



City of Sugar Land

City Council Agenda

Sugar Land City Hall
2700 Town Center
Boulevard North
Sugar Land, TX 77479

Tuesday, December 16, 2025
City Council Meeting
City Council Chamber
5:30 PM

I. Attention

Members of the City Council, Board and/or Commission may participate in deliberations of posted agenda items through video conferencing means. A quorum of the City Council, Board and/or Commission will be physically present at the above-stated location, and said location is open to the public. Audio/Video of open deliberations will be available for the public to hear/view; and are recorded as per the Texas Open Meetings Act.

The meeting will live stream at <https://www.sugarlandtx.gov/1238/SLTV-16-Live-Video> or <https://www.youtube.com/user/SugarLandTXgov/live>. Sugar Land Comcast/Xfinity Cable Subscribers can also tune-in on Channel 16.

II. Call to Order

III. Invocation

Council Member Robert Boettcher

IV. Pledges of Allegiance

Council Member Robert Boettcher

V. Recognition

A. SILVER HEART CARE
5 YEAR ANNIVERSARY
Carol McCutcheon, Mayor

B. SUGAR LAND 101 CLASS OF 2025 RECOGNITION
Jacob Holland, Communications & Community Engagement Specialist

VI. Public Comment

Pursuant to Texas Government Code section 551.007, citizens are permitted to address the City Council, Board and/or Commission in person with regard to matters posted for consideration on the agenda. Each speaker must complete a "Request to Speak" form and give it to the City Secretary or designee, prior to the beginning of the meeting.

Each speaker is limited to 3 minutes, speakers requiring a translator will have 6 minutes, regardless of the number of agenda items to be addressed. Comments or discussion by City Council, Board, and/or Commission members, will only be made at the time the subject is scheduled for consideration.

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

VII. Consent Agenda

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

A. **MINUTES**

Consideration of and action on the approval of the minutes of the December 2, 2025, meeting.

Linda Mendenhall, City Clerk

B. CONTRACT WITH GT DISTRIBUTORS

Consideration of and action on a contract with GT Distributors authorizing the execution of a purchase order in the amount of \$117,720 for the purchase of 50 rifle-resistant vests through a cooperative Agreement with the Buy Board Contract No. 698-23.

Gregory Suter, Police Captain - Staff Services Bureau

C. CONTRACT WITH HOUSTON-GALVESTON AREA COUNCIL

Consideration of and action on approval of the remount of two Sugar Land Fire Department ambulances (Unit #171 & #181) onto new Ford F-550 chassis through the H-GAC Cooperative Contract No. AM1023, for a total purchase order of \$417,383.35.

Mark Campise, Chief of Fire-EMS

D. CONTRACT WITH RINGCENTRAL, INC

Consideration of and action on the authorization of a five-year contract with RingCentral, Inc. in the amount of \$449,221.80

Steve Budny, Director of IT, Data, and Security

E. AGREEMENT WITH FUNCTION 4, LLC

Consideration of and action on approval of a five-year Lease-Purchase Agreement with Function 4, LLC for Sharp Multi-function Printers in the Amount of \$282,702.

Steve Budny, Director of IT, Data, and Security

F. TRI-PARTY LICENSE AGREEMENT WITH SUGAR LAND LITTLE LEAGUE AND YOUTH SCOREBOARDS, LLC

Consideration of and action on the authorization of a Tri-Party License Agreement by and between the City of Sugar Land, Texas, Sugar Land Little League, and Youth Scoreboards, LLC for the installation, operation, and maintenance of three youth baseball/softball scoreboards located on City-owned park property.

William Hajdik, Interim Director of Parks and Recreation

G. TRI-PARTY LICENSE AGREEMENT WITH FIRST COLONY LITTLE LEAGUE AND YOUTH SCOREBOARDS, LLC

Consideration of and action on the authorization of a Tri-Party License Agreement by and between the City of Sugar Land, Texas, First Colony Little League, and Youth Scoreboards, LLC for the installation, operation, and maintenance of five youth baseball/softball scoreboards located on City-owned park property.

William Hajdik, Interim Director of Parks and Recreation

H. MUNICIPAL COURT JUDGE COMPENSATION

Consideration of and action on authorization of the Municipal Court Judge Year 2026 salary, in the amount of \$137,500, effective January 3, 2026.

Carol McCutcheon, Mayor

I. TAX INCREMENT REINVESTMENT ZONE NO. 3 APPOINTMENTS

Consideration of and action on the appointment of Jim Vonderhaar, Sanjay Singhal, and Chris Barnett as members for terms expiring December 31, 2027, to the Tax Increment Reinvestment Zone Number Three.

Carol McCutcheon, Mayor

- J. **TAX INCREMENT REINVESTMENT ZONE NO. 4 APPOINTMENTS**
Consideration of and action on the appointment of Rick Miller, Bridget Yeung, and Jennifer Raymond as members for terms expiring December 31, 2027, to the Tax Increment Reinvestment Zone Number Four.
Carol McCutcheon, Mayor
- K. **SECOND CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE 2397:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 4 OF THE LAND DEVELOPMENT CODE BY AMENDING SIGN REGULATIONS RELATED TO POLITICAL SIGNS.
Nicole Guevara, Assistant Director of Neighborhood Services
- L. **SECOND CONSIDERATION:** Consideration of an action on **CITY OF SUGAR LAND ORDINANCE NO. 2396:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 5 RELATED TO STOPPING, STANDING, AND PARKING OF VEHICLES; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.
Nicole Guevara, Assistant Director of Neighborhood Services

VIII. Public Hearings

- A. **PUBLIC HEARING 5:30 P.M.:** Receive and hear all persons interested in an ordinance amending Chapter 7 (Building Regulations) of the Sugar Land Development Code by adopting the 2024 International Codes and the 2023 National Electrical Code, with local amendments, and repealing all ordinances or parts of ordinances in conflict herewith.

FIRST CONSIDERATION: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2395:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 7 (BUILDING REGULATIONS) OF THE SUGAR LAND DEVELOPMENT CODE BY ADOPTING THE 2024 INTERNATIONAL CODES AND THE 2023 NATIONAL ELECTRICAL CODE; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

Nicole Guevara, Assistant Director of Neighborhood Services, Joshua Doyle, Chief Building Official, James Serrano, Assistant Fire Chief, Mike Kugler, Assistant Fire Marshal

- B. **PUBLIC HEARING 6:00 P.M.:** Receive and hear all persons interested in the designation of Reinvestment Zone No. 2025-01 for a 33.4709 acre tract of land located in Sugar Land, Texas at 1111 Gillingham Lane, Sugar Land, Texas.

FIRST CONSIDERATION: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2394:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2025-01 FOR A 33.4709 ACRE TRACT OF LAND LOCATED IN SUGAR LAND, TEXAS AT 1111 GILLINGHAM LANE, SUGAR LAND, TEXAS.

Jennifer Alexander, Business Development Manager

IX. Contracts and Agreements

A. **ASSIGNMENT OF CONSTELLATION FIELD LEASE TO DIAMOND BASEBALL HOLDINGS**

Consideration of and action on the assignment of the October 5, 2010, Constellation Field Lease and amendments to Diamond Baseball Holdings (DBH) and the authorization of the City Manager to execute the required documentation.

Jessica Huble, Assistant Director of Redevelopment

B. **CONTRACT ASSIGNMENT FROM MUD NO. 269**

Consideration of and action on acceptance of the assignment of three (3) construction contracts from MUD 269 for the Ryehill Water Plant (\$12,813,148.00), South of the Brazos Wastewater Treatment Plant (\$52,198,815.00), and Mass Grading and Detention Pond (\$1,705,322.00), in the total amount of \$66,717,285.00; and authorization of budget amendments to reallocate funding among CIP projects CWA2506, CSW2501, CWW2503, and CWWCONT.

Robert Wilson, Assistant City Engineer

X. Ordinances and Resolutions

A. **FIRST CONSIDERATION:** Consideration of and action on: **CITY OF SUGAR LAND ORDINANCE NO. 2379:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AMENDING CHAPTER 5, ARTICLE XIII (SPECIAL EVENTS ORDINANCE).

Briana Williams, Assistant Director of Parks & Recreation

XI. City Council and City Manager Reports

In accordance with Texas Government Code section 551.0415, City Council Members and the City Manager may provide reports on items of community interest. No action, consideration or discussion will occur regarding these reports.

XII. Closed Executive Session

A. Closed Executive Session as authorized by Chapter 551, Texas Government Code in accordance with:

Section 551.074 Personnel Matters:

For the purpose of discussion with respect to the City Manager annual performance evaluation.

Carol McCutcheon, Mayor

XIII. City Manager FY 26 Compensation Package

A. **CITY MANAGER FY26 COMPENSATION PACKAGE**

Consideration of and action on the City Manager's Compensation Fiscal Year 2026.

Carol McCutcheon, Mayor

XIV. Adjournment

The Mayor and City Council reserve the right, upon motion, to suspend the rules to consider business out of the posted order. In addition to any Executive Session listed above, the City Council reserves the right to adjourn into Executive Session at any time during this meeting for the purpose of consultation with the Attorney as authorized by Texas Government Code Sections 551.071 to discuss any of the matters listed above.

If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact the City Secretary, (281) 275-2730. Requests for special services must be received 48 hours prior to the meeting time. Reasonable accommodations will be made to assist your needs.

The agenda and supporting documentation is located on the [City Website](#) under meeting agendas.

Posted on this 10th day of December 2025 at 5:00 p.m.



City Council Agenda Request December 16, 2025

Agenda Request No: V.A.

Agenda of: City Council Meeting

Initiated by: Natalie Serrano, City Council Liaison

Presented by: Carol McCutcheon, Mayor

Responsible Department: Strategic and Government Affairs

Agenda Caption:

SILVER HEART CARE
5 YEAR ANNIVERSARY

Recommended Action:

Recognize Silver Heart Care as they celebrate their 5th year of service to seniors in our community.

Executive Summary:

Since its founding, Silver Heart Care, a registered 501(c)(3), nonprofit organization, has been dedicated to enhancing the well-being and quality of life of older adults through compassionate support.

Guided by its pillars, Compassion through Service, Individualized Care, and Bridging Generations, Silver Heart Care mobilizes community-minded volunteers to provide essential no-cost services to seniors, including household help, technology assistance, transportation, grocery pickups, and other daily living support. The organization also extends care to seniors in disadvantaged conditions through food distribution efforts and participation in disaster relief activities.

Silver Heart Care's mission is to foster a culture of care, connection, and philanthropy by reducing isolation, empowering seniors, and enriching young volunteers through intergenerational engagement. Their vision for a community where every senior is valued, supported, and able to live with joy and security continues to drive their impact.

Over the past five years, the organization has worked to raise awareness about senior care needs, encourage philanthropy among all ages, and help bridge generations by connecting young volunteers with the wisdom and experiences of older adults.

The City of Sugar Land recognizes and congratulates Silver Heart Care for five years of

meaningful service and leadership, and thanks the organization and its volunteers for their ongoing dedication to supporting seniors in Sugar Land.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

None



City Council Agenda Request

December 16, 2025

Agenda Request No: V.B.

Agenda of: City Council Meeting

Initiated by: Jacob Holland, Communications & Community Engagement Specialist

Presented by: Jacob Holland, Communications & Community Engagement Specialist

Responsible Department: Communications & Community Engagement

Agenda Caption:

SUGAR LAND 101 CLASS OF 2025 RECOGNITION

Recommended Action:

Executive Summary:

City Council Recognition – Sugar Land 101 Program Class of 2025

Recognition of the graduates of the 2025 Sugar Land 101 program. This group of residents chose to invest their time in learning more about their local government and the dedicated professionals who serve this community. The mission of Sugar Land 101 is to provide residents with a hands-on, behind-the-scenes look at how their city is run, while deepening their understanding of the structure, function, and purpose of Sugar Land's government. The program equips and inspires participants to become informed advocates and future leaders within the community.

Over the course of four consecutive Saturdays, 18 participants took part in interactive sessions designed to expand their knowledge of day-to-day operations and long-term strategic priorities. More than 15 city departments contributed to the program. Participants met staff, toured facilities, and engaged directly with the teams responsible for delivering essential services across the city.

Budget

Expenditure Required: None

Current Budget: None

Additional Funding: None

Funding Source: None

Account Number (ORG-OBJ-Project): None

Attachments

None



City Council Agenda Request December 16, 2025

Agenda Request No: VII.A.

Agenda of: City Council Meeting

Initiated by: Ashley Newsome, Deputy City Clerk

Presented by: Linda Mendenhall, City Clerk

Responsible Department:

Agenda Caption:

MINUTES

Consideration of and action on the approval of the minutes of the December 2, 2025, meeting.

