                       | Line and Curve Tables, Notes      | 10 | Blocks 8 and 11                 |
| 4                       | Block 1                           | 11 | Blocks 7 and 11                 |
| 5                       | Blocks 1 and 5                    | 12 | Blocks 7, 11, 12, Detail View B |
| 6                       | Blocks 1 and 9                    | 13 | Blocks 7 and 12                 |
| 7                       | Blocks 4 and 5, Detail View A     |    |                                 |

## PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

A SUBDIVISION CONTAINING 256.69 ACRES OF LAND,  
BEING OUT OF THE RESIDUE OF THE CALLED 3314.028 ACRE  
TRACT DESCRIBED IN A DEED TO 1 TEXAS GRAND RANCH, LLC,  
RECORDED IN VOL. 1271, PG. 484, OFFICIAL  
PUBLIC RECORDS, WALKER COUNTY, TEXAS,  
JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPES Firm No. 10194099  
936-661-3325

Job No. 23-105

SHEET 1 OF 13

## OWNER'S ACKNOWLEDGEMENT AND DEDICATION

STATE OF TEXAS §  
COUNTY OF WALKER §

I, TEXAS GRAND RANCH, LLC, owner of the land shown on this plat, and designated as the ESTATES OF TEXAS GRAND RANCH SECTION 2 in the ETJ of the City of Huntsville, Walker County, Texas, and whose name is subscribed hereto, hereby dedicates to the public forever the use of all streets, parks, utility easements; and to the use of the Estates of Texas Grand Ranch Property Owners Association all public places shown hereon for the purpose and consideration therein expressed.

TEXAS GRAND RANCH, LLC

*Renee Howes*  
By: RENEE HOWES, AUTHORIZED AGENT

## OWNER / DEVELOPER

Texas Grand Ranch LLC,  
1015A S.H. 150,  
New Waverly, TX 77358  
928-713-1841

Renee Howes,  
Authorized Agent  
P.O. Box 261,  
Skull Valley, AZ 86338  
rhowesconsulting@gmail.com

## NOTARY PUBLIC ACKNOWLEDGEMENT

STATE OF TEXAS §  
COUNTY OF WALKER §

This instrument was acknowledged before me

Dated this 6 day of May, 2025  
by RENEE HOWES.

*Shelby Ann Gehovak*  
Notary Public for State of Texas



## CERTIFICATION BY THE ENGINEER

STATE OF TEXAS §  
COUNTY OF WALKER §

I, Jesse McLaury, Registered Professional Engineer No. 152975 in the State of Texas, hereby certify that proper engineering consideration has been given to this plat regarding design, construction and layout of public improvements.



*Jesse McLaury*  
Jesse McLaury  
Registered Professional Engineer  
Texas Registration No. 152975

Spear Point Engineering, LLC  
TPELS Firm No. 18904  
604 W. Worsham Street, Suite 100  
Willis, TX 77379

## CERTIFICATION BY THE SURVEYOR

I, Michael A. Namken, certify that this plat represents a survey made on the ground under my supervision and that all corners and monuments are as shown hereon.



*Michael A. Namken*  
Michael A. Namken  
Registered Professional Land Surveyor No. 6533

## CERTIFICATION BY THE CITY ENGINEER

STATE OF TEXAS §  
COUNTY OF WALKER §

I, the undersigned, City Engineer of Huntsville, Texas, hereby certify that proper engineering consideration has been given to this plat regarding the design and construction of public improvements and related easements and rights-of-way.

Dated this 2<sup>nd</sup> day of May, 2025

*Robert Smith*  
City of Huntsville City Engineer

## CERTIFICATION BY THE CITY PLANNING OFFICER

I, the undersigned, Planning Officer of the City of Huntsville, Texas, certify that the plat conforms to the City Comprehensive Plan, and all applicable design criteria and standards of the City of Huntsville, Texas.

Dated this 12<sup>th</sup> day of May, 2025

*City of Huntsville Planning Officer*

## APPROVAL OF THE PLANNING COMMISSION

This plat has been submitted to and considered by the Planning Commission of the City of Huntsville, Texas, with respect to the platting of the land and is hereby approved by the Commission.

Dated this 7 day of May, 2025

*Chairman*

## CERTIFICATION BY THE COUNTY CLERK

STATE OF TEXAS §  
COUNTY OF WALKER §

I, Kari A. French, Clerk of the County Court of said County, do hereby certify that the foregoing instrument in writing, with its certificate of authentication was filed for record in my office

on the 13<sup>th</sup> day of MAY, 2025

at 10:00 o'clock, A.M., and duly recorded this

on the 13<sup>th</sup> day of MAY, 2025

at 10:00 o'clock, A.M., in the Plat Records of said County

in Volume 8 Page 165

Kari A. French, Clerk County  
Court of Walker County, Texas

*Kari A. French*  
By: Deputy

FOR TAX PURPOSES  
THIS PLAT COMPLIES  
WITH SECTION 12.002  
OF THE PROPERTY  
CODE

PLAT OF  
ESTATES OF TEXAS GRAND  
RANCH SECTION 2

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

A SUBDIVISION CONTAINING 256.69 ACRES OF LAND,  
BEING OUT OF THE RESIDUE OF THE CALLED 3314.628 ACRE  
TRACT DESCRIBED IN A DEED TO TEXAS GRAND RANCH, LLC,  
RECORDED IN VOL. 1271, PG. 484, OFFICIAL  
PUBLIC RECORDS, WALKER COUNTY, TEXAS,  
JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TPELS Firm No. 10194050  
936-661-3325

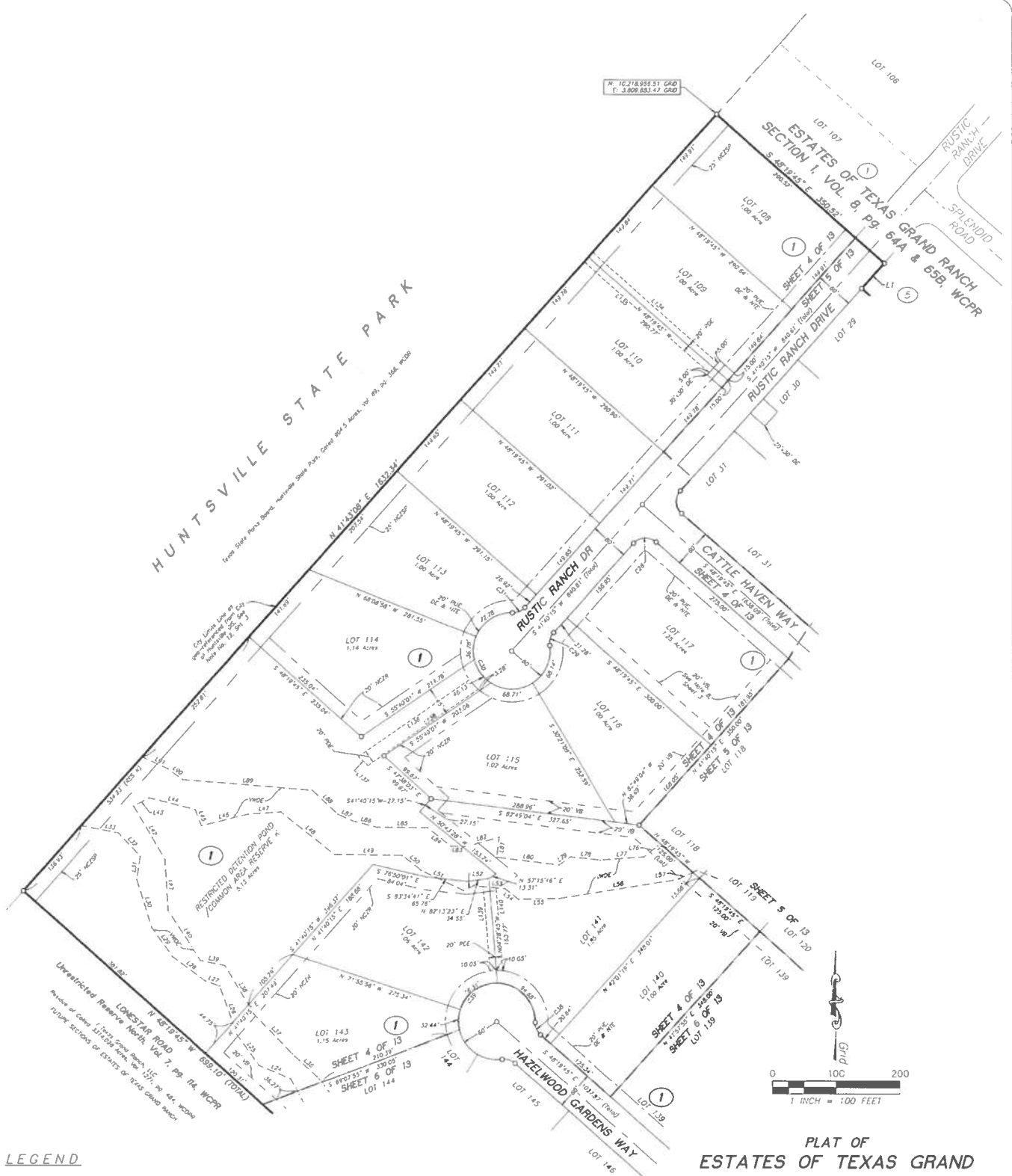
Job No. 23-165

SHEET 2 OF 13

## INDIVIDUAL SHEETS INDEX

|   |                                    |    |                                 |
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| 1 | Vicinity Map, Sheet Number, Layout | 8  | Blocks 1, 4, 8 and 9            |
| 2 | Certifications and Dedications     | 9  | Blocks 1, 8, 9 and 10           |
| 3 | Line and Curve Tables, Notes       | 10 | Blocks 8 and 11                 |
| 4 | Block 1                            | 11 | Blocks 7 and 11                 |
| 5 | Blocks 1 and 5                     | 12 | Blocks 7, 11, 12, Detail View 5 |
| 6 | Blocks 1 and 9                     | 13 | Blocks 7 and 12                 |
| 7 | Blocks 4 and 5, Detail View A      |    |                                 |

## Page 158 of 228



# **LEGEND**

- Set 5/8" Iron Rod w/cap marked "MICHAEL A"
- Ⓢ NAMKEN RPLS 6533", UNLESS otherwise noted
- Ⓢ Block Number
- Ⓢ Flood Zone A
- CCN Certificate of Convenience and Necessity area line
- DE Public Drainage Easement
- Min. Ft. Minimum Finished Floor Elevation
- NCZ No Clear Zone
- NCZPP No Clear Zone Private Property
- NCZR No Clear Zone Reserves
- NCZSP No Clear Zone State Park
- NTE Nature Trail Easement
- PDE Private Drainage Easement
- PUE Public Utility Easement
- VB Vegetative Buffer
- VWDE Variable Width Private Drainage Easement
- WCOR Walker County Deed Records
- WCOPR Walker County Official Public Records
- WCOR Walker County Official Records
- WCPR Walker County Plat Records

**FOR TAX PURPOSES  
THIS PLAT COMPLIES  
WITH SECTION 12.002  
OF THE PROPERTY  
CODE**

## **INDIVIDUAL SHEETS INDEX**

|   |                                   |    |                                 |
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| 4 | Block 1                           | 11 | Blocks 7 and 11                 |
| 5 | Blocks 1 and 5                    | 12 | Blocks 7, 11, 12, Detail View 9 |
| 6 | Blocks 1 and 9                    | 13 | Blocks 7 and 12                 |
| 7 | Blocks 4 and 5, Detail View A     |    |                                 |

## **PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2**

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

A SUBDIVISION CONTAINING 256.69 ACRES OF LAND,  
BEING OUT OF THE RESIDUE OF THE CALLED 3.314.028 ACRE  
TRACT DESCRIBED IN A DEED TO I TEXAS GRAND RANCH, LLC  
RECORDED IN VOL. 1271, PG. 484, OFFICIAL  
PUBLIC RECORDS, WALKER COUNTY, TEXAS,  
JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

NAMKEN, INC.  
P.O. Box 1159, New Waverly, TX 77358  
TBPELS Firm No 10194090  
936-661-3325

Job No 23-105

**SHEET 4 OF 13**



# LEGEND

- Set 5/8" Iron Rod w/cap marked "MICHAEL A. NAIKEN RPLS 65J3", UNLESS otherwise noted
- ④ Block Number
- Ⓜ Flood Zone A
- CCN Certificate of Convenience and Necessity area line
- DE Public Drainage Easement
- M.F. Minimum Finished Floor Elevation
- NCZ No Clear Zone
- NCZPP No Clear Zone Private Property
- NCZR No Clear Zone Reserves
- NCZSP No Clear Zone State Park
- NTE Nature Trail Easement
- PDE Private Drainage Easement
- PUE Public Utility Easement
- VB Vegetative Buffer
- VWDE Variable Width Private Drainage Easement
- WCOR Walker County Official Records
- WCORP Walker County Official Public Records
- WCORP Walker County Official Records
- WCOR Walker County Plat Records

FOR TAX PURPOSES  
THIS PLAT COMPLIES  
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CODE

## INDIVIDUAL SHEETS INDEX

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| 4 | Block 1                           | 11 | Blocks 7 and 11                 |
| 5 | Blocks 1 and 5                    | 12 | Blocks 7, 11, 12, Detail View B |
| 6 | Blocks 1 and 9                    | 13 | Blocks 7 and 12                 |
| 7 | Blocks 4 and 5, Detail View A     |    |                                 |

## PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

A SUBDIVISION CONTAINING 256.69 ACRES OF LAND,  
BEING OUT OF THE RESIDUE OF THE CALLED 3314.028 ACRE  
TRACT DESCRIBED IN A DEED TO TEXAS GRAND RANCH, LLC,  
RECORDED IN VOL. 1271, PG. 484, OFFICIAL  
PUBLIC RECORDS, WALKER COUNTY, TEXAS,  
JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

NAIKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPELS Firm No. 10194090  
936-661-3325

Job No. 23-105

SHEET 5 OF 13



# LEGEND

- Set 5/8" Iron Rod w/cap marked "MICHAEL A. NAMKEN RPLS 6533", UNLESS otherwise noted
- Block Number
- Flood Zone A
- Certificate of Convenience and Necessity area line
- Public Drainage Easement
- Minimum Finished Floor Elevation
- NCZ No Clear Zone
- NCZPR No Clear Zone Private Property
- NCZR No Clear Zone Reserves
- NCZSP No Clear Zone State Park
- NTE Nature Trail Easement
- PDE Private Drainage Easement
- PUE Public Utility Easement
- VB Vegetative Buffer
- VNDE Variable Width Private Drainage Easement
- WCOR Walker County Deed Records
- WCOPR Walker County Official Public Records
- WCOR Walker County Official Records
- WCOR Walker County Plat Records

