STATE OF TEXAS §
§
WILLIAMSON COUNTY §

SERVICES AGREEMENT

THIS AGREEMENT, made and entered into this 6th day of July, 2021, by and between the Fern Bluff Municipal Utility District ("District"), and Sage Management ("Provider").

WHEREAS, District and Provider have entered into the Agreement for the provision of certain services (the "Services") or certain goods (the "Goods") by Provider to District; and

WHEREAS, District and Provider desire to confirm certain key contractual terms will apply to the Agreement and the Services or Goods to be provided under the Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, District and Provider agree that for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the District and the said Provider, hereby agrees with the District to commence and complete work described as follows:

Deed Restriction Reporting and Enforcement for Fern Bluff Municipal Utility District

1. This Agreement is effective as of the date of signature by the last party as indicated below and shall remain in effect for a period of one year thereafter, unless earlier terminated by either party. This Agreement shall renew automatically for successive one-year terms until either party sooner terminates. Either party may terminate this Agreement, with or without cause, upon providing 90-days prior written notice to the other party. Among other types of communication, "written notice" includes electronic mail.

2. Provider will act as an agent of the District to enforce the deed restrictions by conducting two (2) complete tours of the District each month for a fee of $450.00 per tour, totaling $900.00 each month. A complete tour represents driving all streets within the boundaries of the District and equally documenting all deed restriction violations. A single tour may be split up into separate driving periods and does not have to be completed in one session, provided, however, that Provider shall allow a minimum of eight (8) days between the completion and commencement of each complete tour.

3. The District reserves the right to request additional tours for $450.00 per tour.

4. Additional fees that may be included by the Provider on the monthly invoice:

   (a) $1.00 per photo – one clear photo per violation unless more are required to sufficiently define the violation in question.

(b) $2.00 per deed restriction email, meeting, and phone call
(c) $45.00 per month Insurance Liability
(d) $25.00 per Special Request, outside of a regular tour, made by either a District Director or the District General Manager, or if an administrative employee of District is making a special request on behalf of a District Director or the District General Manager.

5. During each tour, a Provider representative shall either speak with someone at the residence in violation of a deed restriction and explain the violation or leave a clearly identifiable tag on the item in question, or the front door of the house, whichever is deemed appropriate to explain the violation.

6. The Provider representative that is conducting the tour must be easily identifiable as a Provider by having at least one of the following: clearly visible signage on the vehicle be used for the tour, a uniform shirt, a name tag, or badge that can be seen clearly.

7. No Consequential Damages and Limitation of Damages. Neither party will be liable to the other party or any other person or entity for any special, incidental, indirect, consequential, punitive, or exemplary damages arising out of or relating to this agreement or the subject matter hereof. The parties agree that this limitation of damages is reasonable and acknowledge that but for this limitation, neither party would enter into this Agreement.

8. Insurance. Required Coverage. Provider shall maintain and require its subcontractors to maintain in effect throughout the entire term of the Agreement, insurance coverage (under an "occurrence" policy form) with an insurance company or companies in the amount described below insuring: (i) Provider's indemnity obligations under the Agreement; (ii) statutory workers compensation for occupational diseases and for injuries sustained by or death resulting to employees of Provider or its subcontractors as required by law; and (iii) Provider's and/or District's liability for any property damage, bodily injuries or death sustained by any persons or persons, including agents and employees of Provider, which was in any manner caused by, arising from, or related to the Goods provided or the Services performed by Provider. As a condition to District's obligations under the Agreement going into effect and prior to Provider commencing any work under the Agreement, Provider shall provide to District, to District's satisfaction, a Certificate of Insurance certifying the existence of all coverage required hereunder and Additional Insured Endorsement naming District as an additional insured thereunder. All such insurance shall be kept and maintained without cost or expense to District. Failure to maintain continuous insurance coverage by Provider shall represent a material breach of Provider's obligations under the Agreement. All policies of insurance shall waive any and all rights of subrogation against District pursuant to Subsection (b) below. The coverage available to District shall not be less than the limits set forth below. Without limiting any of the foregoing, Provider agrees to secure and maintain, at Provider's sole cost and expense, the following insurance, at the coverage limits specified:

(a) Workers Compensation Insurance. In accordance with the laws of the State of Texas, statutory requirements must be evidenced in a certificate inclusive of limits in the amount of $300,000 employer's liability per occurrence.

(b) Comprehensive General Liability. Required limits are $500,000 per occurrence and $1,000,000 in the aggregate.

(c) Automobile Liability. Required limits of bodily injury are $250,000 per person and $500,000 per occurrence, and property damage liability is $250,000 per occurrence.

9. Waiver of Subrogation. Provider's insurance shall contain a waiver of subrogation clause. For purposes of waiver of subrogation, Provider releases District, its affiliates and each of their respective officers, directors, employees, and agents from any claims based on negligence or otherwise, for loss, damage, injury or death which occur hereafter and are insured against by Provider under insurance policies carried by Provider. Provider shall furnish to District the waiver of subrogation endorsement consistent with the terms of the Agreement.

