

MEDIATED SETTLEMENT AGREEMENT

On August 24, 2021, Senna Hills, Ltd. (“SHL”), The Senna Hills Trust (“Trust”), the Senna Hills Homeowners Association, Inc. (the “HOA”), and the Senna Hills Municipal Utility District (the “MUD”) mediated with Mark L. Hawkins and agreed to a settlement of the disputes between them regarding the Senna Hills Office Complex Dispute (“Matter”). SHL, the Trust, the HOA, and the MUD are sometimes referred to herein as a “Party” and collectively as the “Parties.” After consulting with their attorneys, the Parties have authorized and instructed their attorneys to sign this Mediated Settlement Agreement (“MSA”) to memorialize the terms of the Parties’ agreement under § 154.071 of the Texas Civil Practice & Remedies Code and Rule 11 of the Texas Rules of Civil Procedure.


Although the mediator assisted in drafting this MSA, the Parties and their attorneys thoroughly reviewed the document and made or had the opportunity to make any changes to it that the Parties desired. The Parties have authorized and instructed their attorneys to sign this MSA of their own free will and without duress, relying on their own understanding of the agreement and the advice of their attorneys.

The settlement terms are:


1. This MSA is subject to approval by a majority vote of the Board of Directors of the Senna Hills Homeowners Association (“HOA”) and the Board of Directors of the Senna Hills Municipal Utility District (“MUD”). The representatives of the HOA Board and MUD Board who participated in the mediation shall recommend the approval of this MSA to the other members of the Board. In the event this MSA is not approved by both the HOA Board and the MUD Board on or before August 30, 2021, it shall automatically terminate and be of no further force and effect, and the Parties shall have no further rights or obligations hereunder.
2. Effective upon approval of this MSA by the HOA Board and MUD Board, the Parties acknowledge and agree that this MSA shall resolve, settle, and compromise all claims or causes of action related to the square footage of the Senna Hills Office Complex. The MSA supersedes the Contract (defined below) only to the extent of any inconsistencies.
3. This MSA shall be fully binding upon the Parties and their successors and assigns, in the same manner as provided in paragraph XII of the Contract as defined below, subject only to approval by the HOA Board and MUD Board. Further settlement documents (and, if necessary, a written amendment to the underlying First Amended and Restated Contract between the Parties [the “Contract”] incorporating the terms of this MSA) may be initially prepared by counsel for the HOA and/or MUD and approved by counsel for Senna Hills, Ltd. (“SHL”) and the Senna Hills Trust (“Trust”). If there are any issues or disagreements between the Parties arising under this MSA, any such disputes shall be submitted to Mark Hawkins as the single arbitrator under TRCP Chapter 171, or a replacement arbitrator if he is unable to serve or any Party objects to Mr. Hawkins serving as the arbitrator. Notwithstanding the Parties’ agreement to discuss additional settlement terms, this MSA is enforceable.

4. SHL and the Trust shall authorize Escrow Agent to immediately record the Special Warranty Deed (currently in escrow) conveying all lots set forth therein to the HOA. HOA shall execute and deposit with Escrow Agent reversionary deeds (in the same form as the deeds currently escrowed) for all lots conveyed to the HOA except Lot 102, Block A, Senna Hills, Section 5-B and Lot 11-A, Senna Hills Section ONE-A (the "Reversionary Deeds"). The Reversionary Deeds may only be released/recorded by Escrow Agent if, and only if, SHL terminates the Contract pursuant to the terms of the Contract. In the event SHL terminates the Contract and the Reversionary Deeds are released from escrow and/or recorded, then the Trust must reimburse the HOA for all property taxes during the time periods the HOA owned the lots which are the subject of the Reversionary Deeds. The escrow of the Reversionary Deeds shall not prohibit the HOA from using all lots conveyed consistent with permitted uses at conveyance to HOA, provided that at time of reversion the property re-conveyed to the Trust has the same use attributes as it has at the time of conveyance to the HOA.
5. The total conditioned space within all buildings in the office project shall be no more than 180,000 square feet (specifically excluding underground parking floors).
6. The Parties will work together and make all reasonable efforts (a) to have the TLAP amendment application (the "TCEQ Application") as contemplated by Section VII of the Contract completed on or before November 8, 2021 (b) to have the TCEQ Application filed as soon as reasonably possible after completion, and (c) if it is necessary to await approval of the City and TxDOT applications before filing the TCEQ Application, to do so within ten (10) days after the receipt of such approvals from the City and TxDOT. SHL will tender the \$25,000 escrow called for in Section VII of the agreement by September 1, 2021.
7. SHL to pay the HOA's and MUD's reasonable outstanding professional fees (legal/consultants/engineers/mediator fees) for work with respect to the Contract and this dispute through the date of this MSA. The HOA's estimated outstanding professional fees are \$20,000.00 and the MUD's estimated outstanding professional fees are \$10,000.00. The HOA and MUD shall submit written invoices for their professional fees to SHL with the exact amounts owed, and SHL shall pay said invoices within ten (10) days after SHL's receipt of said invoices.
8. SHL shall terminate the permanent use easement granted to SHL on the lot containing the Wastewater Treatment Plant within 18 years after the date of this MSA.
9. SHL shall pay the HOA \$50,000.00 on or before September 2, 2021 (the "Initial Settlement Payment"), and another \$25,000.00 (the "Second Settlement Payment") to be paid within ten (10) days of the date that the TCEQ permit approval becomes final and non-appealable. The Initial Settlement Payment shall be nonrefundable in all events. Without implying that these costs are the responsibility of SHL, the Initial Settlement Payment and the Second Settlement Payment may be used at the HOA's discretion.
10. The undersigned attorneys hereby represent that they have been authorized and instructed to execute this MSA on behalf of their respective clients.

EXECUTED this 24th day of August, 2021.



Dan Byrne
Counsel for Senna Hills, Ltd. and The Senna Hills Trust



Lance Lackey
Counsel for Senna Hills Homeowners Association



Bill Flickinger
Counsel for Senna Hills Municipal Utility District