FOR TAX PURPOSES  
THIS PLAT COMPLIES  
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## INDIVIDUAL SHEETS INDEX

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| 4 | Block 1                           | 11 | Blocks 7 and 11                 |
| 5 | Blocks 1 and 5                    | 12 | Blocks 7, 11, 12, Detail View 5 |
| 6 | Blocks 1 and 9                    | 13 | Blocks 7 and 12                 |
| 7 | Blocks 4 and 5, Detail View A     |    |                                 |

## PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

A SUBDIVISION CONTAINING 256.69 ACRES OF LAND,  
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PUBLIC RECORDS, WALKER COUNTY, TEXAS,  
JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

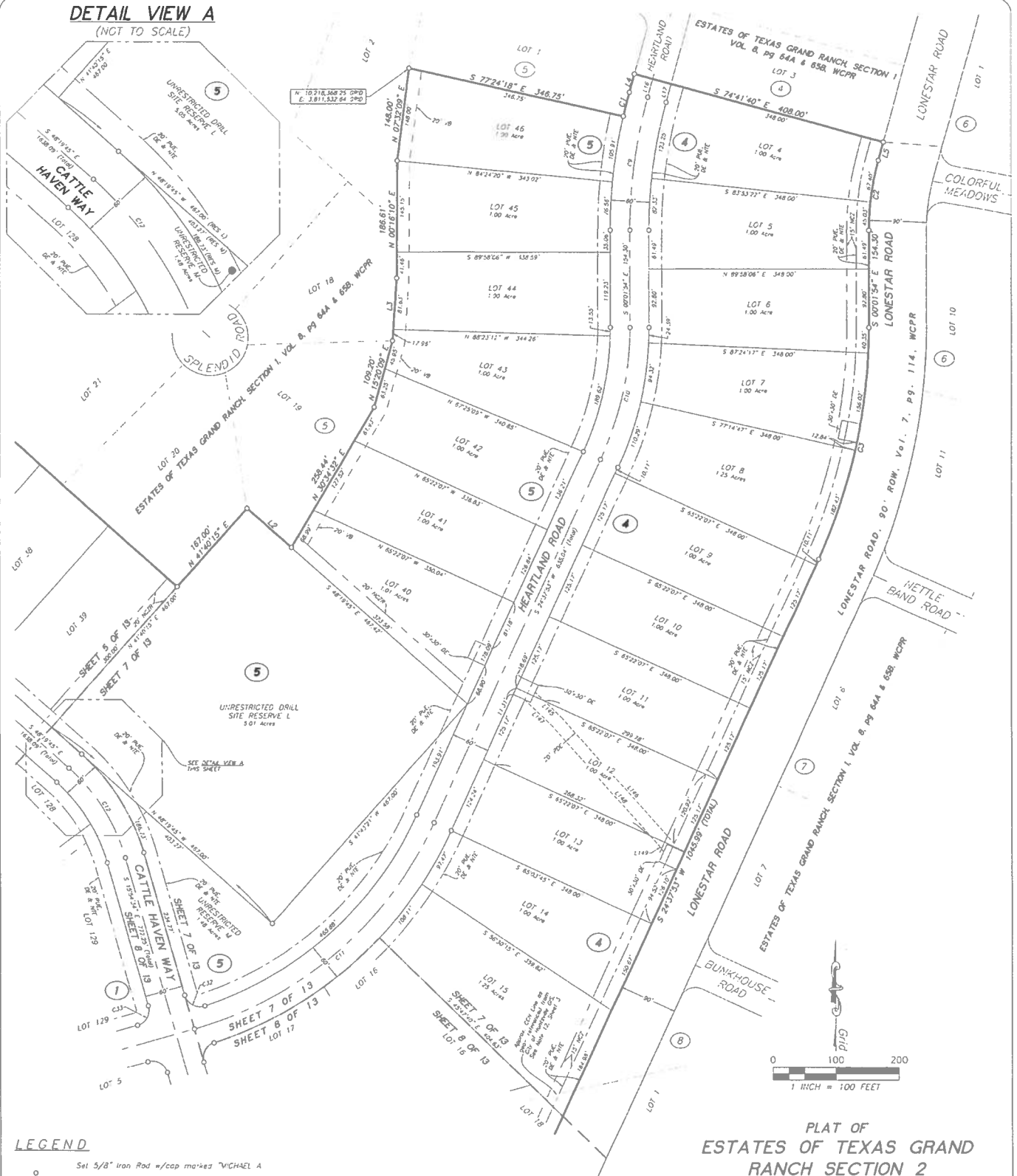
NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPPLS Firm No. 10194090  
936-661-3325

Job No. 23-105

SHEET 6 OF 13

# DETAIL VIEW A

(NOT TO SCALE)



## LEGEND

- Set 5/8" Iron Rod w/cap marked "MICHAEL A  
NAAMKEN RPLS 6533". UNLESS otherwise noted
- Block Number
- Flood Zone
- CEN Certificate of Convenience and Necessity area line
- DE Public Drainage Easement
- M.F. Minimum Finished Floor Elevation
- NZ No Clear Zone
- NCZPP No Clear Zone Private Property
- NCZR No Clear Zone Reserves
- NCZSP No Clear Zone State Park
- NTE Nature Trail Easement
- PDE Private Drainage Easement
- PUE Public Utility Easement
- VB Vegetative Buffer
- VWDE Variable Width Private Drainage Easement
- WCOR Walker County Official Records
- WCORP Walker County Official Public Records
- WCOR Walker County Official Records
- WCOR Walker County Plat Records

FOR TAX PURPOSES  
THIS PLAT COMPLIES  
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| 4 | Block 1                           | 11 | Blocks 7 and 11                 |
| 5 | Blocks 1 and 3                    | 12 | Blocks 7, 11, 12, Detail View B |
| 6 | Blocks 1 and 9                    | 13 | Blocks 7 and 12                 |
| 7 | Blocks 4 and 5, Detail View A     |    |                                 |

## PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2

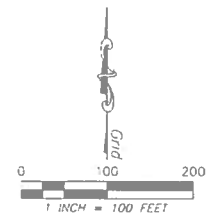
CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

A SUBDIVISION CONTAINING 256.69 ACRES OF LAND,  
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TRACT DESCRIBED IN A DEED TO 1 TEXAS GRAND RANCH, LLC,  
RECORDED IN VOL. 1271, PG. 484, OFFICIAL  
PUBLIC RECORDS, WALKER COUNTY, TEXAS,  
JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

NAAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPPLS Firm No. 10194090  
936-661-3325

Job No. 25-105

SHEET 7 OF 13



**LEGEND**

- Set 5/8" Iron Rod w/cap marked "MICHAEL A NAMKEN RPLS 6533", UNLESS otherwise noted
- Block Number
- Flood Zone A
- CCN Certificate of Convenience and Necessity area line
- DE Public Drainage Easement
- M.F.F. Minimum Finished Floor Elevation
- NCZ No Clear Zone
- NCZPP No Clear Zone Private Property
- NCZPR No Clear Zone Private Reserve
- NCZSP No Clear Zone State Park
- NTE Nature Trail Easement
- PDE Private Drainage Easement
- PUE Public Utility Easement
- VB Vegetative Buffer
- VHDE Variable Width Private Drainage Easement
- WCDPR Walker County Deed Records
- WCDOR Walker County Official Public Records
- WCDPR Walker County Official Records
- WCDPR Walker County Plat Records

FOR TAX PURPOSES  
THIS PLAT COMPLIES  
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| INDIVIDUAL SHEETS INDEX |                                   |    |                                 |
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| 6                       | Blocks 1 and 9                    | 13 | Blocks 7 and 12                 |
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**PLAT OF  
ESTATES OF TEXAS GRAND  
RANCH SECTION 2**

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

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PUBLIC RECORDS, WALKER COUNTY, TEXAS,  
JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPLS Firm No. 10134090  
936-661-3325

Job No 23-105

**SHEET 8 OF 13**



# **LEGEND**

- Set 5/8" iron Rod w/cap marked "MICHAEL A NAMKEN 4PLS 6533", UNLESS otherwise noted
- Block Number
- Flood Zone A
- CCN Certificate of Convenience and Necessity area line
- DE Public Drainage Easement
- Min. FF. Minimum Finished Floor Elevation
- NCZ No Clear Zone
- NCZPP No Clear Zone Private Property
- NCZP No Clear Zone Reserves
- NCZSP No Clear Zone State Park
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- WCOP Walker County Official Records
- WCPR Walker County Plat Records

**FOR TAX PURPOSES  
THIS PLAT COMPLIES  
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| 6                       | Blocks 1 and 9                    | 13 | Blocks 7 and 12                 |
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## **PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2**

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

A SUBDIVISION CONTAINING 256.69 ACRES OF LAND, BEING OUT OF THE RESIDUE OF THE CALLED 3314.028 ACRE TRACT DESCRIBED IN A DEED TO 1 TEXAS GRAND RANCH, LLC, RECORDED IN VOL. 1271, PG. 484, OFFICIAL PUBLIC RECORDS, WALKER COUNTY, TEXAS, JOHN W. INGERSOLL LEAGUE, A-27 WALKER COUNTY, TEXAS MARCH 2025

NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPLS Firm No. 10194090  
936-661-3325

Job No. 23-105

**SHEET 9 OF 13**



# LEGEND

|          |                                                                                     |
|----------|-------------------------------------------------------------------------------------|
| ○        | Set 5/8" Iron Rod w/cap marked "MICHAEL A NAMKEN RPLS 6533", UNLESS otherwise noted |
| ④        | Block Number                                                                        |
| ■        | Flood Zone A                                                                        |
| CCN      | Certificate of Convenience and Necessity area line                                  |
| DE       | Public Drainage Easement                                                            |
| Min. Ft. | Minimum Finished Floor Elevation                                                    |
| NCZ      | No Clear Zone                                                                       |
| NCZPP    | No Clear Zone Private Property                                                      |
| NCZR     | No Clear Zone Reserves                                                              |
| NCZSP    | No Clear Zone State Park                                                            |
| NTE      | Nature Trail Easement                                                               |
| PDE      | Private Drainage Easement                                                           |
| PUE      | Public Utility Easement                                                             |
| VB       | Vegetative Buffer                                                                   |
| VWDE     | Variable Width Private Drainage Easement                                            |
| WCOPR    | Walker County Deed Records                                                          |
| WCOR     | Walker County Official Public Records                                               |
| WCOR     | Walker County Official Records                                                      |
| WCPR     | Walker County Plat Records                                                          |

FOR TAX PURPOSES  
THIS PLAT COMPLIES  
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## PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2

CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

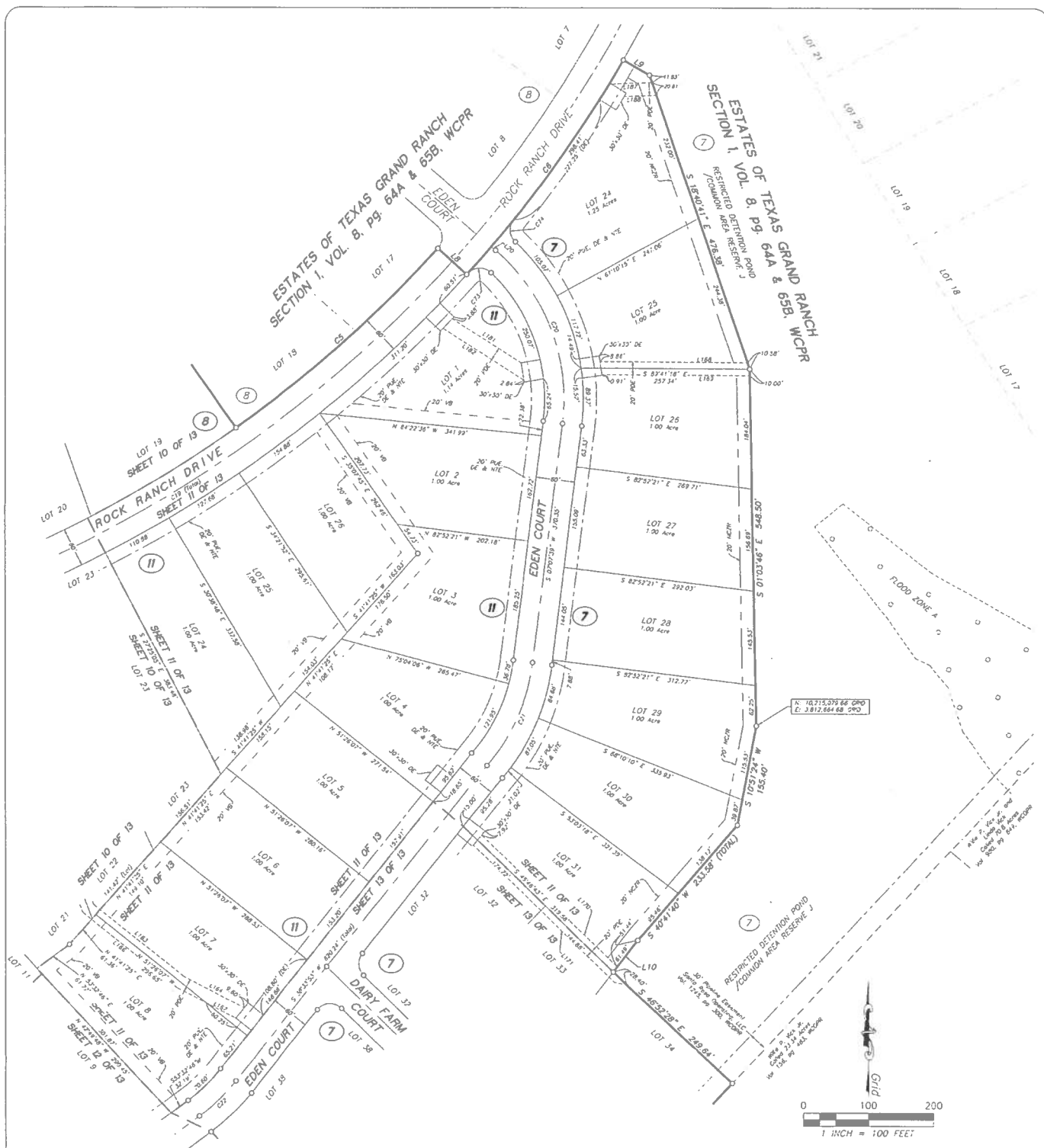
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JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS

MARCH 2025

NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPELS Firm No. 10194090  
936-661-3325