Recommended Action:

Consideration of and action on the approval of the minutes of the December 2, 2025, meeting.

Executive Summary:

Budget

Expenditure Required: n/a

Current Budget: n/a

Additional Funding: n/a

Funding Source: n/a

Account Number (ORG-OBJ-Project): n/a

Attachments

1. 12.2.25 City Council Meeting Minutes



City of Sugar Land

City Council Minutes

Sugar Land City Hall
2700 Town Center
Boulevard North
Sugar Land, TX 77479

Tuesday, December 2, 2025
City Council Meeting Minutes
City Council Chamber
5:30 PM

I. Attention

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II. Call to Order

QUORUM PRESENT

Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, and Carol McCutcheon were present.

III. Invocation

Council Member Stewart Jacobson

IV. Pledges of Allegiance

Council Member Stewart Jacobson

V. Recognition

A. SCENIC CITY PLATINUM CERTIFICATION AWARD
Henry Vavrecka, Right of Way Services Manager

B. SHAYLA LEE
INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION
EARLY CAREER LEADERSHIP AWARD IN MEMORY OF WILLIAM
H. HANSELL, JR.
Michelle McCrimmon, Assistant City Manager

VI. Public Comment

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number of agenda items to be addressed. Comments or discussion by City Council, Board, and/or Commission members, will only be made at the time the subject is scheduled for consideration.

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

The following members of the public addressed the Council:

- Cara Cox, Duncan Cox, Taylor Higgs, Maggie Johnson, and Kevin Edelbrock spoke in favor of agenda item 9B.
- Leon Anhaizer and John Lucey spoke in opposition to agenda item 9B.
- Dean Hrbacek and Aiza Mohammed spoke in favor of agenda item 8A.

VII. Consent Agenda

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

A. MINUTES

Consideration of and action on the approval of the minutes of the November 18, 2025, meeting.

Linda Mendenhall, City Clerk

A motion to **Approve consent agenda items A through H.**, was made by Suzanne Whatley and seconded by Rick Miller, the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

B. INTERLOCAL AGREEMENT WITH FORT BEND SUBSIDENCE DISTRICT

Consideration of and action on authorization of a Interlocal Agreement with the Fort Bend Subsidence District, in the amount of \$79,990.00, for the Water Conservation Education Program sponsorship.

Margo Watson, Water Resources Manager

C. CONTRACT WITH TROJAN TECHNOLOGIES CORPORATION

Consideration of and action on authorizing execution of a goods and services contract with Trojan Technologies Corp. in the amount of \$679,953.42 for replacement of all Rack #3 and Rack #4 membrane filter modules and authorization of a Budget Amendment in the amount of \$679,953.42 to expenditures.

David Whittemore, Assistant Director of Utilities

D. Consideration of and action on CITY OF SUGAR LAND RESOLUTION NO. 25-54: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, EXPRESSING INTENT TO FINANCE EXPENDITURES TO BE INCURRED.

Jing Xiao, Director of Finance

- E. Consideration of and action on the **CITY OF SUGAR LAND RESOLUTION NO. 25-50**: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, EVIDENCING THE CITY'S CONSENT TO THE ANNEXATION OF 323.9 ACRES OF LAND INTO FORT BEND MUNICIPAL UTILITY DISTRICT NO. 269A, IN ACCORDANCE WITH THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT WITH PULTE HOMES OF TEXAS, L.P. AND THE TEXAS WATER CODE.
Meredith Riede, City Attorney
- F. **SECOND CONSIDERATION**: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2365**: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ABANDONING A PORTION OF THE SARTARTIA ROAD RIGHT-OF-WAY.
Bryan Norton, Real Property Manager
- G. **SECOND CONSIDERATION**: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2389**: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS ADOPTING REVISED FOOD ESTABLISHMENT AND INSPECTIONS FEES BY AMENDING CHAPTER 2, ARTICLE V, DIVISION 4, SECTION 2-136(B) (FOOD ESTABLISHMENTS AND INSPECTIONS) OF THE CODE OF ORDINANCES, AND OTHER MATTERS RELATED THERETO.
Nicole Guevara, Assistant Director of Neighborhood Services
- H. **SECOND CONSIDERATION**: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2393**: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AMENDING PROVISIONS OF CHAPTER 3, ARTICLE IV (FOOD AND FOOD SERVICES) OF THE CODE OF ORDINANCES BY ADOPTING THE UPDATED FDA FOOD CODE, MAKING RELATED AMENDMENTS THERETO, AND REVISING REGULATIONS RELATING TO FOOD ESTABLISHMENTS.
Nicole Guevara, Assistant Director of Neighborhood Services

VIII. Contracts and Agreements

A. **INTERLOCAL AGREEMENT WITH FORT BEND COUNTY FOR DUHACSEK PARK**

Consideration of and action on the agreement between the City of Sugar Land and Fort Bend County for Duhacsek Park.

Kimberly Terrell, Interim Director of Communications

Kimberly Terrell, Interim Director of Communications, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve the Interlocal Agreement with Fort Bend County for Duhacsek Park**, was made by Suzanne Whatley and seconded by Sanjay Singhal; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

B. **CONTRACT WITH R & B GROUP INCORPORATED**

Consideration of and action on a construction contract with R & B Group Incorporated for the rehabilitation of Lift Station 48 and installation of a 16-inch force main, as part of CIP CWW2301, in the amount of \$6,004,810.95.

Jonathan Braun, Assistant City Engineer

Jonathan Braun, Assistant City Engineer, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve a contract with R & B Group Incorporated**, was made by Sanjay Singhal and seconded by Rick Miller; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

IX. Ordinances and Resolutions

- A. Consideration of and action on **CITY OF SUGAR LAND RESOLUTION NO. 25-38: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING A CITY COUNCIL POLICY FOR A GREAT HOMES UPDATE ECONOMIC DEVELOPMENT PROGRAM; AND REPEALING RESOLUTION NO. 24-44.**

Ana Rodriguez, Community Development Coordinator

Ana Rodriguez, Community Development Coordinator, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve Resolution No. 25-38**, was made by Suzanne Whatley and seconded by Stewart Jacobson; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

- B. **SECOND CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2380: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, GRANTING A CONDITIONAL USE PERMIT FOR A PRIVATE SCHOOL (LOGOS PREPARATORY ACADEMY) LOCATED AT 800 BROOKS STREET AND 802 BROOKS STREET WITHIN A BUSINESS OFFICE (B-O) ZONING DISTRICT.**

Jessica Echols, Senior Planner

Jessica Echols, Senior Planner, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve the second reading of Ordinance No. 2380**, was made by Suzanne Whatley and seconded by Jim Vonderhaar; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

- C. **FIRST CONSIDERATION:** Consideration of an action on **CITY OF SUGAR LAND ORDINANCE NO. 2396:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 5 RELATED TO STOPPING, STANDING, AND PARKING OF VEHICLES; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.
Nicole Guevara, Assistant Director of Neighborhood Services

Nicole Guevara, Assistant Director of Neighborhood Services, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve the first reading of Ordinance No. 2396**, was made by Rick Miller and seconded by Sanjay Singhal; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

- D. **FIRST CONSIDERATION:** Consideration of and action on **CITY OF SUGAR LAND ORDINANCE 2397:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 4 OF THE LAND DEVELOPMENT CODE BY AMENDING SIGN REGULATIONS RELATED TO POLITICAL SIGNS.

Nicole Guevara, Assistant Director of Neighborhood Services

Nicole Guevara, Assistant Director of Neighborhood Services, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve the first reading of Ordinance No. 2397**, was made by Jim Vonderhaar and seconded by Sanjay Singhal; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

- E. Consideration of and action on **CITY OF SUGAR LAND RESOLUTION NO. 25-51:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, CASTING VOTES FOR THE FORT BEND CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS FOR THE 2026 TO 2029 TERM OF OFFICE.

Jing Xiao, Director of Finance

Jing Xiao, Director of Finance, gave a presentation, made comments, and answered questions from the Council.

A motion to **Approve Resolution No. 25-51**, was made by Carol McCutcheon and seconded by Rick Miller; the motion **Passed**.

Ayes: Suzanne Whatley, Stewart Jacobson, Robert Boettcher, Rick Miller, Sanjay Singhal, Jim Vonderhaar, Carol McCutcheon

X. City Council and City Manager Reports

In accordance with Texas Government Code section 551.0415, City Council Members and the City Manager may provide reports on items of community interest. No action, consideration or discussion will occur regarding these reports.

Mayor McCutcheon and the City Council gave comments and reported on events and activities

attended. Michael Goodrum, City Manager, gave comments and reported on events and activities attended.

XI. Closed Executive Session

RECESS: Mayor McCutcheon recessed the meeting into closed executive session at 7:13 p.m.

- A. Closed Executive Session as authorized by Chapter 551, Texas Government Code in accordance with:

Section 551.087 Deliberation Regarding Economic Development Negotiations:

For the purpose of deliberation regarding the offer of a financial or other incentive to a business prospect the City seeks to have locate, stay, or expand in or near the City.

Jennifer Alexander, Business Development Manager, Alba Penate-Johnson, Assistant Director of Economic Development

- B. Closed Executive Session as authorized by Chapter 551, Texas Government Code in accordance with:

Section 551.074 Personnel Matters:

For the purpose of discussion with respect to the Municipal Court Judge annual performance evaluation.

Carol McCutcheon, Mayor

- C. Closed Executive Session as authorized by Chapter 551, Texas Government Code in accordance with:

Section 551.074 Personnel Matters:

For the purpose of discussion with respect to the City Manager annual performance evaluation.

Carol McCutcheon, Mayor

XII. Adjournment

No further business was discussed. Mayor McCutcheon adjourned the meeting at 7:13 p.m.

Linda Mendenhall, City Clerk





City Council Agenda Request

December 16, 2025

Agenda Request No: VII.B.

Agenda of: City Council Meeting

Initiated by: Larysa Chiski, Senior Police Finance Manager

Presented by: Gregory Suter, Police Captain - Staff Services Bureau

Responsible Department: Police

Agenda Caption:

CONTRACT WITH GT DISTRIBUTORS

Consideration of and action on a contract with GT Distributors authorizing the execution of a purchase order in the amount of \$117,720 for the purchase of 50 rifle-resistant vests through a cooperative Agreement with the Buy Board Contract No. 698-23.

Recommended Action:

The Sugar Land Police Department recommends that the City Council authorizes the execution of a Purchase Order in the amount of \$117,720 with GT Distributors for the purchase of 50 rifle-resistant vests for sworn personnel through Cooperative Agreement with the Buy Board Contract No. 698-23.

Executive Summary:

On September 29, 2025, the City was awarded \$117,720 from the State of Texas, Office of the Governor, FY26 Rifle-Resistant Body Armor Grant Program. The award was accepted by the City Council on November 4, 2025. All new body armor vests purchased with grant funds will be light enough to allow officers to wear this higher level of protection in combination with traditional soft armor at all times. Wearing this personally fitted armor at all times will help mitigate ambush threats to officers, allow more rapid deployment to critical scenes, and permit the carrying of individualized equipment to where it is needed most.

The Sugar Land Police Department recommends that the City Council authorizes the execution of a Purchase Order with GT Distributors for the purchase of 50 rifle-resistant vests for sworn personnel. GT Distributors is an American supplier of tactical gear, firearms, and equipment, primarily serving public safety and military professionals.

The body armor will be purchased through a Cooperative Agreement with the Buy Board Contract No. 698-23. Cooperative purchasing agreements allow the City to leverage the buying power of governmental entities, securing competitive pricing while ensuring compliance with state procurement laws and regulations.

Funds for the purchase are available within the Police Department's FY26 operating budget.

Budget

Expenditure Required: \$117,720

Current Budget: \$117,720

Additional Funding: n/a

Funding Source: Grant

Account Number (ORG-OBJ-Project): 1017115-531010-GPD62

Attachments

1. GT Distributors, Inc. BuyBoard Reniewal Letter
2. Sugar Land PD Hyper X Armor Quote
3. 1295_Redacted

February 21, 2025

Sent via email to: sales@gtdist.com

DAVID CURTIS
GT Distributors, Inc.
1124 New Meister Lane
Pflugerville, TX 78660-6937

Re: Public Safety and Firehouse Supplies and Equipment
BuyBoard Contract 698-23

The Local Government Purchasing Cooperative (BuyBoard) awarded your company a contract under Public Safety and Firehouse Supplies and Equipment, Contract 698-23, for which the current term is set to expire March 31, 2025. At this time, the BuyBoard is renewing your contract through March 31, 2026. This will be the final renewal of this contract.