10. Insurance of District. Any and all claims against District shall be expressly limited to the limits of liability of District as a Texas governmental entity and/or limited district as provided by applicable law. Any insurance policy limit requirements contained in the Agreement that exceed District's existing policy limits are void.

11. INDEMNIFICATION. PROVIDER AGREES TO INDEMNIFY, RELEASE, DEFEND AND HOLD HARMLESS DISTRICT, ITS AFFILIATES AND EACH OF THEIR RESPECTIVE OFFICERS, PARTNERS, EMPLOYEES, DIRECTORS, MEMBERS, OWNERS, MANAGERS AND AGENTS (COLLECTIVELY, "INDEMNITEES"), FROM AND AGAINST ANY LIABILITY, LOSSES, CLAIMS, DEMANDS, COSTS AND EXPENSES, INCLUDING ATTORNEYS' FEES AND LITIGATION EXPENSES, (I) ARISING OUT OF OR RELATED TO ANY PERSONAL INJURY OR PROPERTY DAMAGE IN CONNECTION WITH PROVIDER'S OR PROVIDER'S EMPLOYEES, OFFICERS, DIRECTORS, SUCCESSORS, ASSIGNS, AGENTS, CONTRACTORS, SUBCONTRACTORS, SUPPLIERS, INVITEES AND ALL OTHER PERSONS PERFORMING SERVICES OR SUPPLYING GOODS ON PROVIDER'S BEHALF SUPPLY OF GOODS OR PERFORMANCE OF SERVICES, EXCEPT TO THE EXTENT SUCH PERSONAL INJURY OR PROPERTY DAMAGE IS CAUSED BY OR RESULTS FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNITEE, (II) IN CONNECTION WITH ANY BREACH OR VIOLATION OF ANY OF THE TERMS OF THE AGREEMENT, INCLUDING ANY WARRANTY OR GUARANTEE OR (III) DUE TO ANY CONTRAVENTION OF ANY APPLICABLE LAWS, RULES, REGULATIONS OR ORDERS OF ANY GOVERNMENTAL AGENCY HAVING JURISDICTION OVER THE SUBJECT MATTER OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT. Notwithstanding anything herein to the contrary, any liability of the District pursuant to a contractual indemnity and defense herein shall never exceed the limits of liability of

the District as a Texas governmental entity and/or limited district as provided by applicable law. The provisions of this section pertaining to the District's limitations on indemnification and defense shall survive termination of the Agreement regardless of the cause for termination.

12. No Waiver. Any failure by District to enforce any of the terms or conditions of the Agreement shall not constitute a waiver by District and shall not affect or impair the Agreement in any way, or the right of District at any time to avail itself of such remedies for any breach of the Agreement. If District exercises its right to avail itself of any remedy for a breach, Provider will remain liable to District for any and all costs and attorneys' fees associated with seeking and recovering such relief. THE PARTIES HEREBY ACKNOWLEDGE AND AGREE THAT THE AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF EACH PARTY UNDER THE AGREEMENT DO NOT CONSTITUTE A WAIVER OF DISTRICT's IMMUNITY AS PROVIDED FOR UNDER APPLICABLE STATE OR FEDERAL LAW.

13. No Third-Party Beneficiaries. Nothing in the Agreement shall confer upon any person other than the parties to the Agreement any right, benefit or remedy of any nature whatsoever. Without limiting the foregoing, in no event shall District assume liability to any third party for any terms or conditions required of Provider in connection with the Agreement.

14. Non-Exclusivity. Notwithstanding any provision of the Agreement to the contrary, nothing herein is intended or shall be construed as creating an exclusive arrangement with Provider. The Agreement shall not restrict District from acquiring similar, equal or like goods and/or services from other entities or sources.

15. Tax-Exempt Status. District is exempt from Texas sales tax and Federal excise tax, and Provider acknowledges and agrees that District shall not be liable for such taxes owed pursuant to the Agreement or otherwise.

16. Texas Ethics Commission Form 1295. Pursuant to Texas Government Code, Section 2252.908 and Texas Ethics Commission Rule 46, Provider shall file a Certificate of Interested Parties Form (Form 1295) with the District prior to approval of the Agreement.

IN WITNESS WHEREOF, the parties to these presents have executed this Agreement in the year and day first above written.

FERN BLUFF MUNICIPAL UTILITY DISTRICT:

By: _____

Printed Name: Janey Miller

Title: General Manager

SAGE MANAGEMENT:

By: _____

Printed Name: Diana Sagner / Jimmy Sagner

Title: Owners

ATTEST: Hector Elvis

Printed Name: Hector Alvis

Title: Operations Manager