Job No. 23-105

SHEET 10 OF 13



# LEGEND

- Set 5/8" Iron Rod w/cap marked "MICHAEL A NAMKEN RPLS 6513", UNLESS otherwise noted
- ④ Block Number
- ⬢ Flood Zone A
- CCN Certificate of Convenience and Necessity area line
- DE Public Drainage Easement
- Min. FF. Minimum Finished Floor Elevation
- NCZ No Clear Zone
- NCZPP No Clear Zone Private Property
- NCZR No Clear Zone Reserves
- NCZSP No Clear Zone State Park
- NTE Nature Trail Easement
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- PUE Public Utility Easement
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- WCOR Walker County Official Public Records
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FOR TAX PURPOSES  
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| 7                       | Blocks 4 and 5, Detail View A     |    |                                 |

## PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2

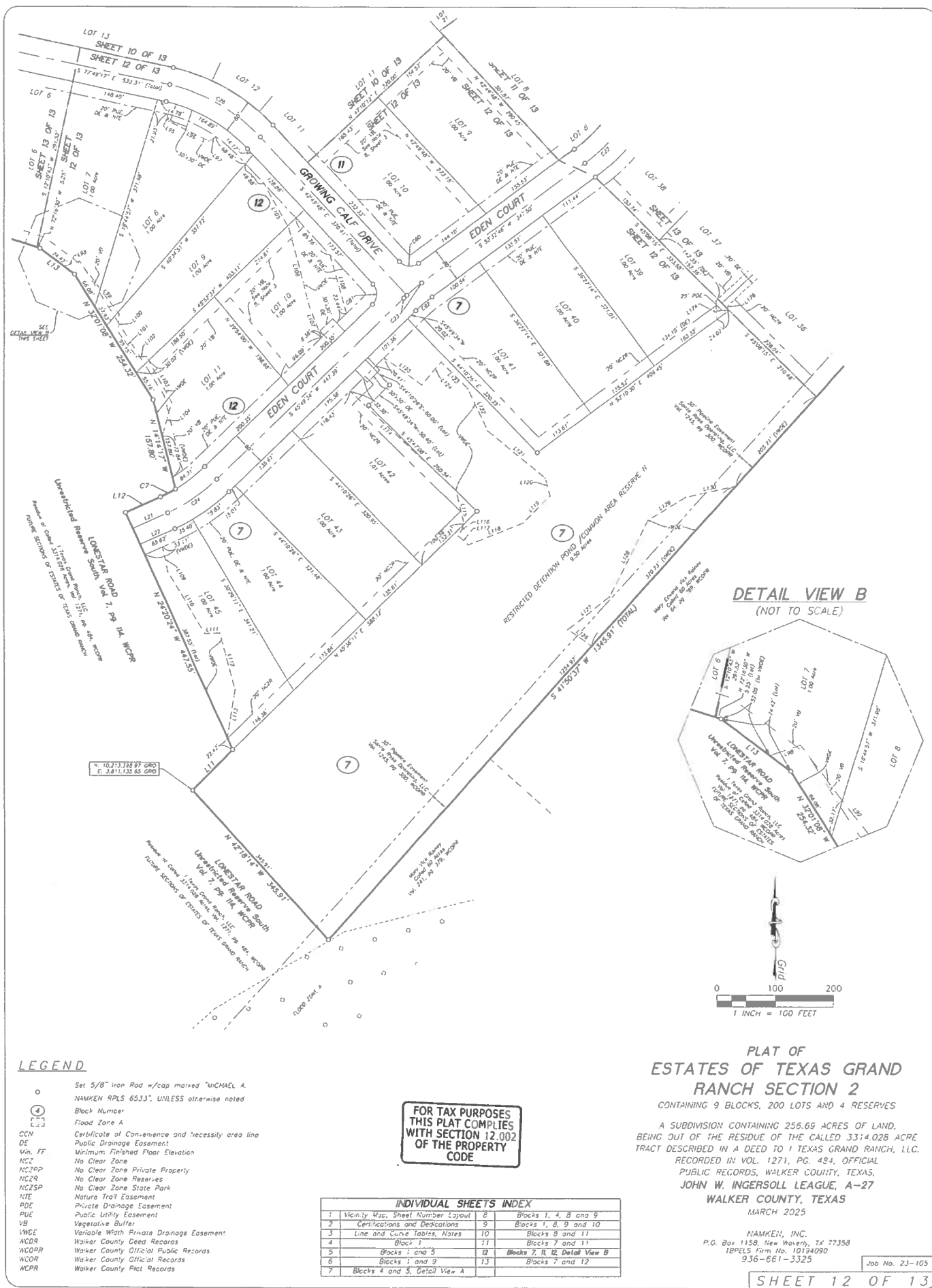
CONTAINING 9 BLOCKS, 200 LOTS AND 4 RESERVES

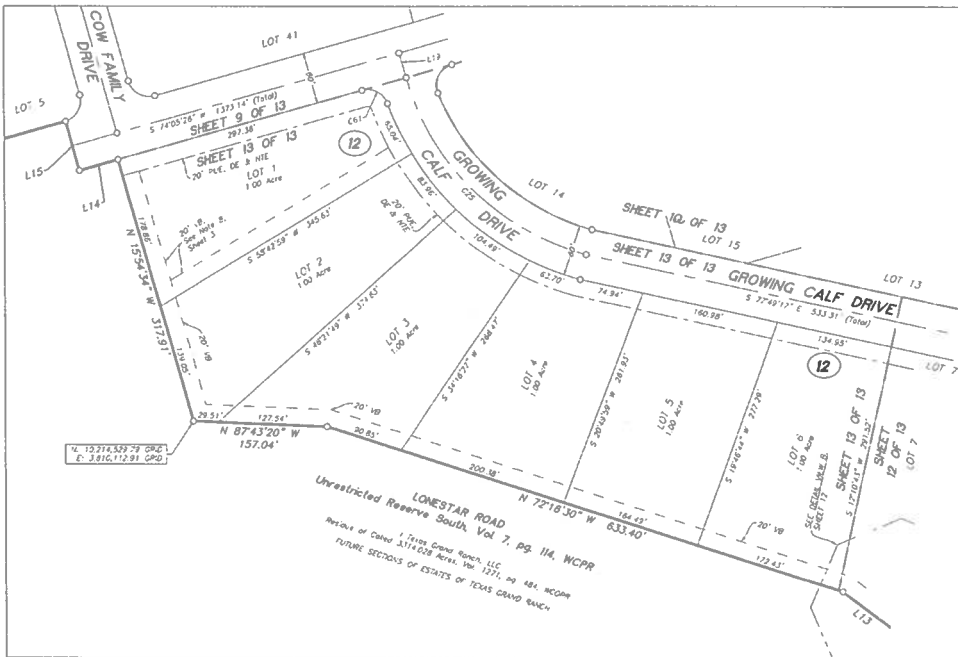
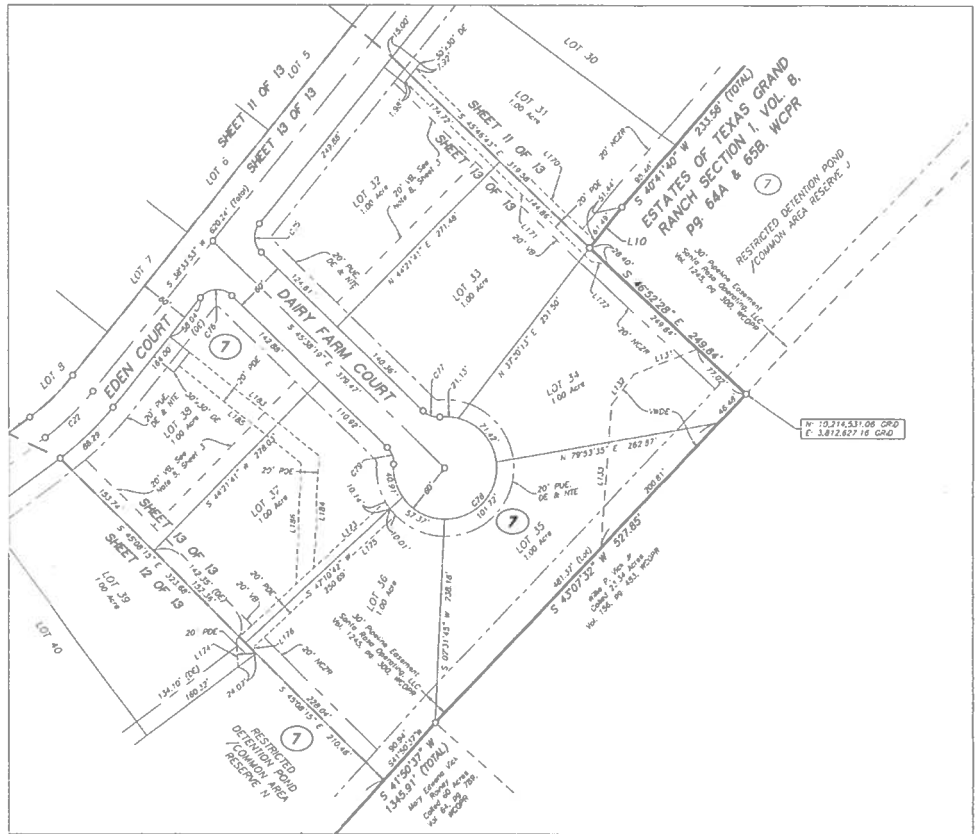
A SUBDIVISION CONTAINING 256.69 ACRES OF LAND,  
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JOHN W. INGERSOLL LEAGUE, A-27  
WALKER COUNTY, TEXAS  
MARCH 2025

NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPLS Firm No. 10194090  
936-661-3325

Job No. 23-105

SHEET 11 OF 13





# **LEGEND**

- Set 5/8" Iron Rod w/cap marked "MICHAEL A. NAMKEN RPLS 6533", UNLESS otherwise noted
- ④ Block Number
- Flood Zone A
- CCN Certificate of Convenience and Necessity area line
- DE Public Drainage Easement
- Min. FF Minimum Finished Floor Elevation
- NCE No Clear Zone
- NCEPP No Clear Zone Private Property
- NCEZR No Clear Zone Reserves
- NCEZSP No Clear Zone State Park
- NTE Nature Trail Easement
- PDE Private Drainage Easement
- PUE Public Utility Easement
- VB Vegetative Buffer
- VWDE Variable Width Private Drainage Easement
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- WCCPR Walker County Official Public Records
- WCCP Walker County Official Records
- WCPR Walker County Plat Records

FOR TAX PURPOSES  
THIS PLAT COMPLIES  
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## **PLAT OF ESTATES OF TEXAS GRAND RANCH SECTION 2**

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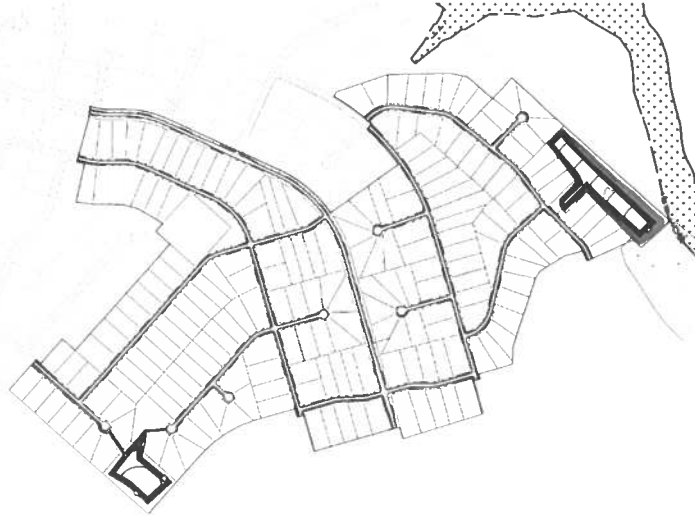
NAMKEN, INC.  
P.O. Box 1158, New Waverly, TX 77358  
TBPPLS Firm No. 10194990  
936-661-3325

Job No. 23-105

**SHEET 13 OF 13**

**Exhibit B**  
**PI Agreement Approved Plans**  
**Estates of TGR Section II**  
**PD#2016-04-01**

MARCH 2025



SCALE : NONE

X30N1 133HS

BEARINGS, DISTANCES, COORDINATES AND AZIMUTHS HEREON ARE GARD AND NOTWITHSTANDING THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, NAD 83 AND BASED UPON CITY OF HUNTSVILLE MAPPING CONTROL, CONTROL POINT NUMBERS 7323 AND 7148. HAVING RESPECTIVE COORDINATES OF N=10,331,030.737 FEET, E=1,542,703.183 FEET AND ELEVATION OF N=10,318,794.000 FEET, E=1,544,742.000 FEET AND MAY BE CONSIDERED TO BE GEODETIC COORDINATES (TOWNSHIP) BY DIVISION BY A COORDINATE SCALE FACTOR OF 0.99998.

FLOOD PLAIN. THIS SECTION DOES NOT LIE WITHIN THE 100 YEAR FLOOD PLAIN FROM FEMA MAP PANEL #48471C03700 EFFECTIVE

NOTE: ALL DETENTION PONDS & PRIVATE DRAINAGE EASEMENTS TO BE OWNED & MAINTAINED BY ETCR POA

NOTE: 1. RECORDS COPY OF THE ACD RESTRUCTIONS STATING THAT THE DETENTION RESIDES AND COMMON SENSE. THE POLICE REQUESTED TO CITY OF HARTFORD, CONNECTICUT, ONCE RECORDED.