All discounts, terms, and conditions of your contract will remain the same. If you agree to this renewal, there is nothing you need to do. However, if you do not agree to this renewal, you must notify me via email at contractadmin@buyboard.com prior to the start of the renewal term.

If you have questions or comments concerning this renewal, please contact me as soon as possible at contractadmin@buyboard.com. We appreciate your interest in The Local Government Purchasing Cooperative.

Sincerely,

Jim Tulberg

Jim Tulberg
Contract Administrator

final renewal v.02.13.2020



GT Distributors - Austin
1124 New Meister Ln., Ste 100
Pflugerville TX 78660
(512) 451-8298 Ext. 0000

Quote	QTE0203866
Date	11/4/2025
Page:	1

Bill To:

Sugar Land, City of (TX)
 Attn: Accounts Payable
 P. O. Box 110
 Sugar Land TX 77487-0110

Ship To:

Sugar Land, City of (TX)
 10405 Corporate Dr.
 Attn: Paul Nouhan
 Sugar Land TX 77487

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
HYPERX / C1 QTE 50	000949	AP	FEDEX-2ND-NON	NET 30	0/0/0000	3,020,850
Quantity	Item Number	Description	UOM	Unit Price	Ext. Price	
50	PTA-1354120*	Safariland Hybrid Carrier System AWS FST/VC Armor & Accessory Color: NAVY NIJ# 6825	EA	\$460.00	\$23,000.00	
50	PTA-1354672*	PTA HYPER X™ Ballistic Panel Set, Hardwire® NIJ# HW-2019-01-SB	EA	\$600.00	\$30,000.00	
50	PTA-1354674*	Safariland HYBRID Side Ballistics, Hardwire® 6 NIJ# HW-2019-01-SB	EA	\$325.00	\$16,250.00	
50	PTA-1354719*	PTA HyperX AWS Zip-On Back AWS Placard NIJ# 6825	EA	\$65.00	\$3,250.00	
50	PTA-1355974*	Safariland Non Ballistic Shoulder Pad - Standar	EA	\$40.00	\$2,000.00	
50	PTA-1223589-S*	Protech Hyper X ID 5x3 ID Color; NAVY ID Letter Color: WHITE ID Letters: POLICE NIJ# 6815	EA	\$7.20	\$360.00	
50	PTA-1223589-L*	Safariland HTV Large ID ID Color; NAVY ID Letter Color: WHITE ID Letters: POLICE NIJ# 6815	EA	\$7.20	\$360.00	
20	SBA-1365275*	Hardwire® IMPAC C1.4 Type III+ ICW HW-201	Each	\$425.00	\$8,500.00	
44	SBA-1365274*	Hardwire® IMPAC C1.4 Type III+ ICW HW-2019-01-SB 8.75X11.75 SAPI Small Hardwire® IMPAC C1.4 Type III+ ICW HW-201	Each	\$425.00	\$18,700.00	
		Hardwire® IMPAC C1.4 Type III+ ICW HW-2019-01-SB 9.5X12.5 SAPI Medium				



GT Distributors - Austin
1124 New Meister Ln., Ste 100
Pflugerville TX 78660
(512) 451-8298 Ext. 0000

Quote	QTE0203866
Date	11/4/2025
Page:	2

Bill To:

Sugar Land, City of (TX)
Attn: Accounts Payable
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Sugar Land TX 77487-0110

Ship To:

Sugar Land, City of (TX)
10405 Corporate Dr.
Attn: Paul Nouhan
Sugar Land TX 77487

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
HYPERX / C1 QTE 50	000949	AP	FEDEX-2ND-NON	NET 30	0/0/0000	3,020,850

Quantity	Item Number	Description	UOM	Unit Price	Ext. Price
36	SBA-1365273*	Hardwire® IMPAC C1.4 Type III+ ICW HW-201	Each	\$425.00	\$15,300.00
1	NOTES:	Hardwire® IMPAC C1.4 Type III+ ICW HW-2019-01-SB 10.25X13.25 SAPI Large Quotation reflects BuyBoard Contract 698-23. Contract period 4/1/23-3/31/25. Email BuyBoard PO's to info@buyboard.com	EA	\$0.00	\$0.00

QUOTE IS GOOD FOR 30 DAYS. IN ORDER TO RECEIVE QUOTED PRICE
PLEASE PRESENT A COPY OF QUOTE AT POINT OF SALE IN STORES OR
REFERENCE QUOTE NUMBER ON PO OR REQUISITION

Your salesperson is Aaron Pope. Thank you!

Subtotal	\$117,720.00
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Total	\$117,720.00

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

G T DISTRIBUTORS, INC
PFLUGERVILLE, TX United States

Certificate Number:
2025-1384970

Date Filed:
11/04/2025

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Sugar Land Police Department

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

QTE0203866
RIFLE-RESISTANT VESTS

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	ORR, JR., WILLIAM J.	PFLUGERVILLE, TX United States	X	

5 Check only if there is NO Interested Party.

☐

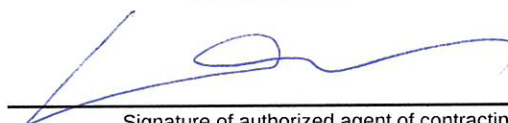
6 UNSWORN DECLARATION

My name is DAVID CURTIS, and my date of birth is [REDACTED].

My address is [REDACTED]
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in TRAVIS County, State of TEXAS, on the 4TH day of NOVEMBER, 20 25.
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)



City Council Agenda Request December 16, 2025

Agenda Request No: VII.C.

Agenda of: City Council Meeting

Initiated by: Tracey Siu, Fire/EMS Administrator

Presented by: Mark Campise, Chief of Fire-EMS

Responsible Department: Fire

Agenda Caption:

CONTRACT WITH HOUSTON-GALVESTON AREA COUNCIL

Consideration of and action on approval of the remount of two Sugar Land Fire Department ambulances (Unit #171 & #181) onto new Ford F-550 chassis through the H-GAC Cooperative Contract No. AM1023, for a total purchase order of \$417,383.35.

Recommended Action:

The Sugar Land Fire Department and Fleet Division recommend that City Council approve the remount of two ambulances onto new Ford F-550 chassis using H-GAC Contract No. AM1023, for a total purchase order of \$417,383.35

Executive Summary:

The Sugar Land Fire Department (SLFD), in coordination with the Fleet Division, has identified two existing ambulances recommended for a remount process (Unit #171 & Unit #181). This approach involves removing the current SLFD ambulance patient compartment modules (aka "Boxes") from their original Ford chassis and remounting them onto newly purchased Ford F-550 chassis.

Remounting is a cost-effective method of maintaining a reliable and standardized ambulance, ensuring the department can continue delivering high-quality emergency medical services. Funding for this project is secured through the 2024 General Obligation Bond, and work is scheduled to begin in early 2026.

The Fire Department and Fleet Division have collaborated to define the full scope of work required for the remounts. SLFD ambulances have historically been designed with a strong emphasis on standardization, ensuring consistency across units and minimizing operational variations. This approach supports efficient training, maintenance, and service delivery.

During the planning process, staff identified a previously utilized vendor, Medic Built, capable of completing the remounts under the Houston-Galveston Area Council (H-GAC) Cooperative

Contract No. AM1023. This contract includes all associated equipment and make-ready costs needed to place the units into service as reserve apparatus. As a member of H-GAC, the City benefits from competitively bid, state-compliant contracts that leverage collective purchasing power across government entities.

The Sugar Land Fire Department and Fleet Division recommend that City Council approve the remount of two ambulances onto new Ford F-550 chassis using H-GAC Contract No. AM1023, for a total purchase order of \$417,383.35. This amount includes all remounting costs as well as the H-GAC processing fee.

Budget

Expenditure Required: \$417,383.35

Current Budget: \$417,383.35

Additional Funding: N/A

Funding Source: CMU2505/2024 GO Bond

Account Number (ORG-OBJ-Project): 5023220/621025

Attachments

1. Sales Agreement 2026 Remount # 3 # 4
2. SUGARLAND REMOUNT #3
3. SUGARLAND REMOUNT #4
4. 1295 Form 111325_Redacted



SALES AGREEMENT

PLEASE ENTER MY ORDER FOR THE FOLLOWING:

Sugarland Fire Department

Remount

YEAR 2024 MAKE/MODEL Customer Supplied COLOR Red

TO BE DELIVERED ON/ABOUT

VIN Customer Supplied

VEHICLE DESCRIPTION	
Road Rescue Remount # 3 On F-450 Gasoline Unit 171 Graphics	\$ 205,000.00 Included
Ship Sugarland to Kennedale	\$ 1,500.00
Ship Kennedale to Sugarland	1,500
Total Remount	\$ 208,000.00
Total	\$ 208,000.00
Road Rescue Remount # 4 On F-450 Gasoline Unit 181 Graphics	\$ 205,000.00 Included
Ship Sugarland to Kennedale	\$ 1,500.00
Ship Kennedale to Sugarland	1,500
Total Remount	\$ 208,000.00
Total	\$ 208,000.00
Total	\$ 416,000.00
Tax	
Vehicle Inventory Tax	\$ 383.35
TITLE APPLICATION FEE:	
REGISTRATION:	
STATE INSPECTION:	
DELIVERY FEE:	
TOTAL	\$ 416,383.35
HGAC Fee	\$ 1,000.00
BALANCE DUE	\$ 417,383.35

HGAC Contract # AM1023

11/10/2025

Sugarland Fire Department
10405 Corporate Drive
Sugarland, TX 77478
CONTACT: Ali Shahid
PHONE:
FAX:
Email : Sali@sugarlandtx.gov

TRADE IN INFORMATION: N/A

MAKE YEAR:
MODEL: BODY STYLE:
MILEAGE:
VIN#
Trade In

The front of this order comprises the entire agreement affecting this purchase and no other agreement or understanding of any other nature has been made or entered into, or will be recognized. I have read the matter printed and agree to it as part of this order the same as if it were printed above my signature. I certify that I am 18 years or older and hereby acknowledge receipt of a copy of this order. Southwest Ambulance Sales hereby expressly disclaims all warranties either express or implied, including any implied warranty or merchantability or fitness for a particular purpose and Southwest Ambulance Sales neither assumes nor authorizes any other person to assume to it any liability in connection with the sale of the vehicle.

PURCHASER _____

SALESMAN _____



Date: November 10, 2025

Customer: Sugarland EMS

Quote: \$205,000.00

Unit: TYPE 1 AMBULANCE REMOUNT Unit 171

Chassis: Ford F-450 4x2 Gas Customer Supplied Chassis

Remount Process:

1. Remove module from old chassis and install the new chassis.
2. Inspect all mounting points and structure of module.
3. Inspect all electrical (switches, wiring, light function, suction, etc.).
4. Go through HVAC system, flush, and replace heater valves.
5. Install new cab to module seal.
6. Inspect and adjust all door functions (Replace damaged or worn parts as needed).
7. Inspect and polish all diamond plate (Replace damaged or worn parts as needed).
8. After completion clean inside of module and test all operations of unit.