WALKER COUNTY FORM # 2024-0472 APPROVED: 04-25-2025  
DATE: 04/28/2025  
BY: [Signature]

30616 ACRES OF LAND  
WALKER COUNTY, TEXAS

**SPEAR POINT ENGINEERING, LLC**

TBPE Firm No. 18904  
 604 W. Worsham St., Ste 100  
 Willis, TX 77303  
 (936) 256-2626  
 www.SPETexas.com

PREPARED FOR:  
COWLES CONSULTING INC  
PO BOX 281  
SUNSHINE VALLEY, AZ 85338  
(928)713-1841

PROJECT NUMBER  
1349

FILE NAME:

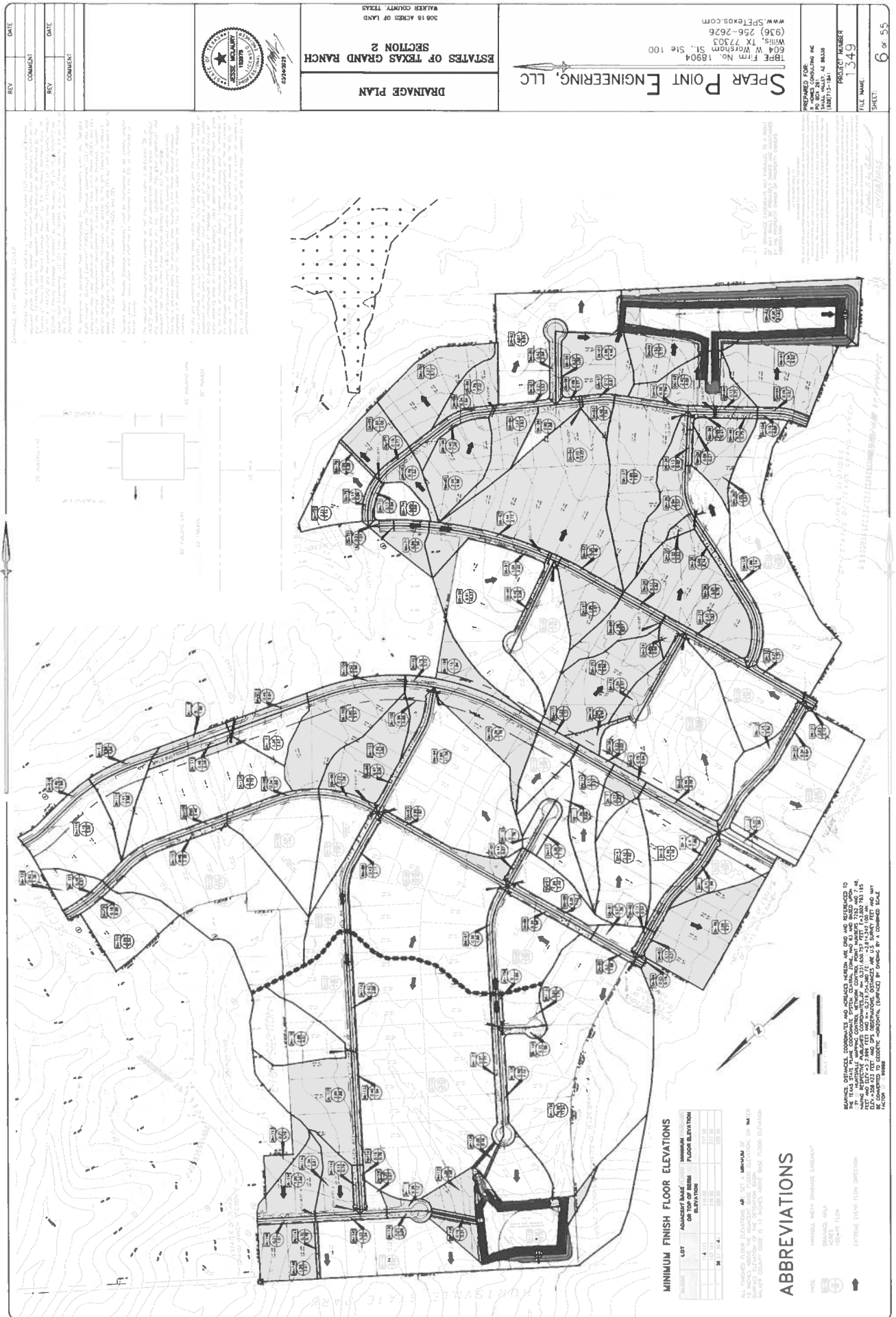
1 of 55









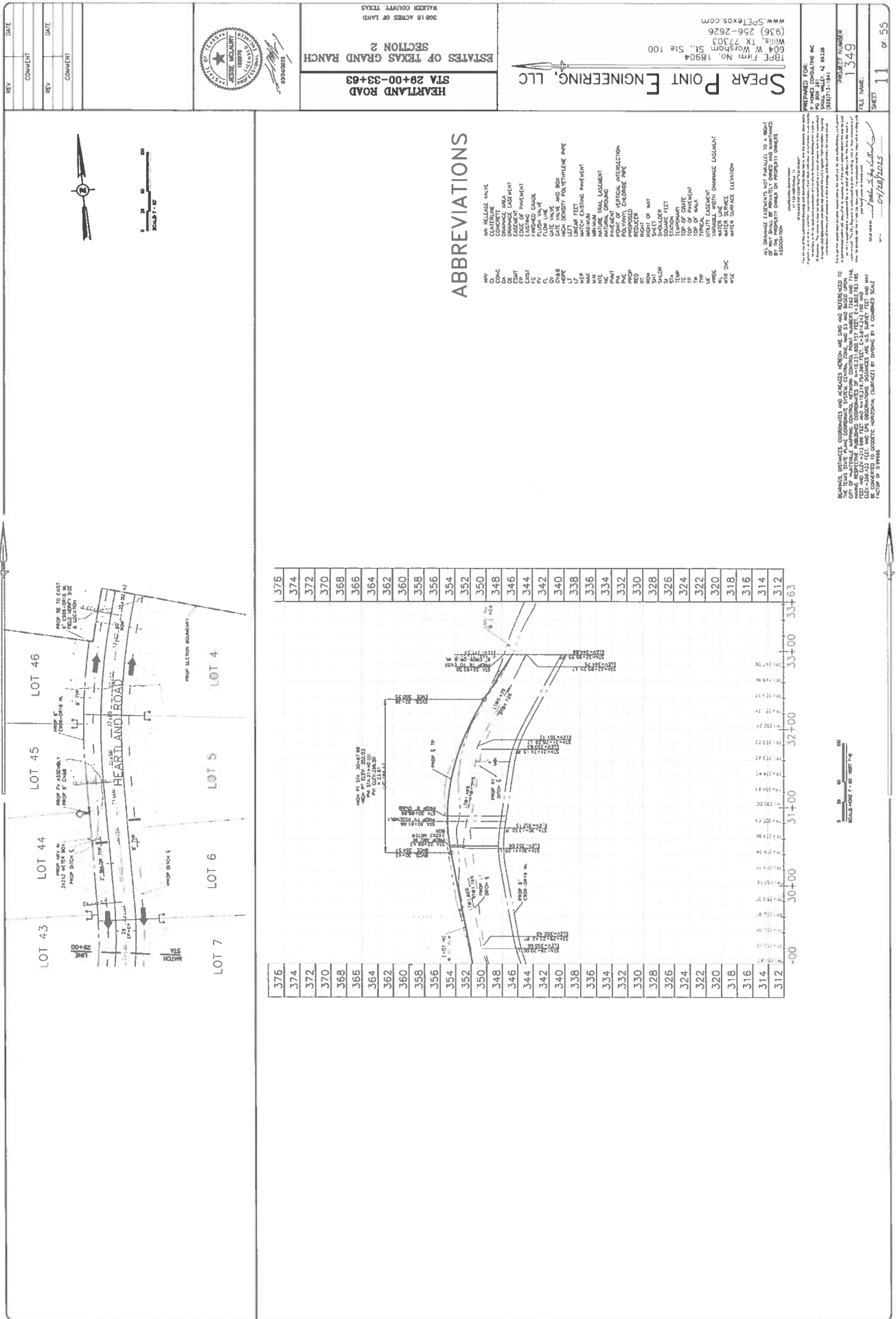




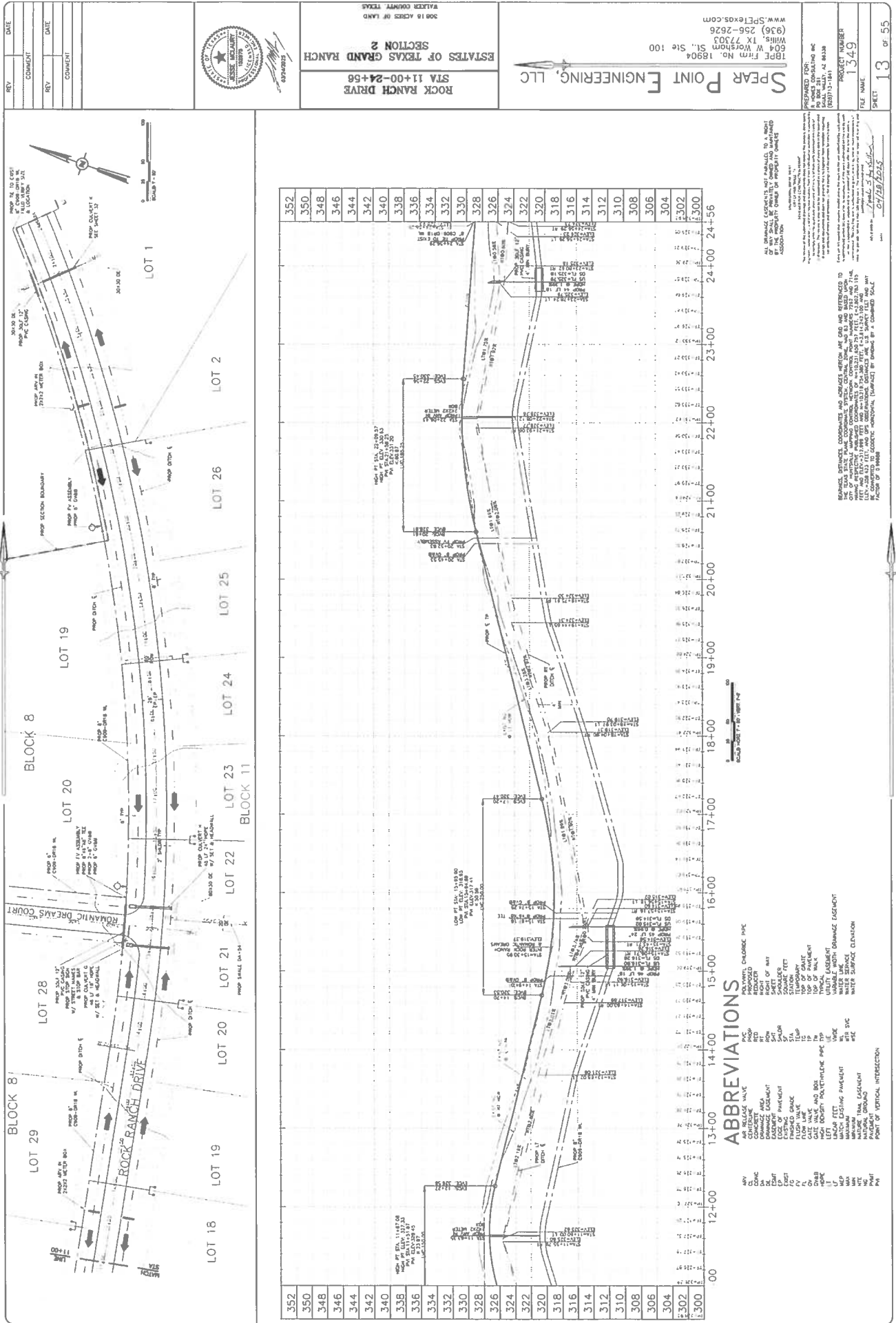




































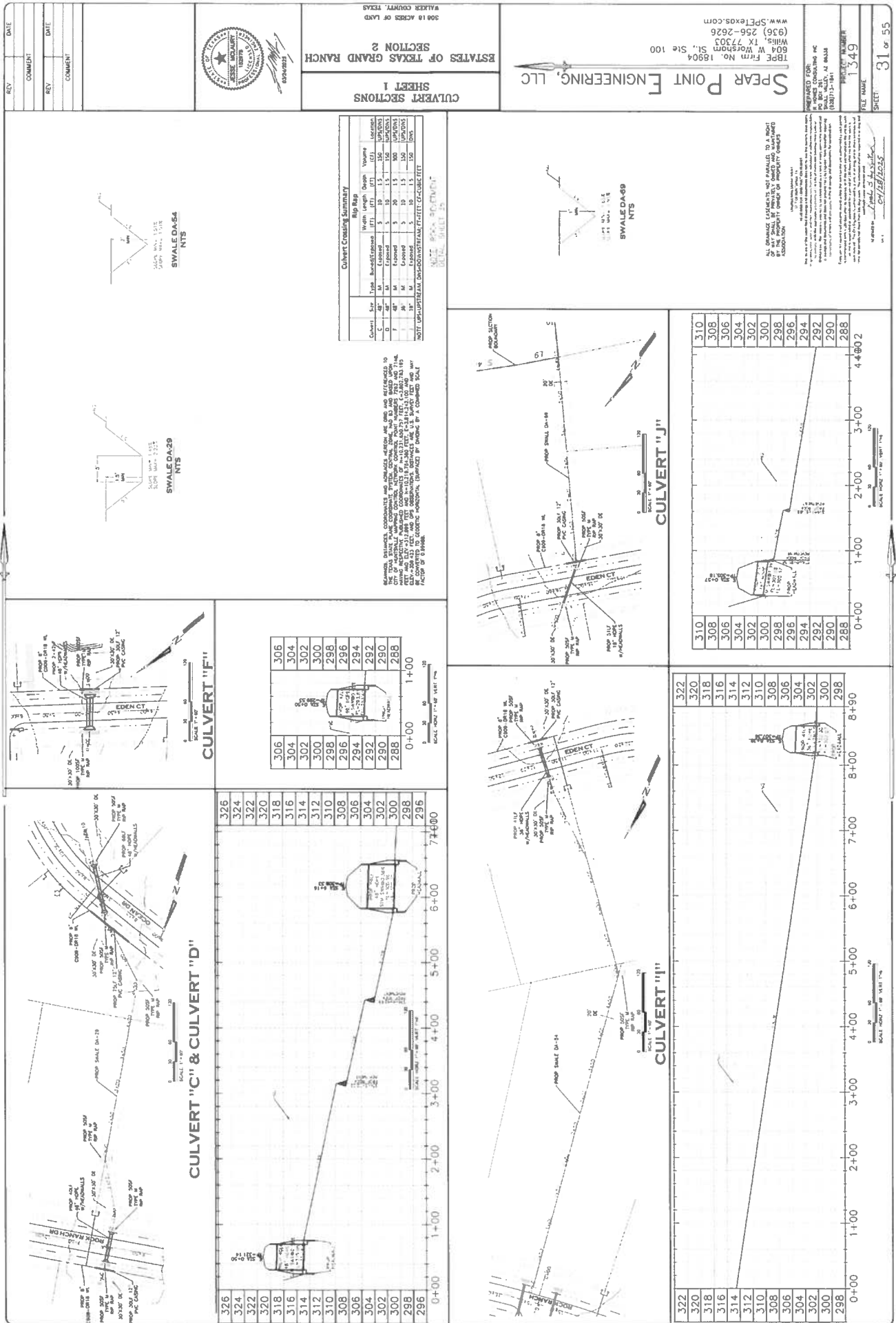


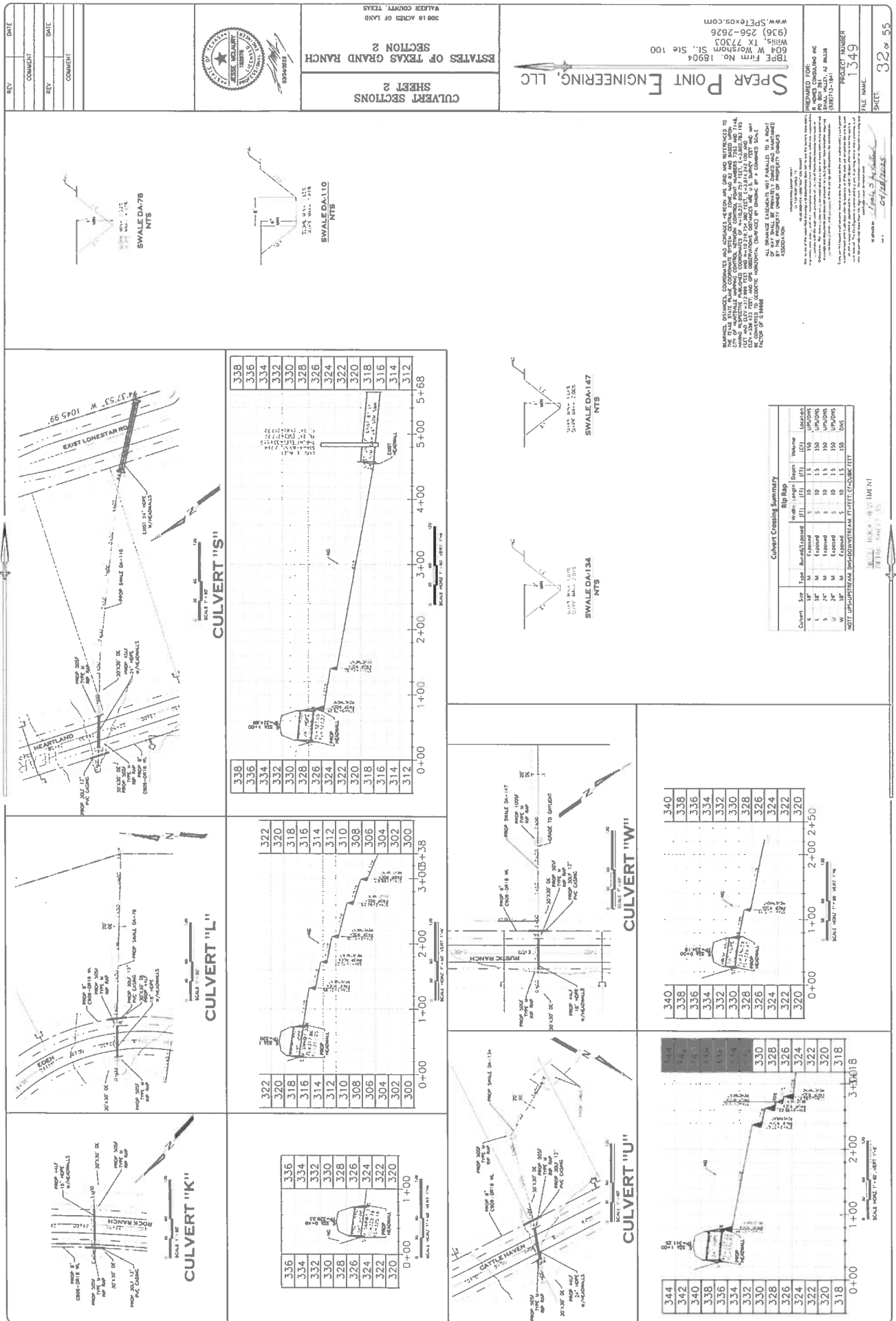


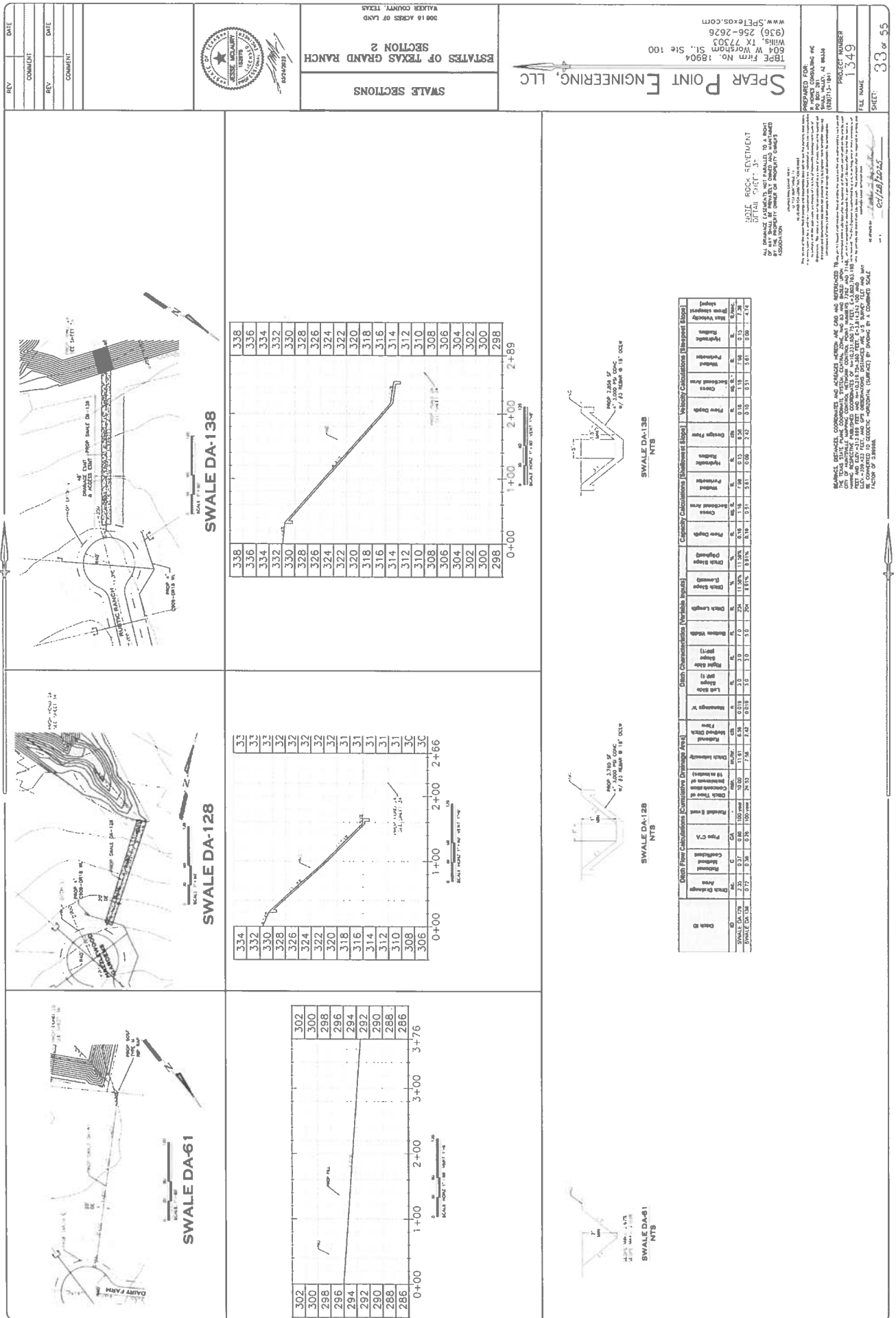




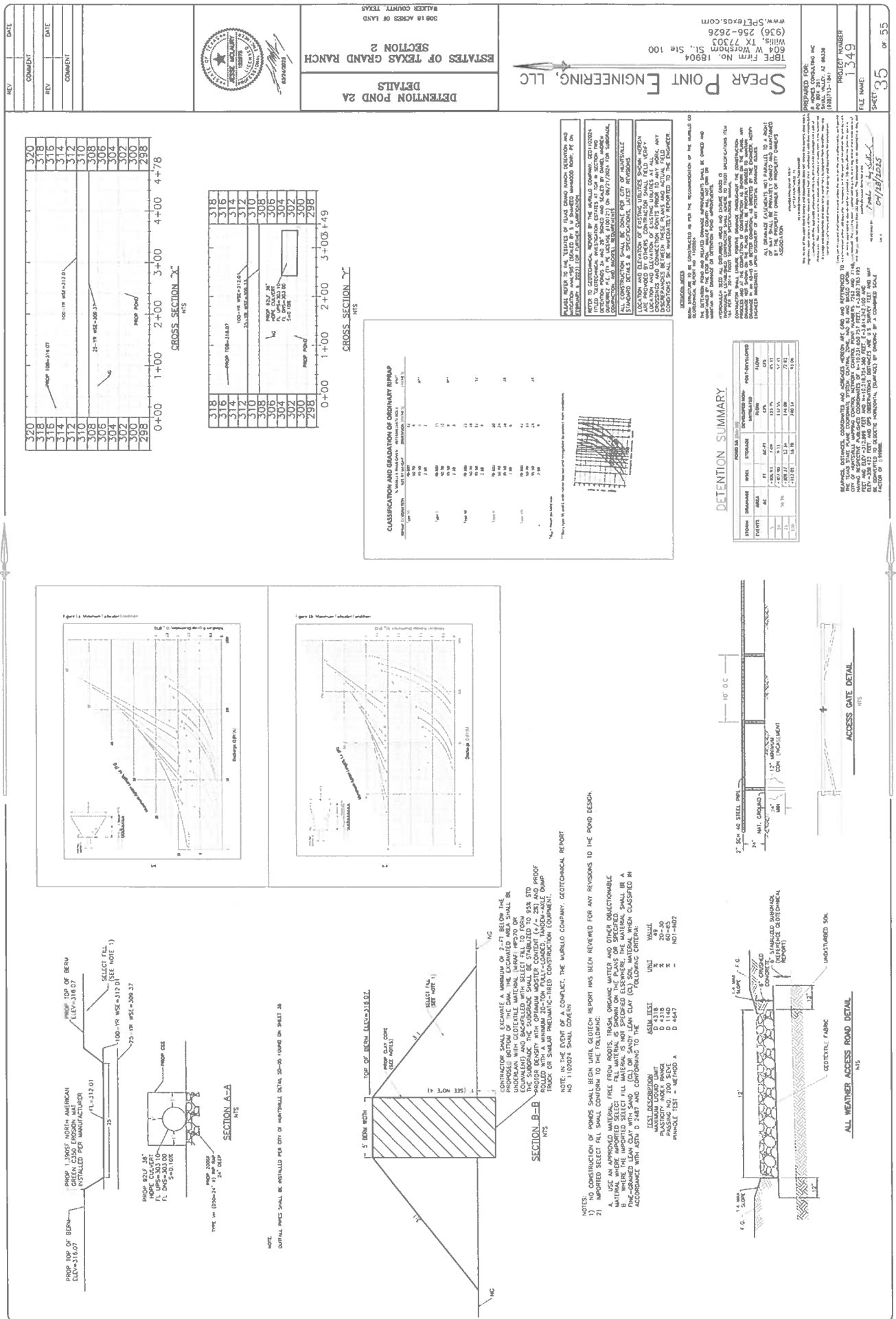












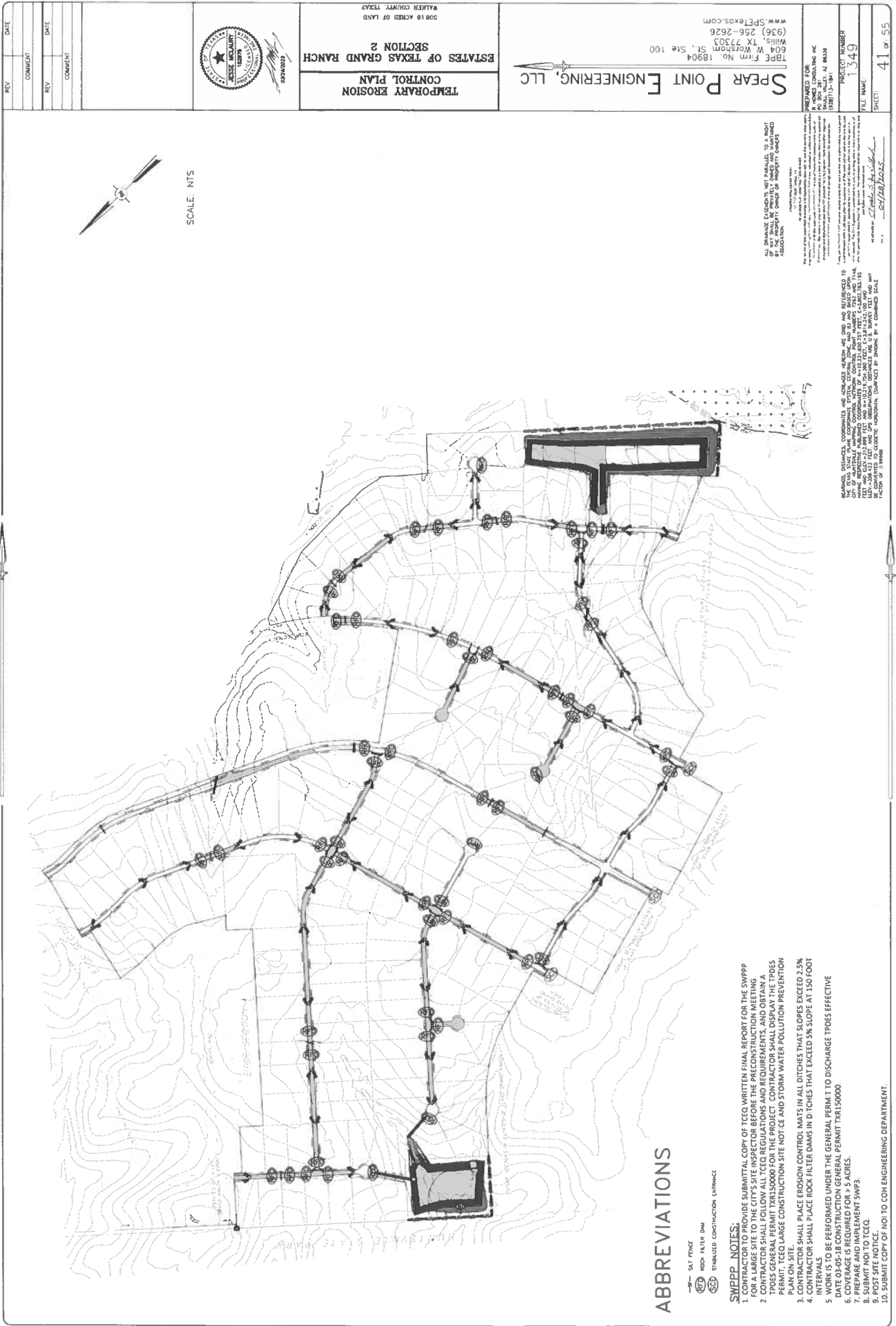


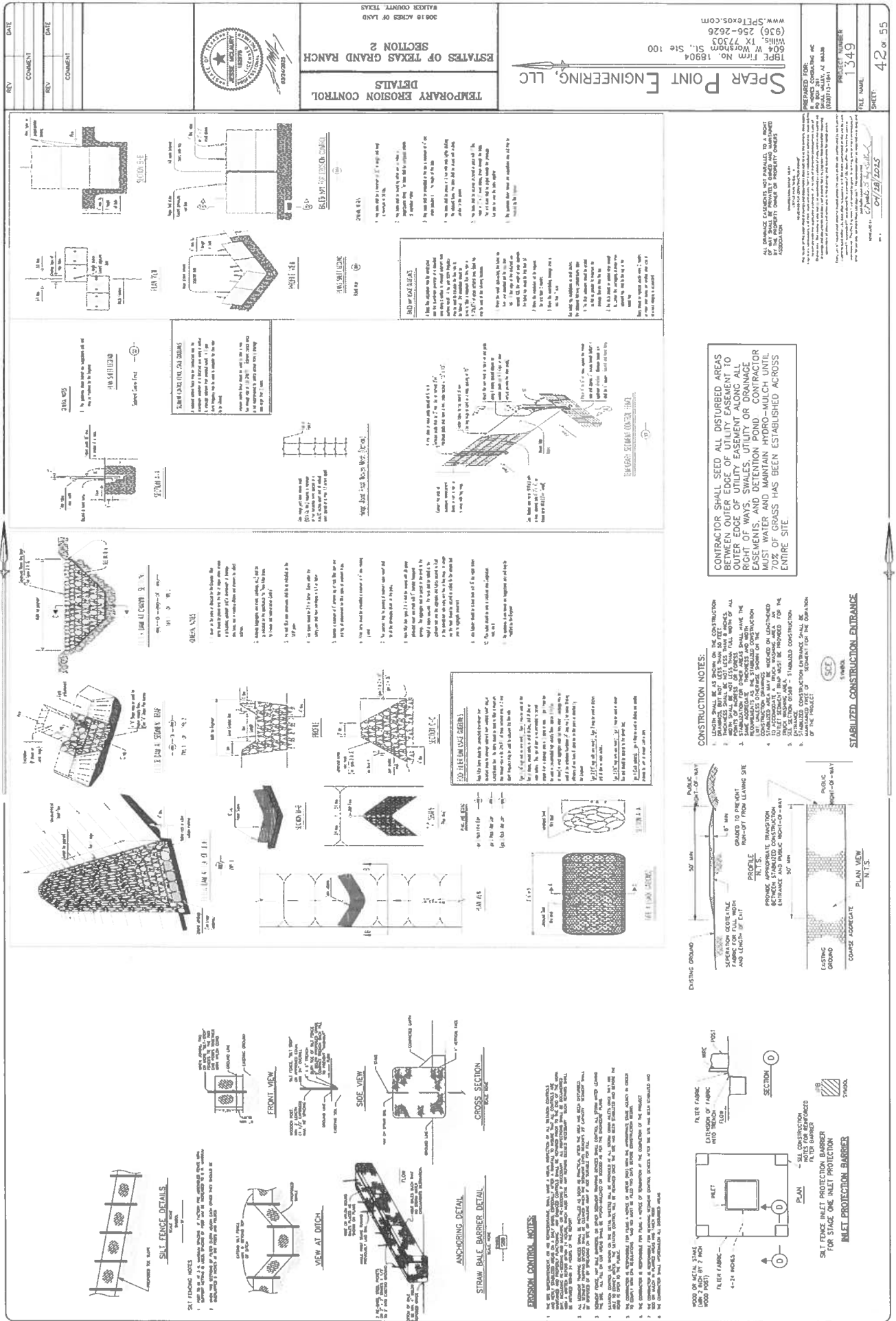














OWNER'S ACKNOWLEDGMENT AND DECLARATION
CERTIFICATION BY THE CITY ENGINEER
CERTIFICATION BY THE CITY PLANNING OFFICER
APPROVAL OF THE PLANNING COMMISSION
CERTIFICATION BY THE COUNTY CLERK
CERTIFICATION BY THE ENGINEER
CERTIFICATION BY THE SURVEYOR
PRELIMINARY NOT FOR RECORD
PLAT OF RANCH SECTION 2
ESTATES OF TEXAS GRAND RANCH
300.18 ACRES OF LAND
WALKER COUNTY, TEXAS
SPEAR POINT ENGINEERING, LLC
18904 S. Loop West, Suite 100
Wichita, TX 77373
(936) 256-2626
www.spetexas.com

## ESTATES OF TEXAS GRAND RANCH SECTION 2

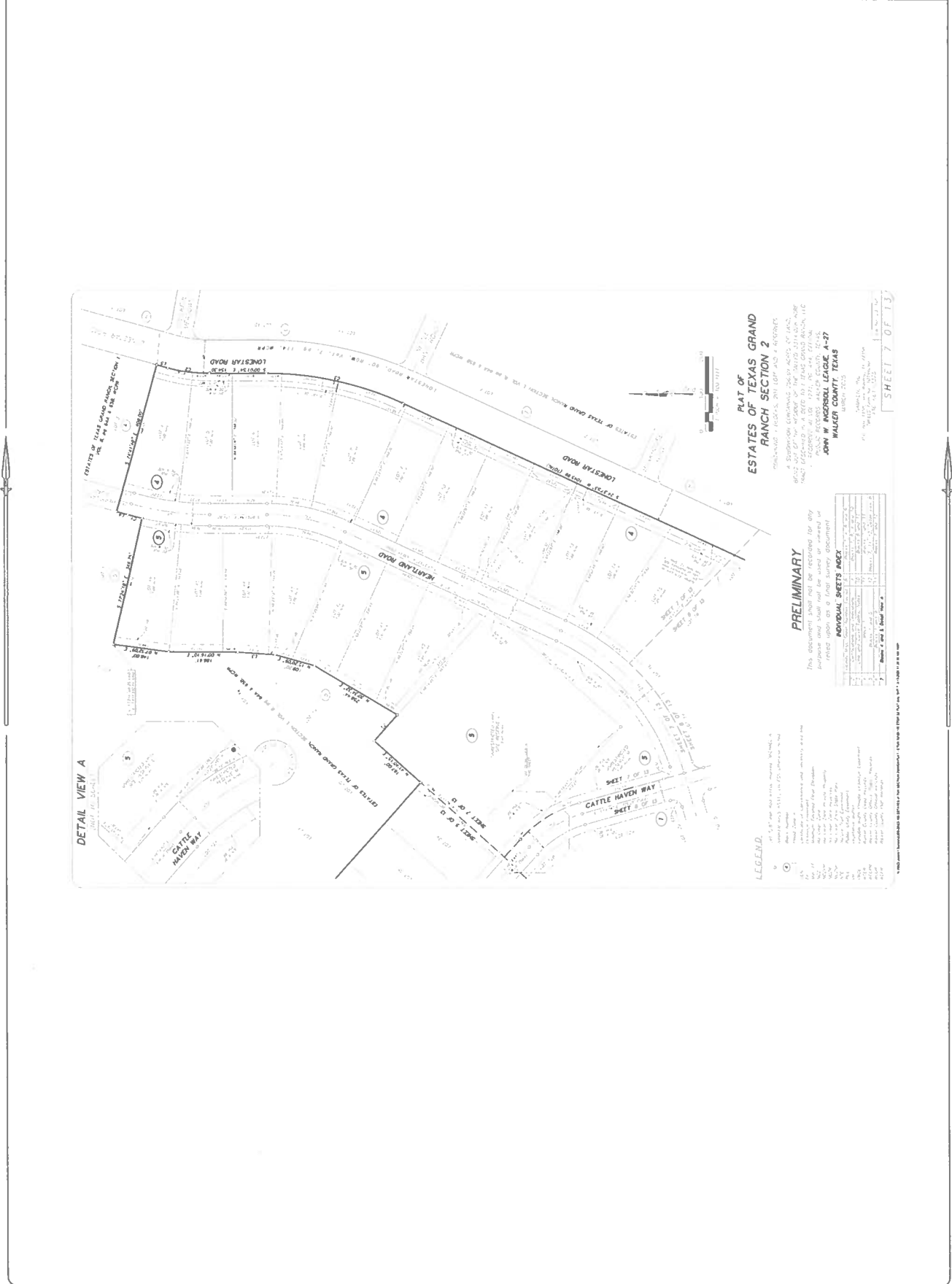
### LINE AND CURVE TABLES

#### BOUNDARY AND RIGHTS-OF-WAY CURVE AND LINE TABLES

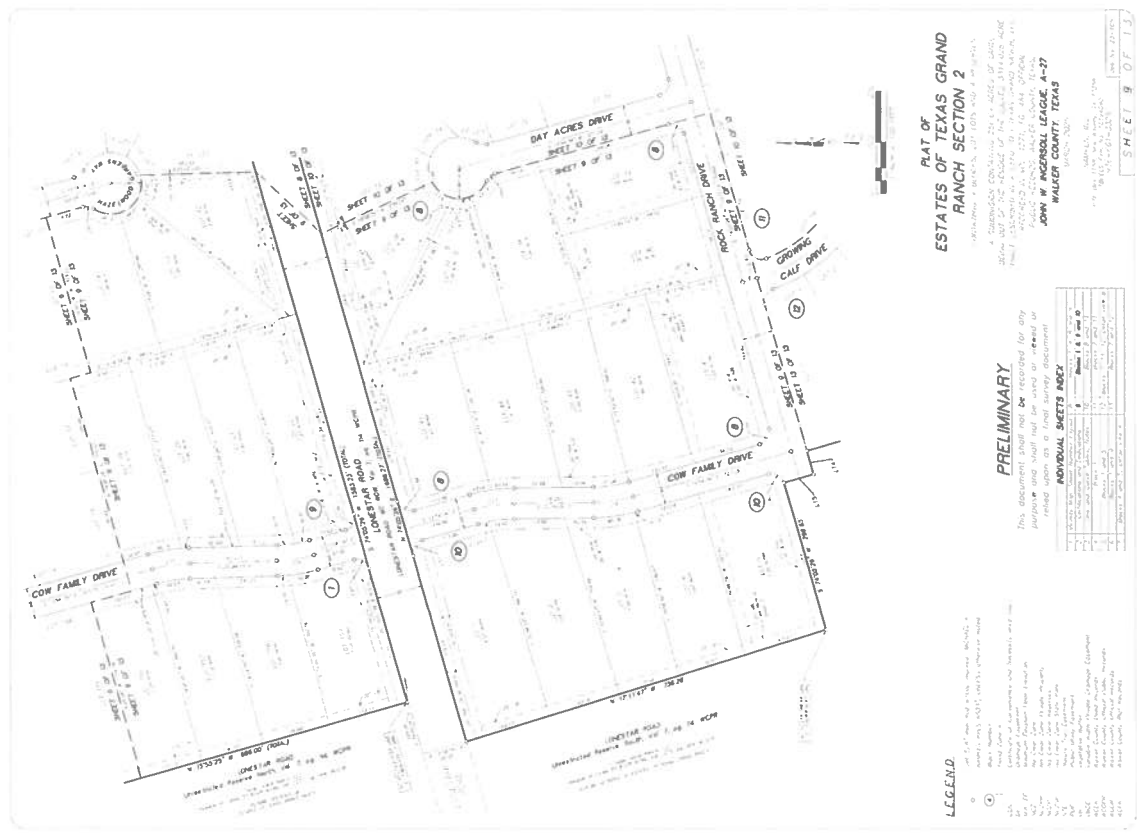
| LINE NO. | START | END   | BEARING        | DISTANCE | CURVE DATA | AREA | PERIMETER |
|----------|-------|-------|----------------|----------|------------|------|-----------|
| 1        | 0.00  | 1.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 2        | 1.00  | 2.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 3        | 2.00  | 3.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 4        | 3.00  | 4.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 5        | 4.00  | 5.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 6        | 5.00  | 6.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 7        | 6.00  | 7.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 8        | 7.00  | 8.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 9        | 8.00  | 9.00  | N 0° 00' 00" E | 1.00     |            |      |           |
| 10       | 9.00  | 10.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 11       | 10.00 | 11.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 12       | 11.00 | 12.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 13       | 12.00 | 13.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 14       | 13.00 | 14.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 15       | 14.00 | 15.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 16       | 15.00 | 16.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 17       | 16.00 | 17.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 18       | 17.00 | 18.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 19       | 18.00 | 19.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 20       | 19.00 | 20.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 21       | 20.00 | 21.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 22       | 21.00 | 22.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 23       | 22.00 | 23.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 24       | 23.00 | 24.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 25       | 24.00 | 25.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 26       | 25.00 | 26.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 27       | 26.00 | 27.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 28       | 27.00 | 28.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 29       | 28.00 | 29.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 30       | 29.00 | 30.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 31       | 30.00 | 31.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 32       | 31.00 | 32.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 33       | 32.00 | 33.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 34       | 33.00 | 34.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 35       | 34.00 | 35.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 36       | 35.00 | 36.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 37       | 36.00 | 37.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 38       | 37.00 | 38.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 39       | 38.00 | 39.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 40       | 39.00 | 40.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 41       | 40.00 | 41.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 42       | 41.00 | 42.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 43       | 42.00 | 43.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 44       | 43.00 | 44.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 45       | 44.00 | 45.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 46       | 45.00 | 46.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 47       | 46.00 | 47.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 48       | 47.00 | 48.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 49       | 48.00 | 49.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 50       | 49.00 | 50.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 51       | 50.00 | 51.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 52       | 51.00 | 52.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 53       | 52.00 | 53.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 54       | 53.00 | 54.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 55       | 54.00 | 55.00 | N 0° 00' 00" E | 1.00     |            |      |           |
| 56       | 55.00 | 56.00 | N 0° 00' 00" E | 1.0      |            |      |           |











**PLAT OF**  
**ESTATES OF TEXAS GRAND**  
**RANCH SECTION 2**

**PRELIMINARY**

This document shall not be required for any purpose other than to show the location of the plat and shall not be used as a legal document.