Remount Detail:

Liquid Spring	1
TYPE I REMOUNT	1
Paint and Repair	1
Graphics	1
High Idler- New	1
Anti-Theft (Tremco)- New	1
Aluminum Back Window- New	1
Grille Guard- New	1
Running Boards- New	2
Console (Aluminum)- New	1
Cup Holders (Black, Aluminum Console)- New	2



Whelen SA315p- New	1
Back-Up Camera- New	1
Buell 12" Air Horn- New	1
Buell 10" Air Horn- New	1
Buell Compressor- New	1
Buel air solenoid- New	1
Havis Mount (Installed under seat)- New	1
Rims (Alcoa 19.5", Front)- New	1
Radio Reinstallation	1
Chrome Flange- New	15
M9 All Red/Clear Lens LED- New	11
M7FC Chrome Flange- New	10
WHELEN LED Clearance Lights Amber Chrome- New	9
M7 Red w/Clear Lens- New	6
M6FC Chrome Flange- New	4
WHELEN LED Clearance Lights Red Chrome- New	4
M9BTTX- New	2
M9 All White/Clear Lens LED- New	2
M9 All Amber LED Clear Lens- New	2
Scene Lights (M7)- New	2
M7 Amber w/Clear Lens- New	2
M6 Amber Turn Arrow- New	2
M6 Back-Up- New	2
Ground Lights- New	1
Dome Lights- New	10
Upholstery- Repair	1
Lexan (Cabinet Fronts)- New	1
Floor Covering- New	1
Attendant's Seat (Child Safety, Pro Belts)- New	1



Door Handle (Compartment, Eberhard, Chrome, Locking, Round)- New	6
Door Handle (Eberhard, Chrome, Non-Locking)	2
Door Handle (Entry, Eberhard, Chrome, Locking, Round)- New	2
Body Bushing Frame Mount- New	14
Body Bushing- New	14
Diamond Plating (Corner)- New	4
Rub Rails & Fenders (Road Rescue)- New	1
Door Grabber	2
License Plate Holder- New	1
Kick Panel- New	1
Center Flip Step- New	1
Bumper Frame- New	1
Bumper Pod (Left)- New	1
Bumper Pod (Right)- New	1
Kussmaul 30amp cover- New	1
Kussmaul 20amp Cover- New	1
Condenser Fan- New	4
Cool Bar	1
HVAC Booster Pump (Danhard 12 Volt)- New	1
Electric Water Valve (12 Volt)- New	1
Compressor (Danhard 12Volt)- New	1
Danhard 110v A/C System- New	1
HVAC Drier (Danhard)- New	1
Expansion Block (Danhard)- New	1
Pressure Switch (HVAC, High Side)- New	1
Pressure Switch (HVAC, Low Side)- New	1



Date: November 10, 2025

Customer: Sugarland EMS

Quote: \$205,000.00

Unit: TYPE 1 AMBULANCE REMOUNT Unit 181

Chassis: Ford F-450 4x2 Gas Customer Supplied Chassis

Remount Process:

1. Remove module from old chassis and install the new chassis.
2. Inspect all mounting points and structure of module.
3. Inspect all electrical (switches, wiring, light function, suction, etc.).
4. Go through HVAC system, flush, and replace heater valves.
5. Install new cab to module seal.
6. Inspect and adjust all door functions (Replace damaged or worn parts as needed).
7. Inspect and polish all diamond plate (Replace damaged or worn parts as needed).
8. After completion clean inside of module and test all operations of unit.

Remount Detail:

Liquid Spring	1
TYPE I REMOUNT	1
Paint and Repair	1
Graphics	1
High Idler- New	1
Anti-Theft (Tremco)- New	1
Aluminum Back Window- New	1
Grille Guard- New	1
Running Boards- New	2
Console (Aluminum)- New	1
Cup Holders (Black, Aluminum Console)- New	2



Whelen SA315p- New	1
Back-Up Camera- New	1
Buell 12" Air Horn- New	1
Buell 10" Air Horn- New	1
Buell Compressor- New	1
Buel air solenoid- New	1
Havis Mount (Installed under seat)- New	1
Rims (Alcoa 19.5", Front)- New	1
Radio Reinstallation	1
Chrome Flange- New	15
M9 All Red/Clear Lens LED- New	11
M7FC Chrome Flange- New	10
WHELEN LED Clearance Lights Amber Chrome- New	9
M7 Red w/Clear Lens- New	6
M6FC Chrome Flange- New	4
WHELEN LED Clearance Lights Red Chrome- New	4
M9BTTX- New	2
M9 All White/Clear Lens LED- New	2
M9 All Amber LED Clear Lens- New	2
Scene Lights (M7)- New	2
M7 Amber w/Clear Lens- New	2
M6 Amber Turn Arrow- New	2
M6 Back-Up- New	2
Ground Lights- New	1
Dome Lights- New	10
Upholstery- Repair	1
Lexan (Cabinet Fronts)- New	1
Floor Covering- New	1
Attendant's Seat (Child Safety, Pro Belts)- New	1



Door Handle (Compartment, Eberhard, Chrome, Locking, Round)- New	6
Door Handle (Eberhard, Chrome, Non-Locking)	2
Door Handle (Entry, Eberhard, Chrome, Locking, Round)- New	2
Body Bushing Frame Mount- New	14
Body Bushing- New	14
Diamond Plating (Corner)- New	4
Rub Rails & Fenders (Road Rescue)- New	1
Door Grabber	2
License Plate Holder- New	1
Kick Panel- New	1
Center Flip Step- New	1
Bumper Frame- New	1
Bumper Pod (Left)- New	1
Bumper Pod (Right)- New	1
Kussmaul 30amp cover- New	1
Kussmaul 20amp Cover- New	1
Condenser Fan- New	4
Cool Bar	1
HVAC Booster Pump (Danhard 12 Volt)- New	1
Electric Water Valve (12 Volt)- New	1
Compressor (Danhard 12Volt)- New	1
Danhard 110v A/C System- New	1
HVAC Drier (Danhard)- New	1
Expansion Block (Danhard)- New	1
Pressure Switch (HVAC, High Side)- New	1
Pressure Switch (HVAC, Low Side)- New	1

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2025-1388927

Date Filed:
11/13/2025

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

MEDIC BUILT, LLC
KENNEDALE, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

CITY OF SUGARLAND MEDIC REMOUNTS

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

CITY OF SUGARLAND MEDIC REMOUN
BUYING AMBULANCE

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	CITY OF SUGARLAND MEDIC REMOUNTS	SUGARLAND, TX United States	X	

5 Check only if there is NO Interested Party. ☐

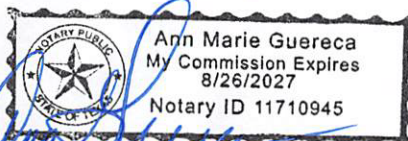
6 UNSWORN DECLARATION

My name is Douglas Filbert, and my date of birth is [REDACTED].

My address is [REDACTED]
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Tarrant County, State of Texas, on the 13 day of November, 20 25.
(month) (year)



[Signature]
Signature of authorized agent of contracting business entity
(Declarant)



City Council Agenda Request December 16, 2025

Agenda Request No: VII.D.

Agenda of: City Council Meeting

Initiated by: Yomara Frias, Administrative Coordinator

Presented by: Steve Budny, Director of IT, Data, and Security

Responsible Department: Information Technology

Agenda Caption:

CONTRACT WITH RINGCENTRAL, INC

Consideration of and action on the authorization of a five-year contract with RingCentral, Inc. in the amount of \$449,221.80

Recommended Action:

Authorize a five-year contract with RingCentral, Inc. in the amount of \$449,221.80 under TIPS Contract #240303

Executive Summary:

The City of Sugar Land is upgrading the telephone system and switching carriers to modernize voice communications over a pure internet-based platform. The current telephony platform has reached End of Life. In early 2025, a Request for Offer was submitted to multiple vendors to assess various replacement strategies. After evaluation, Ring Central was selected as the best platform going forward and is expected to save the City over \$100K a year after implementation. The upgrade is self-funded using the existing dollars allocated for the current platform. The contract with the incumbent telecommunications company will be canceled and those year-over-year savings will be reflected in next year's budget.

In addition to the savings, the Ring Central platform is more advanced than our current platform and will provide more features and functionality than what is in use today. These advanced features will allow better monitoring and analysis of voice traffic so that we can continue right sizing the number of phone lines and achieve further efficiencies.

This contract is purchased under the Interlocal Purchasing System (TIPS) Contract #240303 with RingCentral

Year 1 - \$127,613.16

Year 2 - \$80,402.16

Year 3 - \$80,402.16

Year 4 - \$80,402.16

Year 5 - \$80,402.16

Total - \$449,221.80

Budget

Expenditure Required: \$127,613.16

Current Budget: \$127,613.16

Additional Funding: No

Funding Source: Multiple Funding Stings

Account Number (ORG-OBJ-Project): Multiple Funding Stings

Attachments

1. SOW EX
2. SOW CX
3. Quote
4. Contract
5. Initial Order Form & MSA

**RingCentral Professional Services
Statement of Work**

This RingCentral Professional Services Statement of Work is executed by RingCentral, Inc. (“**RingCentral**”), and City of Sugar Land (the “**Customer**”). This SOW is incorporated into the Master Services Agreement dated _____, between the parties (the “**MSA**”). In the event of a conflict between this SOW and the MSA, this SOW shall control.

Customer	City of Sugar Land
SOW Quote Number	U2025-04170734
SOW Currency	USD
One-Time Implementation Services	\$27,279.00

SOW Expiration: This SOW, and all applicable pricing related to it, is valid if signed by Customer on or before November 30, 2025 after which pricing is subject to change, and a revised SOW may be required. However, RingCentral may elect to provide the work at the applicable pricing after the expiration date listed above, should they execute this SOW.

Table 1: Project Phasing

The Phase Totals are based on the scoped items and corresponding counts outlined in “Table 2: Entitlements”

Phase Number	Phase Name	Phase Total
1	Core Implementation	\$27,279.00
Project Total (excludes taxes and fees)		\$27,279.00

Entitlements Acknowledgement: This Statement of Work (“SoW”) is expressly limited to the Project Entitlements and corresponding quantities set forth in Table 2 above, as mutually agreed upon by the Customer and RingCentral. By executing this SoW, the Customer acknowledges and affirms that any modifications, additions, or deviations from the Entitlements detailed in Table 2 shall be deemed outside the scope of this SoW. The Customer further represents and warrants that they have thoroughly reviewed the contents of this SoW prior to execution and fully comprehend, acknowledge, and accept the Project Entitlements as specified in Table 2.
_____ (Initial Here).

A. Scope

1. Project Management

- i. The RingCentral Project Manager (“PM”) will act as Single Point of Contact (“SPOC”) for delivery services following the Project Management Institute (PMI) methodology. The RingCentral PM will be responsible for the following activities:
 - a. Schedule internal and external kickoff sessions
 - b. Review the Project Entitlements and ensure alignment with Customer’s understanding and expectations
 - c. Create and manage the project governance, to include the following plans:

- Project and schedule
 - Communication
 - Resource
 - Escalation
 - Change Management
 - Test
 - Action and risk register
- d. Set up project documentation and timelines in collaboration with the designated Customer SPOC
 - e. Complete resource assignment and scheduling based on the mutually agreed upon project plan
 - f. Identify, communicate, and mitigate project risks and issues
 - g. Facilitate and lead regular status update meetings, organize planning sessions, and plan Customer steering committee meetings, as applicable
 - h. Develop, review, authorize, implement, and manage change requests and interventions (Change Management)
 - i. Perform closure procedures at the conclusion of project activities

Table 2: Project Entitlements

Scope Items	Counts
Remote Project Management Duration (in months)	Up to 4
Planning & Design Sessions	Up to 4
Network Readiness Assessment(s)	1
RingEX Users	Up to 313
Sites / User Groups with Unique Call flows	1
Sites / User Groups with Replicated Call flows	7
Online RingCentral University Access	Unlimited
Training: End User Basics (up to one (1) hour per session)	2

2. RingEX Planning and Design

- i. RingCentral Planning and Design (“P&D”) and Business Requirements Document (“BRD”)
 - a. RingCentral will initiate the Planning and Design process and introduce the Business Requirements Document to the Customer at the beginning of the project which will consist of structured planning activities to support the entitlements outlined in the table below:
 - b. During the Planning & Design sessions, Customer will provide required data and contribute to the universal design documentation across all lines of business / business units.
 - c. Details within the data collection include:
 - Customer Site Information
 - User Upload
 - Data collection for End-User and Administrator Training
 - Porting data
 - d. Unique call flow(s)

- Configuration of one (1) main number
 - Up to three (3) call flows per site
 - Up to 5 custom rules per main number
 - Up to 2 menus (IVR) per main number
 - A combination of up to eight (8) call queues & ring groups per main number
- e. Replicated Call flow(s)
 - Consists of a replica of a unique call flow except for phone numbers, extensions, and users within call queues & ring groups
- f. Roles and Permissions
- g. Delivery Overview
- h. BRD completion
- ii. The completed BRD will be reviewed in detail and countersigned by both Customer's Project Manager and RingCentral's Project Manager prior to initiating the build activities.
- iii. Additional data collection sessions are available for further breakout by country or user group via the Change Order process.