**INDIVIDUAL SHEETS INDEX**

| Sheet | Section | Acres  | Owner                        |
|-------|---------|--------|------------------------------|
| 1     | 1       | 100.00 | John W. Ingeroll Lease, A-27 |
| 2     | 2       | 100.00 | John W. Ingeroll Lease, A-27 |
| 3     | 3       | 100.00 | John W. Ingeroll Lease, A-27 |
| 4     | 4       | 100.00 | John W. Ingeroll Lease, A-27 |
| 5     | 5       | 100.00 | John W. Ingeroll Lease, A-27 |
| 6     | 6       | 100.00 | John W. Ingeroll Lease, A-27 |
| 7     | 7       | 100.00 | John W. Ingeroll Lease, A-27 |
| 8     | 8       | 100.00 | John W. Ingeroll Lease, A-27 |
| 9     | 9       | 100.00 | John W. Ingeroll Lease, A-27 |
| 10    | 10      | 100.00 | John W. Ingeroll Lease, A-27 |
| 11    | 11      | 100.00 | John W. Ingeroll Lease, A-27 |
| 12    | 12      | 100.00 | John W. Ingeroll Lease, A-27 |
| 13    | 13      | 100.00 | John W. Ingeroll Lease, A-27 |

**LEGEND**

1. All acreage shown on this map is based on a survey conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

2. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

3. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

4. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

5. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

6. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

7. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

8. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

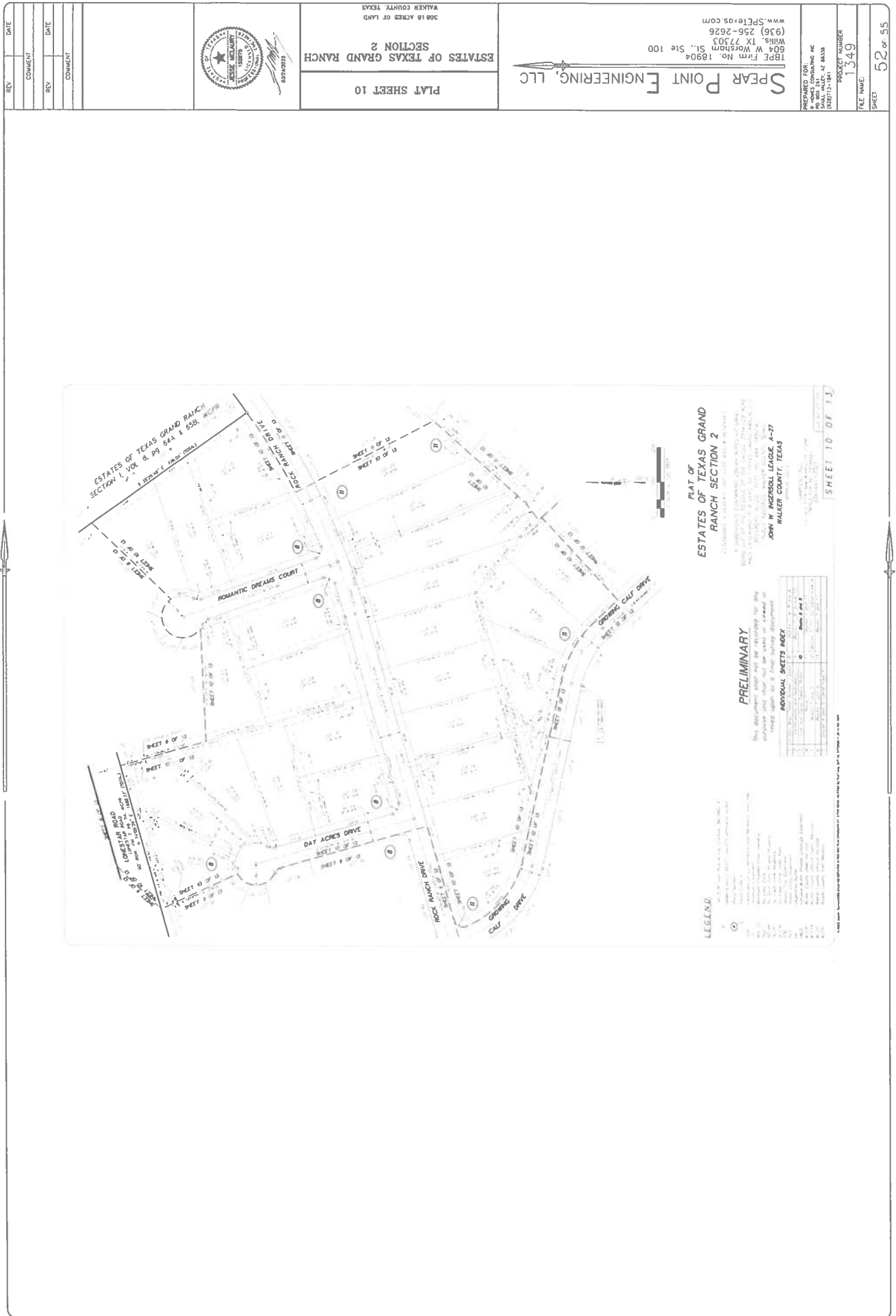
9. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

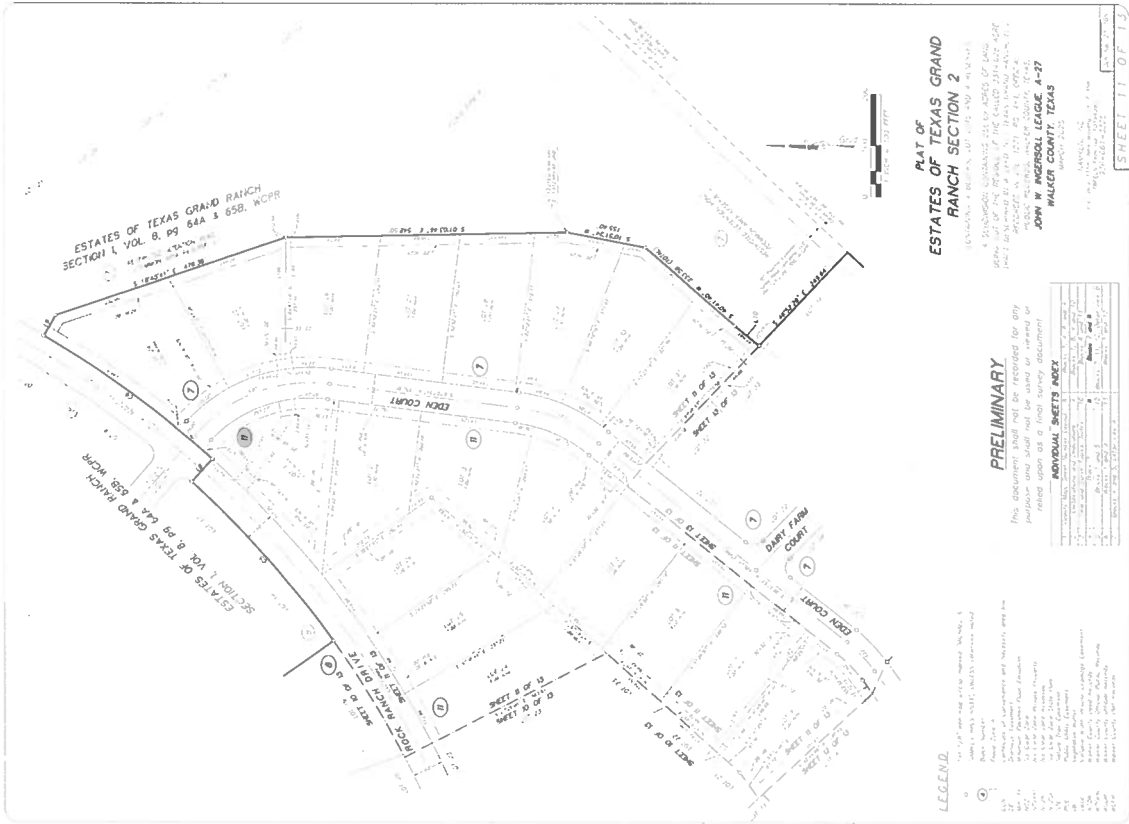
10. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

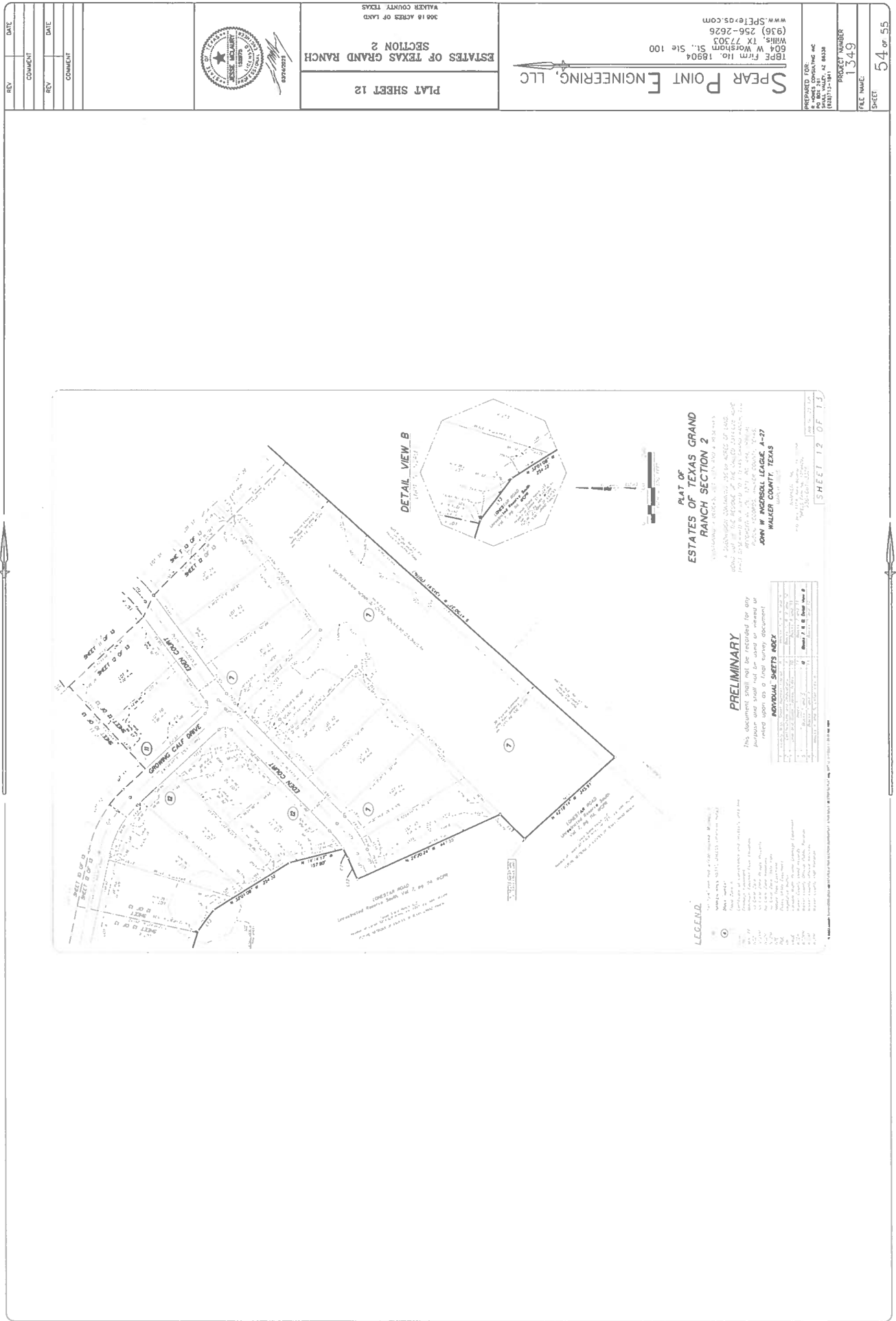
11. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

12. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.

13. The survey was conducted by the Surveyor General of Texas, and is subject to the provisions of the Texas Surveying Act of 1909, as amended.







|                              |  |                                  |  |                     |  |                     |  |                               |  |
|------------------------------|--|----------------------------------|--|---------------------|--|---------------------|--|-------------------------------|--|
| PLAT SHEET 12                |  | ESTATES OF TEXAS GRAND RANCH     |  | SECTION 2           |  | WALKER COUNTY TEXAS |  | 300.18 ACRES OF LAND          |  |
| SPEAR POINT ENGINEERING, LLC |  | 18904 W. WALKER BLVD., SUITE 100 |  | WALKER COUNTY TEXAS |  | 936) 256-2626       |  | WWW.SPEARPOINTENGINEERING.COM |  |
| PROJECT NUMBER               |  | 1349                             |  | FILE NAME           |  | SHEET               |  | 54 of 55                      |  |
| REVISIONS                    |  | DATE                             |  | COMMENT             |  | DATE                |  | COMMENT                       |  |
| REV                          |  | DATE                             |  | COMMENT             |  | DATE                |  | COMMENT                       |  |
| REV                          |  | DATE                             |  | COMMENT             |  | DATE                |  | COMMENT                       |  |

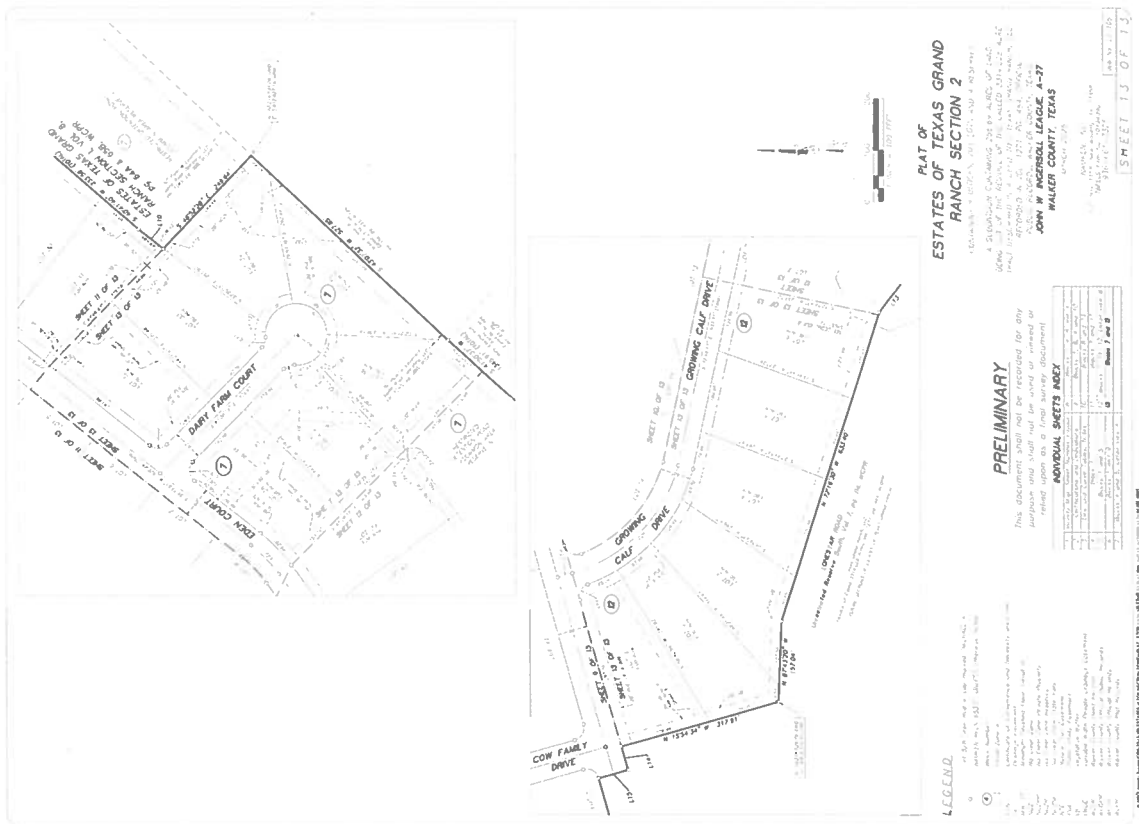


Exhibit C  
PI Agreement Engineers Opinion of Cost  
Estates of TGR Section II  
PD#2016-04-01



# Spear Point Engineering, LLC

TBPE Firm No. 18904

604 W Worsham St., Ste. 100, Willis, TX 77378

www.SPETexas.com

(936)256-2626

**RECEIVED**

OCT 24 2024

BY: P.D. 2014-04-01...