3. Network Readiness Assessment

- i. RingCentral will provide Customer with the Network Readiness Assessment(s) outlined in "Table 2: Entitlements" of the Customer's primary Internet Service Provider (ISP) connection to and from RingCentral. This connection will be at the Customer's firewall (edge).
- ii. RingCentral's Network Engineer will provide the following:
 - a. RingCentral Network Requirements Documentation
 - b. Software installation guide
 - c. Assistance with software installation
 - d. Document and share results of network assessment for Customer reference
- iii. The following variables will be evaluated during the network assessment:
 - a. Network capacity and bandwidth utilization, including peak usage times and potential bottlenecks
 - b. Network topology and architecture, including firewalls, switches, and routers
 - c. Quality of Service (QoS) configuration and performance metrics, including latency, jitter, and packet loss
 - d. VoIP traffic analysis to identify potential issues and areas for improvement
 - e. Assessment of network performance during peak usage times
 - f. Recommendations for optimizing the network to improve VoIP performance and reliability
- iv. Site assessments not completed prior to Go-Live will result in the forfeiture of the assessment
- v. Additional network assessments or consultations are available via the Change Order process

4. RingEX User Interface ("UI") Build

- i. For the quantities specified in "Table 2: Entitlements", RingCentral will remotely configure the following parameters in the system ("UI Build") based on the specifications agreed upon between the parties in the BRD:
 - a. Users
 - b. Locations
 - c. Callflows by Site or User Group
 - d. Call Queues or RingGroups
- ii. RingCentral will perform quality assurance following final configuration prior to turning over the solution to the Customer to start User Acceptance Testing (UAT)
- iii. Customization of the above parameters is available via the Change Order process

5. Customer Telephone Porting

- i. RingCentral shall provide guidance on porting data collection and shall assist with submission of porting request(s)
- ii. Customer and RingCentral agree that RingCentral is not responsible for the portability of any individual number or group of numbers and the sign-off the Professional Services Project Completion Signoff Document shall not be withheld by Customer for delays in the porting of the numbers
- iii. Notwithstanding the above, the RingCentral Project Manager, upon Customer request, shall assist the Customer with this responsibility by performing the following tasks for each site or implementation/ go live event:
 - a. The RingCentral Project Manager shall assist the Customer with the initial submission of port requests and shall assist in up to three (3) rejections/resubmission per location or ninety (90) days from submission, whichever occurs first
 - Any additional port rejections will be the responsibility of the Customer
 - Customer shall provide RingCentral all appropriate Letters of Authorization (“LOA”'s), billing information, and authorized signer for each location
 - Porting submissions will include numbers mapped to correct route as “company” numbers or Direct Dial phone numbers
 - b. The RingCentral Project Manager shall assist the Customer with submitting porting requests up to ten (10) business days following the final go live event, unless otherwise mutually agreed between the parties
 - The RingCentral Project Manager will remain engaged in support of these porting requests for 30 days or three rejections, whichever comes first
 - RingCentral will provide the Customer with an overview of the RingCentral portal for porting tasks
 - Following the ten (10) day post go-live period, Customer is responsible for submitting all new requests within the RingCentral portal
 - Any additional support required after the ten (10) day period can be obtained via a change order
 - Porting outside of project follows RingCentral Numbering Policy
<https://www.ringcentral.com/legal/policies/numbering-policy.html>

6. Customer User Acceptance Testing

- i. UAT Assumptions
 - a. During UAT, Customer will designate users to complete application testing in mock real-world scenarios to validate the RingCentral build matches the agreed upon design documentation
 - b. Customer will define the UAT criteria by phase. The mutually agreed upon test criteria will be recorded as an Appendix in the design documentation as the document of record prior to UAT execution
 - If UAT criteria are not specified by Customer, the work is therefore deemed accepted and ready for go live upon notice from RingCentral that the work is complete and ready for testing
 - c. Customer resources participating in UAT must complete all pre-recorded online training sessions for user, supervisor, and/or admin related to their role prior to starting UAT
 - Upon Customer request, RingCentral Implementation Engineer may provide up to one (1) hour of guided training to UAT participants specific to the test criteria
 - d. Customer will document the outcome of all UAT scenarios in writing and will provide to RingCentral upon completion of testing
 - Any variation in expected results (errors, flaws, failures, adjustments) will be provided in writing to the RingCentral Project Manager for review and resolution

- RingCentral will provide an expected variation resolution date and will advise customer to perform additional testing
 - e. Upon successful completion of all UAT criteria, Customer will submit a final written notice to RingCentral prior to scheduling go live
 - RingCentral will append the design document output to include completed UAT criteria in the final published output document
- ii. UAT Requirements
 - a. Customer and RingCentral will enact a mutual software / code freeze prior to the start of SIT and UAT
 - b. Customer shall perform UAT within seven (7) calendar days of application handoff from RingCentral, unless otherwise mutually agreed upon in writing by both parties prior to the start of testing
 - c. Any Customer changes in software or code resulting in new application behaviors following written UAT completion and requiring troubleshooting or issue resolution will be handled via the Change Order process
 - d. Additional UAT support is available via the Change Order process

7. Remote Delivery and Go Live Services

- i. RingCentral will provide remote go live services as follows:
 - a. Delivery resource during remote Go Live events as defined in Appendix A
 - b. Document open issues in action log
 - c. Transition into support services
 - d. Perform closure procedures at the conclusion of project activities

Customer will place handsets at locations listed in Appendix A

 - RingCentral will provide instructions and best practices for handset placement, test, and endpoint registration

8. RingCentral Training Services

- i. **RingCentral Online Product Training**
 - a. The following training resources are available to the customer for learning the RingEX product
 - b. Online RingCentral product training includes:
 - Get Started videos and quick guides, available at <https://support.ringcentral.com/get-started.html>
 - Online training for users and administrators, available at RingCentral University – <https://university.ringcentral.com>
 - c. For a list of paid instructor-led training courses offered, and detailed course descriptions, review the Live Training Catalog at <https://university.ringcentral.com/en-rex-ilt-ringcentral-rex-live-training>
 - d. For information on how to purchase additional training (Remote and Onsite Instructor-led Courses), please contact your account representative or your client partner
- ii. **RingEX Product Training**
 - a. RingCentral Professional Services will provide resources to complete the following:
 - Up to the number of remote instructor-led training hours outlined in “Table 2: Entitlements”
 - b. For an up to date list of instructor led training courses offered, and detailed course descriptions, review the Live Training Catalog at <https://university.ringcentral.com/en-rex-ilt-ringcentral-rex-live-training>.

- c. Training services expire 45 days after the final go live event. Any training time not used during this period will be forfeited.
- d. RingEX Product Training Information and Terms:
 - Unless otherwise stated, the training services cover the complete implementation project and are not provided for each phase of the implementation
 - Customer and RingCentral agree that sign-off for project completion shall not be withheld by Customer for delays in the scheduling of training services
 - Attendees must complete the prerequisites for each course, as shown in the course information on the instructor-led training catalog
 - RingCentral reserves the right to update the instructor-led training catalog at any time
 - Training courses cover RingCentral products exclusively and are based on a standard curriculum designed by RingCentral
 - Training sessions are hosted by a RingCentral instructor on the RingCentral platform
 - Training sessions are considered delivered if Customer cancels less than seventy-two (72) hours prior to the scheduled training or is not present at the scheduled date and time
 - All training courses are delivered in English, unless otherwise specified

9. Hours of Operation

- i. Unless otherwise specified, pricing assumes that Services will be performed between 8:00 AM to 5:00 PM local time, Monday-Friday, excluding holidays ("Standard Service Hours")
- ii. Work requested to be performed outside Standard Services Hours will be subject to the RingCentral overtime rates and is available via the Change Order process.

B. Customer Responsibilities

1 Customer is responsible for the following (as applicable):

- i. Authorizing the telephone number porting by RingCentral
- ii. LAN/WAN infrastructure
 - a. Network minimum requirements for RingCentral as a Service model
 - b. Quality of Service (QoS) configuration
 - c. Firewall or Access Control List (ACL) configuration
- iii. Power over Ethernet (POE) port activation / configuration
- iv. SMS Campaign Registration (TCR) <https://www.ringcentral.com/tcr>
- v. Configuration and software installation on Customer PCs
- vi. Decommission and disposal of any legacy equipment
- vii. Provide workspace for RingCentral onsite personnel, as applicable
- viii. Customizations on individual user endpoints, or phone settings
- ix. FAX Machines
- x. Overhead paging
- xi. Postage Machines
- xii. Credit Card or Point of Sale (POS) Machines
- xiii. Door buzzer or Automatic Door Controller
- xiv. Third party SIP phones
- xv. Headsets
- xvi. Analog Devices such as fax machines
- xvii. Third party Applications
- xviii. Input Registered E911/Emergency Services Address and location information to Service Web
 - a. This is critical information which is used by first responders in case of an emergency hence customer must ensure that the information they are adding to the Service Web is accurate. For more information, please refer to Appendix C

C. General Terms and Conditions

1 Professional Services Completion

- i. Upon RingCentral's completion of the Professional Services for each Project Phase, RingCentral will notify the Customer of the completion of each individual Professional Services Project Phase. Upon receipt of such notification, Professional Services under such Project Phase will be considered completed in full and billable, in accordance with the terms of this SOW.

2 Invoicing and Payment

- i. **Invoicing and Payment of Professional Services Fees:** All amounts due under this SOW for Professional Services other than T&M Services, will be invoiced upon completion of the work or each phase identified in the "Phasing Table". Payment shall be due in accordance with the applicable payment terms of the Master Services Agreement. T&M Services will be invoiced monthly in arrears. RingCentral retains the right to invoice for Users or Sites that have been deployed monthly.

3 Termination

- i. **Termination:** Either Party may terminate this SOW, in whole or in part, with thirty (30) days' advance written notice to the other Party. Unless otherwise specified in the termination notice, the termination of one Project Phase will not result in the termination of, or otherwise affect, the rest of the SOW or any other Project Phase. No termination of any SOW, in whole or part, will result in the termination of any Services being provided under the MSA.
- ii. **Effect of Termination.** If this SOW, or a Project Phase, is terminated, in whole or in part, for any reason other than for RingCentral's material breach of this SOW, Customer will be obligated to pay RingCentral for:
 - a. any Professional Services and T&M Services that have been rendered up until the effective date of the termination
 - b. all applicable Service Expenses incurred; and
 - c. (50%) of the fees for any other Professional Services not yet performed, due under the Project Phase(s) being canceled, if termination of the SOW or a Project Phase occurs within one hundred and eighty (180) days of execution of the SOW. If termination occurs after one hundred and eighty (180) days of execution of the SOW, Customer will owe all outstanding fees for any Professional Services not yet performed pursuant to the SOW, due under the Project Phase being canceled.

4 Delays and Changes

- i. Changes to this SOW shall be made only by a mutually executed written change order between RingCentral and Customer (a "Change Order,") per the sample attached in Appendix B, outlining the requested change and the effect of such change on the Services, including without limitation the fees and the timeline as determined by mutual agreement of both parties
- i. Any delays in the performance of consulting services or delivery of deliverables caused by Customer, including without limitation delays in completing and returning Customer documentation required during the P&D or completing the BRD, may result in an adjustment of project timeline and/or additional fees
- ii. Any changes or additions to the services described in this SOW shall be requested by a Change Order and may result in additional fees
- iii. Services not explicitly specified in this SoW are considered out of scope and will be addressed with a separate SoW or Change Order

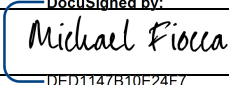
5 Project Phasing

- i. The Professional Services may be delivered in one or more phases as set forth in this SOW



- ii. This SOW describes the milestones, objectives, deliverables, sites, fees, and other components that are included in the scope of each phase ("Project Phases")
- iii. Customer agrees that the delivery, installation, testing, acceptance, and payment for the Professional Services rendered under any one Project Phase is not dependent on the delivery, installation, testing, acceptance, and payment for the Professional Services under any other Project Phase
- iv. Each Project Phase will be billed upon notification of phase completion, and payment for each Project Phase is due in full within the applicable payment period agreed between the parties and is non-refundable.

In Witness Whereof, the Parties have executed this Statement of Work below through their duly authorized representatives.

<u>Customer</u>	<u>RingCentral</u>
City of Sugar Land	RingCentral, Inc.
Signature:	Signature: 
Name:	Name: DocuSigned by: DED1147B10E24F7/... Michael Fiocca
Title:	Title: AVP, Public Sector Sales
Date:	Date: 11/11/2025

Appendix A
Sites

Site	Full Address	Number of Users	Deployment Type	Number of Site Visits	Technician Days Onsite	Rate per Site
Up to 8	TBD	313	Remote	n/a	n/a	n/a



Appendix B Sample Change Order Form

RingCentral Professional Services

Change Order Form for Implementation Services

This Change Order to the Statement of Work is subject to the Professional Services Agreement (the "**PS Agreement**") by and between Customer and RingCentral with the Effective Date listed below, establishes a change to the project scope or budget. By executing this Change Order, the parties agree to be bound by the terms and conditions set out in the PS Agreement with respect to the Services to be performed under the PS Agreement and Statement of Work ("**SOW**") indicated below as modified by this Change Request. Changes with no cost impact can be authorized with email, cost impacting changes require an executed signature.

Effective Date of PS Agreement: MM/DD/YYYY	Effective Date of SOW: MM/DD/YYYY		
Project Name:	Customer Name:	Original Quote Number:	Change Order Quote Number:
Request Date: MM/DD/YYYY	Requested by:	Requestor Phone:	Requestor email:
Phase No.			
DESCRIPTION OF CHANGE			USD\$XXX,XXX
CHANGE DETAILS			
Change Item or Deliverable:			
Change From:			
Change To:			
Reason/Justification for Change:			
Impact to Schedule:			
Impact to Project Cost:			
Assumptions / Constraints / Dependencies:			
Risks:			
Test Plan:			
Backout Plan:			
Change Window:			

BY SIGNING BELOW, the Parties have each caused this Change Order to be signed and delivered by its duly authorized representative as of the date Customer signs below (the "**Effective Date**").

Customer

Customer

By: _____
Name: _____
Title: _____
Date: _____

RingCentral

RingCentral, Inc.

By: _____
Name: _____
Title: _____
Date: _____

Appendix C

Registration of Address and Notification Information – Emergency Dialing

Bulk uploading of user data, building extensions, etc. may require input of registered addresses and emergency notification information. By engaging RingCentral for implementation of the Services, Customer agrees to the following:

1. **Registered Address.** It is the Customer's obligation to maintain accurate emergency location information for each Digital Line on its Account. RingCentral will, on Customer's behalf, upload Customer's Users' registered addresses using a list of addresses provided by Customer.
2. **Emergency Notifications.** For Digital Lines located in the United States, Customer must input and maintain in Service Web a central location for the receipt of emergency notifications generated by its Users placing emergency calls (for further information about this obligation, [click here](#)). RingCentral will, as a part of the upload described in (A) above, also input Customer's emergency notification location, as directed by Customer.
3. **Customer's Representation and Warranty.** Customer represents and warrants that the registered addresses and emergency notification location are accurate and acknowledges that any subsequent change to the registered addresses must be carried out by Customer. Customer acknowledges that it may have its own independent legal obligation to ensure the accuracy of the above information, and that RingCentral takes no responsibility for the accuracy of the information provided by Customer.



RingCentral Professional Services Statement of Work

This RingCentral Professional Services Statement of Work is executed by RingCentral, Inc. (“**RingCentral**”), and City of Sugar Land (the “**Customer**”). This SOW is incorporated into the Master Services Agreement dated _____, between the parties (the “MSA”). In the event of a conflict between this SOW and the MSA, this SOW shall control.

Customer	City of Sugar Land
SOW Quote Number	C2025-04170739
SOW Currency	USD
One-Time Implementation Services	\$10,825.00

SOW Expiration: This SOW, and all applicable pricing related to it, is valid if signed by Customer on or before 11/30/2025 after which pricing is subject to change, and a revised SOW may be required. However, RingCentral may elect to provide the work at the applicable pricing after the expiration date listed above, should they execute this SOW.

Multiphase Project – Per Milestone

Milestones will be jointly agreed during the project plan creation.

Table 1: Project Phasing

The Phase Totals are based on the scoped items and corresponding counts outlined in “Table 2: Entitlements”

Phase Number	Phase Name	Phase Total
1	RingCX Core Implementation	\$6,225.00
2	Digital Channels (SMS)	\$1,800.00
3	RingSense Implementation RingSense Training	\$1,800.00
4	Training Services	\$1,000.00
Project Total (excludes taxes and fees)		\$10,825.00

**Table 2: Project Entitlements**

Scope Items	Counts
Remote Project Management Duration (in months)	Up to 2
RingCX Named Agents	Up to 30
IVRs	Up to 1
Inbound Voice Queues	Up to 10
Languages - Voice	English
Disposition Codes	Up to 10
Unavailable Codes	Up to 10
Telephone Numbers (for Porting)	Up to 5
Digital Channels	
SMS Channel(s) Packages: Native with REX; Textel;	RCX Native (1)
Go-Live and Training	
Go-Live Events	1
Training: RingSense Admin	1
Online RingCentral University Access	Unlimited
Basic Virtual Instructor-Led Training	1
Add-On Modules	
AI QM (RingSense)	Yes

Entitlements Acknowledgement: This Statement of Work ("SoW") is expressly limited to the Project Entitlements and corresponding quantities set forth in Table 2 above, as mutually agreed upon by the Customer and RingCentral. By executing this SoW, the Customer acknowledges and affirms that any modifications, additions, or deviations from the Entitlements detailed in Table 2 shall be deemed outside the scope of this SoW. The Customer further represents and warrants that they have thoroughly reviewed the contents of this SoW prior to execution and fully comprehend, acknowledge, and accept the Project Entitlements as specified in Table 2.

_____ (Initial Here).



1. Project Management

- i. The RingCentral Project Manager (“PM”) will act as Single Point of Contact (“SPOC”) for delivery services following the Project Management Institute (PMI) methodology. The RingCentral PM will be responsible for the following activities:
 - a. Schedule internal and external kickoff sessions
 - b. Review the Project Entitlements and ensure alignment with Customer’s understanding and expectations
 - c. Create and manage the project governance, to include the following plans:
 - Project and schedule
 - Communication
 - Resource
 - Escalation
 - Change Management
 - Test
 - Action and risk register
 - d. Set up project documentation and timelines in collaboration with the designated Customer SPOC
 - e. Complete resource assignment and scheduling based on the mutually agreed upon project plan
 - f. Identify, communicate, and mitigate project risks and issues
 - g. Facilitate and lead regular status update meetings, organize planning sessions, and plan Customer steering committee meetings, as applicable
 - h. Develop, review, authorize, implement, and manage change requests and interventions (Change Management)
 - i. Perform closure procedures at the conclusion of project activities

1.1. Configuration of RingEX Extensions

- i. Configuration of RingEX extensions for agent leg termination only

1.2. RingCentral Planning and Design

- i. Overview
 - a. During this process, the Customer engages its subject matter experts (SME’s) to define, capture, record, and review the existing Customer environment and design for the future-state Customer solution
 - b. RingCentral will be responsible for introducing and completing the Business Requirements Document with input from the Customer
 - c. The fully reviewed BRD and Data Collection Workbook are signed off by the Customer’s Project Sponsor prior to moving to deployment
 - d. Any changes to the fully executed BRD will require a Change Order and may subject to additional fees
 - e. Data captured may include, but is not limited to, the following:
 - Customer Site Information
 - User upload
 - Agent names and assignments
 - Multi-channel integration as specified in the SOW
 - Porting data



- Call Flow – Current state and future state desires
 - Any/all other relevant information to fully understand the Customer Contact Center end state
- f. Any items not covered in this Statement of Work may result in additional fees and should be requested via Change Order
- ii. Included Services
 - a. RingCentral has included a single BRD collection cycle with this project delivery
 - b. All groups will provide data during a single data collection cycle and contribute to a universal BRD across all lines of business / business units
 - c. Additional data collection cycles are available to the Customer for further breakout via Change Order at an additional expense if data collection needs to take place by country or user group
 - d. Material changes to the BRD made after mutual execution are available to the Customer via Change Order at an additional charge

2. Implementation Detail – Voice

This remote stage will provide a build-out of the following features and applications as defined in the mutually executed design document

- i. Configuration of IVR(s) with up to two (2) tiers
 - a. Configuration of up to five (5) options for tier one, and up to ten (10) options for tier 2
- ii. Configuration of named agents
- iii. Administration of up to five (5) customer admin accounts
 - a. Admin users will also need an agent license / account to work as an agent or supervisor
 - b. Admin accounts are solely for administrative work
- iv. Configuration of inbound voice queues
 - a. Configuration of audio recording
 - b. Addition of callback in queue to call
 - c. Addition of agent voicemail
 - d. Addition of Customer provided prompts, greetings, or messages to call handling flow in the languages outlined in “Tables 2: Entitlements”
 - If Customer does not provide prompts, greetings, or messages during initial meeting, all prompts will default to native text to speech
- v. Administration and assignment of role profiles
- vi. Administration of disposition codes
- vii. Administration of unavailable codes
- viii. Administration of inbound telephone numbers
- ix. Administration and configuration of customer Hours of Operations (HOO)
 - a. Up to two (2) IVR HOO
 - b. Up to two (2) queue HOO
- x. Native reporting functionality for the Contact Center agents and supervisors
 - a. Custom report creation is not included in this proposal

2.1. Remote Delivery and Go Live Services

- i. RingCentral will provide remote go live services as follows:
 - a. Delivery resource available for up to one (1) hour during remote Go Live event(s) as outlined in “Tables 2: Entitlements”
 - b. Document open issues in action log



- c. Transition into support services
- d. Perform closure procedures at the conclusion of project activities

2.2. Implementation Detail – SMS

- i. Implementation of SMS Channel
 - a. Configuration of SMS numbers as outlined in “Tables 2: Entitlements”
 - b. Requires SMS enabled phone number on RingEX
 - c. Configuration of dispositions

3. RingSense for RingCX Implementation:

- i. RingCentral will deliver the following remote services:
 - a. Configuration of up to ten (10) trackers with up to five (5) phrases/concepts each;
 - b. Configuration of up to five (5) scorecards with up to five (5) questions each;
 - c. Configuration Admin, manager, Member, and Observer roles;
 - d. Teams are created automatically for managers to allow them to monitor the agents who report to them. Custom team development is available at an additional cost;
 - e. Agents will automatically be synced from RingCX;

3.1. RingSense for RingCX Training

- i. In this course, learners will develop a basic understanding of the product, feel comfortable logging in, accessing admin settings and navigating the application.
 - a. Includes virtual instructor-led course
 - b. Course Objectives
 - Learn how to login and understand key features
 - Define roles
 - Develop a basic understanding of the product
 - Identify general features and navigation of the RingSense application

4. RingCentral Training Services

4.1. RingCentral Online Product Training

- i. The following training resources are available to the customer for learning the RingCX product
- ii. Online RingCentral product training includes:
 - Online training for users and administrators, available at RingCentral University – <https://university.ringcentral.com/page/en-rcx-ringcx>
- iii. For a list of paid instructor-led training courses offered, and detailed course descriptions, review the Live Training Catalog at <https://university.ringcentral.com/en-rcx-ringcx-live-training>
- iv. For information on how to purchase additional training (Remote and Onsite Instructor-led Courses), please contact your account representative or your client partner

4.2. Basic Virtual Instructor-Led Training

- i. The following courses are included in the basic training package. Unless otherwise noted, a single instance of each course will be delivered.



- a. RingCX Introduction & Overview Webinar
- b. RingCX Admin – 2hr
- c. RingCX Supervisor – 1hr
- d. RingCX Agent – 1hr
- e. RingCX Analytics and Reporting – 1hr

5. Testing

5.1. Quality Assurance Testing

- i. RingCentral will perform quality assurance testing following final configuration of Contact Center prior to turning over the solution to the Customer to start User Acceptance Testing (UAT)

5.2. UAT Assumptions

- i. During UAT, the Customer will designate users to complete application testing in mock real-world scenarios to validate the RingCentral build matches the agreed signed Business Requirements Document (BRD)
 - UAT scenarios will be defined in the mutually agreed upon BRD and provided to the Customer
- ii. Customer resources participating in UAT must complete all pre-recorded online training sessions for agent, supervisor, and/or admin related to their job role prior to starting UAT
- iii. The outcome of all UAT scenarios are documented by the Customer in a written format and provided to RingCentral at completion of testing
 - Any variation in expected results (errors, flaws, failures, adjustments) are provided in writing to the RingCentral Project Manager for review and resolution
 - RingCentral will provide an expected variation resolution date and submit back to the Customer for additional testing
- iv. Upon completion of all UAT scenarios, the Customer will submit final written completion of testing to RingCentral prior to scheduling go live
- v. Any changes to configuration not included in the BRD will require a change order

5.3. UAT Requirements

- i. The Customer and RingCentral will enact a mutual software/code freeze prior to start of QA and UAT
- ii. Customer shall perform UAT within five (5) business days of application handoff from RingCentral for any Deliverables, unless otherwise mutually agreed by the parties considering the nature or scope of the Deliverable in writing prior to start of testing
- iii. Any Customer changes in software or code following written UAT completion resulting in new application behaviors may result in additional charges to the Customer via Change Order for troubleshooting and issue resolution



6. Hours of Operation - Standard Service Hours

- i. Unless otherwise specified, pricing assumes that Services will be performed between 8:00 AM to 5:00 PM local site time, Monday-Friday, excluding holidays ("Standard Service Hours")
- ii. Work requested and performed outside Standard Services Hours will be subject to overtime charges via executed Change Order