Engineer's Opinion of Construction Cost  
Estates of Texas Grand Ranch Section 2  
10/21/2024

| Item No.                                    | Item Description                                                    | Unit Quantity | Unit Measure | Unit Price  | Total Cost             |
|---------------------------------------------|---------------------------------------------------------------------|---------------|--------------|-------------|------------------------|
| <b>BONDING &amp; MOBILIZATION</b>           |                                                                     |               |              |             |                        |
| 1                                           | TPDES General Storm Water Permit                                    | 1             | LS           | \$ 2,500.00 | \$ 2,500.00            |
| <b>Bonding &amp; Mobilization Subtotal:</b> |                                                                     |               |              |             | <b>\$ 2,500.00</b>     |
| <b>PAVING &amp; GRADING</b>                 |                                                                     |               |              |             |                        |
| 1                                           | Clearing and grubbing, to include disposal of debris and vegetation | 56.0          | AC           | \$ 4,500.00 | \$ 252,000.00          |
| 2                                           | Preparation of R.O.W. & Easements                                   | 56.0          | AC           | \$ 2,000.00 | \$ 112,000.00          |
| 3                                           | TRU-BLN Soil Stabilization Blend                                    | 1,805         | TON          | \$ 180.00   | \$ 324,900.00          |
| 4                                           | Subgrade Stabilization and Preparation                              | 64,175        | SY           | \$ 2.00     | \$ 128,350.16          |
| 5                                           | 8-inch Base Course                                                  | 59,977        | SY           | \$ 11.00    | \$ 659,743.81          |
| 6                                           | 2-inch Type D HMA Paving                                            | 56,053        | SY           | \$ 10.00    | \$ 560,530.00          |
| 7                                           | All-weather Access Roadway                                          | 750           | SY           | \$ 11.00    | \$ 8,250.00            |
| 8                                           | Access Gates                                                        | 3             | EA           | \$ 5,000.00 | \$ 15,000.00           |
| 9                                           | Street, Stop and Speed Limit Signs                                  | 30            | EA           | \$ 500.00   | \$ 15,000.00           |
| 10                                          | Furnish and install Pavement Markings                               | 1             | LS           | \$ 2,000.00 | \$ 2,000.00            |
| <b>Paving &amp; Grading Subtotal:</b>       |                                                                     |               |              |             | <b>\$ 2,077,773.97</b> |
| <b>WATER UTILITIES</b>                      |                                                                     |               |              |             |                        |
| 1                                           | Wet connection to existing water line                               | 4             | EA           | \$ 500.00   | \$ 2,000.00            |
| 2                                           | 4-inch C909 Water, including necessary fittings                     | 2,824         | LF           | \$ 15.00    | \$ 42,360.00           |
| 3                                           | 6-inch C909 Water, including necessary fittings                     | 6,732         | LF           | \$ 21.00    | \$ 141,361.50          |
| 4                                           | 8-inch C909 Water, including necessary fittings                     | 13,667        | LF           | \$ 30.00    | \$ 410,010.00          |
| 5                                           | 12-inch Steel Casing                                                | 2,046         | LF           | \$ 50.00    | \$ 102,300.00          |
| 6                                           | 2" Blow Off Valve with Box                                          | 10            | EA           | \$ 2,000.00 | \$ 20,000.00           |
| 7                                           | 4" Gate Valve with Box                                              | 7             | EA           | \$ 400.00   | \$ 2,800.00            |
| 8                                           | 6" Gate Valve with Box                                              | 5             | EA           | \$ 800.00   | \$ 4,000.00            |
| 9                                           | 8" Gate Valve with Box                                              | 32            | EA           | \$ 1,200.00 | \$ 38,400.00           |
| 10                                          | Flush Valve & Assembly                                              | 21            | EA           | \$ 4,500.00 | \$ 94,500.00           |
| 11                                          | Air release valve                                                   | 11            | EA           | \$ 1,000.00 | \$ 11,000.00           |
| 12                                          | Provide Trench Safety Sanitary                                      | 23,223        | LF           | \$ 1.00     | \$ 23,222.50           |
| <b>Water Utilities Subtotal:</b>            |                                                                     |               |              |             | <b>\$ 891,954.00</b>   |
| <b>STORM SEWER &amp; DETENTION</b>          |                                                                     |               |              |             |                        |
| 1                                           | 18-inch HDPE Storm Sewer                                            | 800           | LF           | \$ 50.00    | \$ 40,000.00           |
| 2                                           | 24-inch HDPE Storm Sewer                                            | 436           | LF           | \$ 55.00    | \$ 23,980.00           |
| 3                                           | 30-inch HDPE Storm Sewer                                            | 381           | LF           | \$ 65.00    | \$ 24,765.00           |
| 4                                           | 36-inch HDPE Storm Sewer                                            | 200           | LF           | \$ 75.00    | \$ 15,000.00           |
| 5                                           | 48-inch HDPE Storm Sewer                                            | 194           | LF           | \$ 95.00    | \$ 18,430.00           |
| 6                                           | Safety End Treatment for (1) 18-inch Culvert                        | 18            | EA           | \$ 2,000.00 | \$ 36,000.00           |
| 7                                           | Safety End Treatment for (1) 30-inch Culvert                        | 8             | EA           | \$ 2,600.00 | \$ 20,800.00           |

|                                  |                                              |       |    |              |                        |
|----------------------------------|----------------------------------------------|-------|----|--------------|------------------------|
| 8                                | Safety End Treatment for (1) 36-inch Culvert | 2     | EA | \$ 3,000.00  | \$ 6,000.00            |
| 9                                | Headwall & Wingwall for (1) 18-inch Culvert  | 12    | EA | \$ 2,800.00  | \$ 33,600.00           |
| 10                               | Headwall & Wingwall for (1) 24-inch Culvert  | 4     | EA | \$ 2,900.00  | \$ 11,600.00           |
| 11                               | Headwall & Wingwall for (2) 24-inch Culvert  | 2     | EA | \$ 4,500.00  | \$ 9,000.00            |
| 12                               | Headwall & Wingwall for (2) 30-inch Culvert  | 4     | EA | \$ 5,000.00  | \$ 20,000.00           |
| 13                               | Headwall & Wingwall for (1) 36-inch Culvert  | 2     | EA | \$ 3,500.00  | \$ 7,000.00            |
| 14                               | Headwall & Wingwall for (1) 48-inch Culverts | 4     | EA | \$ 4,200.00  | \$ 16,800.00           |
| 15                               | Headwall & Wingwall for (2) 48-inch Culverts | 2     | EA | \$ 6,000.00  | \$ 12,000.00           |
| 16                               | Type E Inlet                                 | 2     | EA | \$ 3,000.00  | \$ 6,000.00            |
| 17                               | Drainage Swale                               | 4,977 | LF | \$ 5.00      | \$ 24,885.00           |
| 18                               | Detention Pond 2A Excavation/Placement       | 1     | LS | \$ 35,000.00 | \$ 35,000.00           |
| 19                               | Detention Pond 2B Excavation/Placement       | 1     | LS | \$ 70,000.00 | \$ 70,000.00           |
| 20                               | Detention Pond 2A Outfall Structure          | 1     | LS | \$ 20,000.00 | \$ 20,000.00           |
| 21                               | Detention Pond 2B Outfall Structure          | 1     | LS | \$ 30,000.00 | \$ 30,000.00           |
| 22                               | Rip-Rap                                      | 1     | LS | \$ 35,000.00 | \$ 35,000.00           |
| <b>Storm Sewer Subtotal:</b>     |                                              |       |    |              | <b>\$ 515,860.00</b>   |
| <b>EROSION CONTROL</b>           |                                              |       |    |              |                        |
| 1                                | Hydromulch Seeding of Distrurbed Areas       | 44.4  | AC | \$ 1,000.00  | \$ 44,418.80           |
| 2                                | Stabilized Construction Entrance/Exit        | 2     | EA | \$ 2,500.00  | \$ 5,000.00            |
| 3                                | Reinforced Siltation Fencing                 | 3,000 | LF | \$ 2.00      | \$ 6,000.00            |
| <b>Erosion Control Subtotal:</b> |                                              |       |    |              | <b>\$ 55,418.80</b>    |
| <b>TOTALS</b>                    |                                              |       |    |              |                        |
| <b>GRAND TOTAL:</b>              |                                              |       |    |              | <b>\$ 3,543,506.77</b> |

**NOTE:** Estimate is based on unapproved construction plans and subject to change. The prices included in this estimate are current as of the estimate date. Actual bid prices will differ from the estimate.

This Document is Released for the Purpose of  
General Planning Under the Authority of:  
Engineer: Jesse McLaury, P.E.  
License No.: 152975  
It is Preliminary in Nature and not to be Used for  
Feasibility of Land Purchases, Bond Applications,  
Loans or Grants.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/23/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| <b>PRODUCER</b><br>Transportation Insurance Solutions LLC<br>9300 John Hickman Pkwy<br>Suite 1103<br>Frisco TX 75035-5951 | <b>CONTACT NAME:</b> Alice Caballero<br><b>PHONE (A/C, No, Ext):</b> 855-477-5069<br><b>E-MAIL ADDRESS:</b> certificates@tisinsurance.net<br><b>FAX (A/C, No):</b> 855-477-4938                                                                                                                                                                                                                                                                                                                                                          |                               |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--|--------|------------|-----------------------------------------------|------------|------------|-----------------------------------|-------|------------|--------------------------------|-------|------------|------------------------|-------|------------|--|--|------------|--|--|
| <b>INSURED</b><br>Slott Construction Inc<br>480 Gibbs St<br>New Waverly TX 77358                                          | <table><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A:</td><td>PartnerRE Insurance Solutions of Bermuda, LTD</td><td>AA-3191504</td></tr><tr><td>INSURER B:</td><td>Progressive County Mutual Ins. Co</td><td>29203</td></tr><tr><td>INSURER C:</td><td>Mid Continent Casualty Company</td><td>23418</td></tr><tr><td>INSURER D:</td><td>Mid Continent Casualty</td><td>23418</td></tr><tr><td>INSURER E:</td><td></td><td></td></tr><tr><td>INSURER F:</td><td></td><td></td></tr></table> | INSURER(S) AFFORDING COVERAGE |  | NAIC # | INSURER A: | PartnerRE Insurance Solutions of Bermuda, LTD | AA-3191504 | INSURER B: | Progressive County Mutual Ins. Co | 29203 | INSURER C: | Mid Continent Casualty Company | 23418 | INSURER D: | Mid Continent Casualty | 23418 | INSURER E: |  |  | INSURER F: |  |  |
| INSURER(S) AFFORDING COVERAGE                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NAIC #                        |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |
| INSURER A:                                                                                                                | PartnerRE Insurance Solutions of Bermuda, LTD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | AA-3191504                    |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |
| INSURER B:                                                                                                                | Progressive County Mutual Ins. Co                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 29203                         |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |
| INSURER C:                                                                                                                | Mid Continent Casualty Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 23418                         |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |
| INSURER D:                                                                                                                | Mid Continent Casualty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 23418                         |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |
| INSURER E:                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |
| INSURER F:                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |  |        |            |                                               |            |            |                                   |       |            |                                |       |            |                        |       |            |  |  |            |  |  |

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                     | ADDL INSD | SUBR WVD | POLICY NUMBER       | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                  |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|---------------------|-------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A        | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC<br>OTHER: | Y         | Y        | VCP2023007-03       | 04/20/2025              | 04/20/2026              | EACH OCCURRENCE \$ 1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000<br>MED EXP (Any one person) \$ 5,000<br>PERSONAL & ADV INJURY \$ 1,000,000<br>GENERAL AGGREGATE \$ 2,000,000<br>PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| B        | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input checked="" type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input checked="" type="checkbox"/> UNINSURED MOTORIST                                                 | Y         | Y        | 980202817           | 04/20/2025              | 04/20/2026              | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>Uninsured/Underinsured \$ \$100,000                                        |
| A        | <input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED RETENTION \$                                                                                                 | Y         |          | VCX2023005-03       | 04/20/2025              | 04/20/2026              | EACH OCCURRENCE \$ 3,000,000<br>AGGREGATE \$ 3,000,000                                                                                                                                                                                  |
|          | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                                                         | Y/N       | N/A      |                     |                         |                         | PER STATUTE OTH-ER<br>E.L. EACH ACCIDENT \$<br>E.L. DISEASE - EA EMPLOYEE \$<br>E.L. DISEASE - POLICY LIMIT \$                                                                                                                          |
| C        | Inland Marine                                                                                                                                                                                                                                                                                                         |           |          | 04-CIM-000044016-01 | 04/20/2025              | 04/20/2026              | Limit:\$250,000 Ded:\$2,500                                                                                                                                                                                                             |

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Excess Liability with Follow Form Additional Insured, Primary & Non-Contributory, and Waiver of Subrogation to be Excess of General Liability, Auto Liability  
Contractors Pollution Liability with Additional Insured for Ongoing Operations and Completed Operations, Primary & Non-Contributory, and Waiver of Subrogation  
General Liability - Additional Insured - Completed Operations and Primary & Non-Contributory

WE are not the agent for the Workers Compensation Coverage.

**CERTIFICATE HOLDER****CANCELLATION**

|                                                                 |                                                                                                                                                                                                                         |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City of Huntsville<br>1212 Avenue M<br>Huntsville TX 77340-4608 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br><i>Hamish MacKay</i> |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



## CITY COUNCIL AGENDA

6/3/2025

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**Agenda Item Number:** 6.a.

**Agenda Item:** City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Secretary Kristy Doll.

**Initiating Department/Presenter:** City Secretary

**Presenter:**  
Kristy Doll, City Secretary

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**Recommended Motion:** Not applicable

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**Strategic Initiative:**

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**Discussion:**

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**Previous Council Action:**

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**Financial Implications:**

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**Approvals:**  
Leonard Schneider  
Kristy Doll

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**Associated Information:**