7. Customer Telephone Porting

- i. RingCentral shall provide guidance on porting data collection and shall assist with submission of porting request(s)
- ii. Customer and RingCentral agree that RingCentral is not responsible for the portability of any individual number or group of numbers and the sign-off the Professional Services Project Completion Signoff Document shall not be withheld by Customer for delays in the porting of the numbers
- iii. Notwithstanding the above, the RingCentral Project Manager, upon Customer request, shall assist the Customer with this responsibility by performing the following tasks for each site or implementation/ go live event:
 - a. The RingCentral Project Manager shall assist the Customer with the initial submission of port requests and shall assist in up to three (3) rejections/resubmission per location or ninety (90) days from submission, whichever occurs first
 - Any additional port rejections will be the responsibility of the Customer
 - Customer shall provide RingCentral all appropriate Letters of Authorization ("LOA"s), billing information, and authorized signer for each location
 - Porting submissions will include numbers mapped to correct route as "company" numbers or Direct Dial phone numbers
 - b. The RingCentral Project Manager shall assist the Customer with submitting porting requests up to ten (10) business days following the final go live event, unless otherwise mutually agreed between the parties
 - The RingCentral Project Manager will remain engaged in support of these porting requests for 30 days or three rejections, whichever comes first
 - RingCentral will provide the Customer with an overview of the RingCentral portal for porting tasks
 - Following the ten (10) day post go-live period, Customer is responsible for submitting all new requests within the RingCentral portal
 - Any additional support required after the ten (10) day period can be obtained via a change order
 - Porting outside of project follows RingCentral Numbering Policy <https://www.ringcentral.com/legal/policies/numbering-policy.html>

Customer Responsibilities

1. The Customer is responsible for aspects not specifically included in this Statement of Work. Out of scope items include:
 - i. The customers LAN/WAN infrastructure;
 - ii. Network minimum requirements for RingCentral as a Service model;
 - a. Quality of Service (QoS) configuration;



- b. Firewall or Access Control List (ACL) configuration;
 - c. Power over Ethernet (POE) port activation / configuration;
- iii. User Acceptance Testing (UAT) (as documented in Testing section of the SOW);
 - a. Completing Customer journey mapping for UAT;
 - b. Providing resource(s) to complete training prior to start of UAT;
 - c. Providing resources to complete UAT in a timely manner;
 - d. Completion of thorough User Acceptance Testing (UAT) prior to go live;
- iv. Internal communications to the user population regarding changes and impact to include, but not limited to:
 - a. Timing communication for training, testing, go live;
 - b. Organizational updates and readiness;
 - c. Login / access updates;
 - d. Impact and change documentations, etc.
- v. Tracking resource attendance and completion of all provided training session(s);
- vi. Providing contact center data to RingCentral resources in a timely and accurate manner to achieve the project timeline;

General Terms and Conditions

1. Professional Services Completion

- i. Upon RingCentral's completion of the Professional Services for each Project Phase, RingCentral will notify the Customer of the completion of each individual Professional Services Project Phase. Upon receipt of such notification, Professional Services under such Project Phase will be considered completed in full and billable, in accordance with the terms of this SOW.

2. Invoicing and Payment

- i. Invoicing and Payment of Professional Services fees. All amounts due under this SOW for Professional Services will be invoiced upon completion of the work or each Project Phase identified in the Project Phasing Table. Payment shall be due in accordance with the applicable payment terms of the Master Services Agreement. T&E Services will be invoiced monthly in arrears.
- ii. Service Expenses. Customer agrees to reimburse RingCentral for its reasonable fixed travel, meal, and lodging expenses incurred in connection with any Site Visit ("Service Expenses"). Travel, meal, and lodging expenses will be invoiced upon completion of each Project Phase. Upon written request, RingCentral will provide sufficient supporting information for any Service Expenses invoiced.

3. Termination

- i. Termination. Either Party may terminate this SOW, in whole or in part, with thirty (30) days' advance written notice to the other Party. Unless otherwise specified in the termination notice, the termination of one Project Phase will not result in the termination of, or otherwise affect, the rest of the SOW or any other Project Phase. No termination of any SOW, in whole or part, will result in the termination of any Services being provided under the MSA.
- ii. Effect of Termination. If this SOW, or a Project Phase, is terminated, in whole or in part, for any reason other than for RingCentral's material breach of this SOW, Customer will be obligated to pay RingCentral for:



- a. any Professional Services and T&E Services that have been rendered up until the effective date of the termination
- b. all applicable Service Expenses incurred; and
- c. Fifty percent (50%) of the fees for any other Professional Services not yet performed, due under the Project Phase(s) being cancelled, if termination of the SOW or a Project Phase occurs within one hundred eighty (180) days of execution of the SOW. If termination occurs after one hundred eighty (180) days of execution of the SOW, Customer will owe all outstanding fees for any Professional Services not yet performed pursuant to the SOW, due under the Project Phase being cancelled.

4. Delays and Changes

- i. Changes to this SOW shall be made only in a mutually executed written change order between RingCentral and Customer (a “**Change Order**,”) per the sample attached, outlining the requested change and the effect of such change on the Services, including without limitation the fees and the timeline as determined by mutual agreement of both parties
- ii. Any delays in the performance of consulting services or delivery of deliverables caused by Customer, including without limitation delays in completing and returning Customer documentation required during the P&D or completing the BRD, may result in an adjustment of project timeline and additional fees
- iii. Any changes or additions to the services described in this SOW shall be requested by a Change Order and may result in additional fees

5. Project Phasing

- i. The Professional Services may be delivered in one or more phases as set forth in this SOW
- ii. This SOW describes the milestones, objectives, Deliverables, Sites, fees and other components that are included in the scope of each phase (“Project Phases”)
- iii. Customer agrees that the delivery, installation, testing, completion and payment for the Professional Services rendered under any one Project Phase is not dependent on the delivery, installation, testing, acceptance and payment for the Professional Services under any other Project Phase
- iv. Each Project Phase will be billed upon notification of phase completion, and Payment for each Project Phase is due in full within the applicable payment period agreed between the parties and is non-refundable



IN WITNESS WHEREOF, the Parties have executed this RingCentral Professional Services Statement of Work for Implementation Services below through their duly authorized representatives.

<u>Customer</u>	<u>RingCentral</u>
City of Sugar Land	RingCentral, Inc.
Signature:	Signature: DocuSigned by: <i>Michael Fiocca</i> DED1147B10E24F7...
Name:	Name: Michael Fiocca
Title:	Title: AVP, Public Sector Sales
Date:	Date: 11/11/2025



Appendix A

Sample Change Order Form

RingCentral Professional Services Change Order Form for Implementation Services

This Change Order to the Statement of Work is subject to the Professional Services Agreement (the "**PS Agreement**") by and between Customer and RingCentral with the Effective Date listed below, establishes a change to the project scope or budget. By executing this Change Order, the parties agree to be bound by the terms and conditions set out in the PS Agreement with respect to the Services to be performed under the PS Agreement and Statement of Work ("**SOW**") indicated below as modified by this Change Request. Changes with no cost impact can be authorized with email, cost impacting changes require an executed signature.

Effective Date of PS Agreement: MM/DD/YYYY	Effective Date of SOW: MM/DD/YYYY		
Project Name:	Customer Name:	Original Quote Number:	Change Order Quote Number:
Request Date: MM/DD/YYYY	Requested by:	Requestor Phone:	Requestor email:
Phase No.			
DESCRIPTION OF CHANGE			
			USD\$XXX.XX
CHANGE DETAILS			
Change Item or Deliverable:			
Change From:			
Change To:			
Reason/Justification for Change:			
Impact to Schedule:			
Impact to Project Cost:			
Assumptions / Constraints / Dependencies:			
Risks:			
Test Plan:			
Backout Plan:			
Change Window:			

BY SIGNING BELOW, the Parties have each caused this Change Order to be signed and delivered by its duly authorized representative as of the date Customer signs below (the "**Effective Date**").

Customer

Customer

RingCentral

RingCentral, Inc.

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____



INITIAL ORDER FORM

This Initial Order Form is a binding agreement between RingCentral, Inc. (“**RingCentral**”) and **City of Sugar Land** (“**Customer**” or “**You**”) (together the “**Parties**”), for the purchase of the Services, licenses, and products listed herein. This Initial Order Form is subject to and incorporates the terms and conditions of: (i) the separate written agreement, executed by the Parties governing the purchase of the Services described in this Order Form, or (ii) the RingCentral Online Terms of Service available at <https://www.ringcentral.com/legal/eulatos.html>, if there is no written agreement in place (hereinafter (i) and (ii) referred to as the “**Agreement**”). Capitalized terms not defined herein shall have the same meanings as set forth in the applicable Agreement between the Parties. Unless agreed by both Parties in writing, any terms or conditions set forth in a Customer-issued purchase order or ordering document shall not apply.

Please note that RingCentral MVP is now RingEX. All references to “RingCentral MVP”, whether in terms of service, advertising or product descriptions, mean “RingEX”.

Customer

City of Sugar Land

2700 Town Center Blvd N
Sugar Land, TX 77479-1280
United States

Kevin Stubblefield
+1 713-470-8023
kstubblefield@sugarlandtx.gov

Service Provider

RingCentral, Inc.

20 Davis Drive
Belmont, CA 94002
United States

Service Commitment Period

Start Date: November 28, 2025

Initial Term: 60 Months

Renewal Term: N/A

Payment Schedule: Monthly

RingEX Services

Recurring Services			
Summary of Service	Qty	Rate	Subtotal
DigitalLine Unlimited Ultra	260	\$11.29	\$2,935.40
DigitalLine Unlimited Ultra		\$6.79	
Compliance and Administrative Cost Recovery Fee		\$3.50	
e911 Service Fee		\$1.00	
DigitalLine Basic	123	\$5.50	\$676.50
DigitalLine Basic		\$1.00	
Compliance and Administrative Cost Recovery Fee		\$3.50	
e911 Service Fee		\$1.00	
Additional Local Number	812	\$0.49	\$397.88
Monthly Recurring Services*			\$4,009.78

One-Time Items			
Summary of Item(s)	Qty	Rate	Subtotal
Poly Edge E220 IP Phone	80	\$104.30	\$8,344.00
Poly Edge E320 IP Phone	5	\$152.60	\$763.00
One-Time Total			\$9,107.00

RingCX Services

Recurring Services			
Summary of Service	Qty	Rate	Subtotal
RingCX Standard, Named agent seat	30	\$67.28	\$2,018.40
Call recording storage - 30 days, per seat	30	\$0.00	\$0.00
Advanced Support - Enhanced - RCX	30	\$22.40	\$672.00
Monthly Recurring Services*			\$2,690.40
Total Initial Amount			\$15,807.18

*Amounts are exclusive of applicable Taxes, Fees, and Shipping Charges.

Overage Rates*	
RingCX Services	Rate
RingCX Standard, Named agent seat On Demand	\$87.28
Inbound calls to North America toll-free numbers, per 10 min	\$0.14
Outbound calls via automated dialer to North America numbers, per 10 min	\$0.16
IVR calls processing, overage per 10 minutes	\$0.20
Call recording storage - 30 days, overage per seat	\$0.00
Disconnect Scrub, per 10 scrubs	\$0.08
Automated speech recognition, per 10 minutes	\$0.30
RingCX Analytics - Historical Data Retention 2Y	\$30.00
RingCX Analytics - Historical Data Retention 3Y	\$45.00
RingCX Analytics - Historical Data Retention 4Y	\$60.00
RingCX Analytics - Historical Data Retention 5Y	\$75.00
RingCX Analytics - Historical Data Retention 6Y	\$90.00
RingCX Analytics - Historical Data Retention 7Y	\$105.00
RingCX Analytics - Historical Data Retention 8Y	\$120.00
RingCX Screen Recording Active Storage per 1 GB	\$0.50

NOTE: Customer acknowledges and agrees that if third-party products such as WhatsApp are used, additional fees may be incurred and invoiced by RingCentral on your next billing cycle after such usage occurred.

Cost Center Billing

For customers with cost center billing, it is the Customer's responsibility to provide cost center allocation information to RingCentral at least 10 days prior to the issuance of the invoice. After the information is received, it will be reflected on future invoices, but will not be adjusted retroactively on past invoices. If purchasing additional services through the administrative portal, it is the Customer's responsibility to assign cost centers at the time of purchase; otherwise, those services will not be allocated by cost center on the next invoice. Please note that cost center allocation is not available for certain items, such as minute bundles and credit memos. For additional questions, please contact the RingCentral invoice billing team at billingsupport@ringcentral.com.

Free Services Amount

You will receive the amount(s) indicated below (the “Free Service Amount”), which will be applied against charges for the recurring Services set forth in this Order Form and any applicable taxes and fees associated with those Services invoiced by RingCentral. The Free Service Amount is non-transferable and non-refundable and will expire upon termination of this Order Form. You will be responsible for paying for any additional services and products ordered, and any applicable associated taxes and fees.

RingEX Free Services Amount: 12,518.28 US Dollars

RingCX Free Services Amount: 8,071.20 US Dollars

Customer Reference. Customer may promote their use of RingCentral services and agrees that RingCentral may identify customer as a user of the services. All press releases or quotes regarding Customer’s use of service will be pre-approved by Customer, which consent will not be unreasonably withheld.

Add-on Services. Customer is responsible for reviewing additional terms and conditions that may apply to RingCentral add-on services (where available) and certain Advanced Support Services listed on this order form, and which are available at <https://www.ringcentral.com/legal/add-on-services.html>.

Special Terms & Notes

Cooperative Contract

- 1. **Applicable Agreement.** This Order Form is subject to the terms and conditions of the Vendor Agreement between The Interlocal Purchasing System (TIPS), Department of Texas Region 8 Education Service Center, and RingCentral, contract 240303.
- 2. TIPS Contract Number 240303 must appear on:
 - A. RingCentral quotations to the TIPS Member;
 - B. The TIPS Member’s Purchase Order; and
 - C. The RingCentral invoice to the TIPS Member.
- 3. Eligible Entity must issue RingCentral a purchase order for any subsequent purchases made through the RingCentral Administrative Portal.
- 4. **Renewal.** Eligible Entity’s subscription will not automatically renew. Eligible Entity may renew its subscription with RingCentral under TIPS Contract 240303 until it expires. Subscription terms that exceed the TIPS contract term shall remain valid, subject to any TIPS limiting terms. Eligible Entities that would like to renew subscription services after expiration of TIPS Contract 240303 may, subject to mutual consent of the Parties and the terms of the TIPS contract, continue their subscription under TIPS in one of the following ways:
 - A. If RingCentral does not receive a subsequent TIPS contract award, Eligible Entity may continue to renew its subscription services under TIPS Contract 240303.
 - B. If RingCentral does receive a subsequent TIPS contract award, Eligible Entity may continue to renew its subscription services under that subsequent TIPS contract.

RingCX

RingCX Analytics. RingCX Analytics includes real-time and historical reporting as custom and pre-built visual dashboards with pre-defined reports. RingCentral will retain historical reporting data according to your selected historical data retention period after which data will be purged on a rolling basis. Retention periods apply to all users of the RingCX product and will be billed on a per seat per month basis.

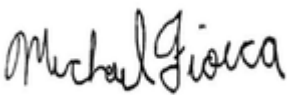
RingCentral will retain one year’s worth of historical reporting data after which any data older than one year, will be purged. Access to longer periods of analytics data may be purchased according to the table above. The applicable retention period selected for the Services above is 1 year.

Customer must contact RingCentral support to modify historical reporting data retention periods, if available.

IN WITNESS WHEREOF, the Parties have executed this Initial Order Form above through their duly authorized representatives.

Customer
City of Sugar Land

RingCentral
RingCentral, Inc.



By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: Michael Fiocca
Title: Regional Vice President, Public Sector
Date: 11/11/2025



MASTER SERVICES AGREEMENT

This Master Services Agreement is effective as of the date of last signature (“**Effective Date**”) and made between:

City of Sugar Land (“**Customer**”)

Address:

2700 Town Center Blvd N
Sugar Land, TX 77479-1280

RingCentral, Inc. (“**RingCentral**”)

Address:

20 Davis Drive
Belmont, CA 94002

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: Michael Fiocca
Title: Regional Vice President, Public Sector
Date: 11/11/2025

RingCentral and Customer are together referred to as the “Parties” and each individually as a “Party.”

1. The Master Services Agreement (“**Agreement**”) consists of the terms and conditions contained herein, and any Service Attachments applicable to Customer’s Services, and any other Attachments agreed by the Parties, are incorporated into and form a part of this Agreement.

Exhibit A – Definitions

Attachment A – RingEX Services

Attachment B – RingCX Services

Attachment C – Security Addendum

THE PARTIES AGREE AS FOLLOWS:

2. Ordering and Term

- A. Ordering Services.** Customer may order the Services set forth in the relevant Attachments, attached hereto, by executing an Order Form in the format provided by RingCentral. Customer must submit the Order Form to RingCentral either in writing or electronically via the Administrative Portal. The Order Form will identify the Services requested by Customer together with: (i) the price for each Service; (ii) scheduled Start Date; (iii) and products rented, licensed, or sold to Customer, if any. An Order Form will become binding when it is executed by the Customer and accepted by RingCentral. RingCentral may accept an Order Form by commencing performance of the requested Services. The Services and invoicing for those Services will begin on the Start Date, as identified in the applicable Order Form or on the day Services are ordered via the Administrative Portal. Customer may purchase additional Services, software, and equipment via the Administrative Portal or by executing additional Order Forms.
- B. Equipment.** Subject to availability based on brand and Customer location, Customer may purchase or rent equipment from RingCentral for use with the Services. The terms and conditions that govern any such transaction can be found at:
 - i. Purchase: <http://www.ringcentral.com/legal/ringcentral-hardware-terms-conditions.html>;
 - ii. Rental: <http://www.ringcentral.com/legal/lease-rental.html>, and
 - iii. Device as a Services: <https://www.ringcentral.com/legal/daas-agreement.html>.
- C. Term of this Agreement.** The Term of this Agreement will commence on the Effective Date and continue until the last Order Form is terminated or expires, unless terminated earlier in accordance with its terms.

- D. Services Term.** The Services Term will begin on the Start Date of the initial Order Form and continue for the initial term set forth in the initial Order Form (“**Initial Term**”). Upon expiration of the Initial Term, unless otherwise set forth in the Order Form, the term recurring Services will automatically renew for successive periods as set forth in the initial Order Form (each a “**Renewal Term**”) unless either Party gives notice of non-renewal at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term. The Term of any recurring Services added to your Account after the initial Order Form is executed will start on the Start Date in the applicable Order Form, will run coterminously with the then-current Term of any preexisting Services unless otherwise extended in the applicable Order Form, and will be invoiced on the same billing cycles as the preexisting Services.

3. Invoicing and Payment

- A. Prices and Charges.** All prices are identified in US dollars on the Administrative Portal or in the applicable Order Form unless otherwise agreed by the Parties. Additional charges may result if Customer activates additional features, exceeds usage thresholds, or purchases additional Services or equipment. Customer will be liable for all charges resulting from use of the Services on its Account. Unless otherwise agreed between the Parties, recurring charges (such as charges for Digital Lines, product licenses, minute bundles, and equipment rental fees) for the Services begin on the Start Date identified in the Administrative Portal or in the applicable Order Form and will remain in effect for the Initial Term (as described in an Order Form) or, if applicable, the then-current Renewal Term. RingCentral will provide notice of any proposed increase in such charges no later than sixty (60) days before the end of the Initial Term or then-current Renewal Term, and any such increase will be effective on the first day of the next Renewal Term. Administrative Fees that RingCentral is entitled to pass on to its customers as a surcharge pursuant to applicable Law may be increased on thirty (30) days’ written notice. Outbound calling rates will be applied based on the rate in effect at the time of use. Customer may locate the currently effective rates in the Administrative Portal.
- B. Invoicing and Payment.** Invoices will be issued in accordance with the payment terms set forth in the Order Form. If Customer chooses to pay by credit or debit card, by providing a valid credit or debit card, Customer is expressly authorizing all Services and equipment charges and fees to be charged to such payment card, including recurring payments billed on a monthly or annual basis. In addition, Customer’s provided credit card shall be used for any in-month purchases of additional services and products, or where Customer has exceeded usage or threshold limits, any overage charges. Unless otherwise stated in the applicable Order Form, recurring charges are invoiced in advance in the frequency set forth in the Order Form, and usage-based and onetime charges are billed monthly in arrears. Customer shall make payment in full, without deduction or set-off, within thirty (30) days of the invoice date. Any payment not made when due may be subject to a late payment fee equivalent to the lesser of (i) one and a half percent (1.5%) per month or (ii) if applicable, the highest rate allowed by Law. In no event may payment be subject to delays due to Customer internal purchase order process.
- C. Taxes.** All rates, fees, and charges are exclusive of applicable Taxes, for which Customer is solely responsible. Taxes may vary based on jurisdiction and the Services provided. If any withholding tax is levied on the payments, then Customer must increase the sums paid to RingCentral so that the amount received by RingCentral after the withholding tax is deducted is the full amount RingCentral would have received if no withholding or deduction had been made. If Customer is a tax-exempt entity, tax exemption will take effect upon provision to and validation by RingCentral of certificate of tax exemption.
- D. Billing Disputes.** If a Customer reasonably and in good faith disputes any portion of RingCentral’s invoice, it must provide written notice to RingCentral within thirty (30) days of the invoice date, identifying the reason for the dispute and the amount being disputed. Customer’s dispute as to any portion of the invoice will not excuse Customer’s obligation to timely pay the undisputed portion of the invoice. Upon resolution, Customer must pay any validly invoiced unpaid amounts within thirty (30) days. Any amounts that are found to be in error resulting in an overpayment by the Customer will be applied as a billing credit against future invoices. Customer will be reimbursed any outstanding billing credits at the expiration or termination of this Agreement.

4. Provision of the Service

- A. General Terms.** RingCentral will provide the Services as described in the relevant Service Attachment. RingCentral may enhance, replace, and/or change the features of the Services, but it will not materially reduce the core features, functions, or security of the Services during the Term without Customer’s consent.
- B. Customer Care**
- i. Customer must provide Helpdesk Support to Customer’s End Users. RingCentral may require Customer’s Helpdesk Support personnel to complete a designated series of training courses on RingCentral’s Services. Such training will be provided to Customer online in English at no cost.
 - ii. RingCentral will make remote support available to Customer’s Helpdesk Support personnel and/or Account Administrators via the Customer Care call center, which will be available 24/7, to attempt to resolve technical issues with, and answer questions regarding the use of the Services. Unless otherwise agreed by the parties, Customer Care support will be provided in English, and onsite and implementation services are not included in the Customer Care support.
 - iii. Customer may open a case with Customer Care following the process in place at the time. Any individual contacting Customer Care on behalf of Customer must be authorized to do so on behalf of the Account and will be required to follow applicable authentication protocols.
- C. Professional Services.** RingCentral offers a broad portfolio of professional services that includes onsite and remote implementation services; extended enterprise services including premium technical support; and consulting. Any such services

are governed by this Agreement, the Professional Services terms, and any applicable Statement of Work (SOW), which may be attached hereto.

- D. **Managed Services.** Customer may purchase Managed Services from RingCentral for use with the Services. The terms and conditions that govern the Managed Services can be found at: <https://www.ringcentral.com/legal/managed-services-attachment.html>.
- E. **Subcontracting.** RingCentral may provide any of the Services hereunder through any of its Affiliates or subcontractors, provided that RingCentral will bear the same degree of responsibility for acts and omissions for those subcontractors acting on RingCentral's behalf in the performance of its obligations under this Agreement as it would bear if such acts and omissions were performed by RingCentral directly.

5. Use of the Service

- A. **Service Requirements.** The Services are dependent upon Customer's maintenance of sufficient Internet access, networks, and power as set forth in RingCentral's Technical Sufficiency Criteria, available at <https://www.ringcentral.com/legal/policies/technical-sufficiency-criteria.html>. RingCentral will not be responsible for any deficiencies in the provision of the Services if Customer's network does not meet RingCentral's Technical Sufficiency Criteria.
- B. **Use Policies.** Customer and its End Users may use the Services only in compliance with this Agreement, applicable Law, and the Use Policies referenced below, which are incorporated into and form part of this Agreement. Customer must ensure that its End Users comply with the Use Policies. Any breach of this Section (Use Policies) will be deemed a material breach of this Agreement. RingCentral may update the Use Policies from time to time and will provide notice of material updates to Customer at the email address on file with the Account. All updates will become effective thirty (30) days after such notice to Customer or upon posting for non-material changes. Customer may object to a modification that negatively impacts its use of the Service by sending written notice ("Objection Notice") to RingCentral within thirty (30) days from the date of the notice of modification. If the Parties cannot reach agreement, then either Party may terminate the affected Services without penalty with thirty (30) days written notice to the other Party.
 - i. **Acceptable Use Policy.** The Services must be used in accordance with RingCentral's Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>. Notwithstanding anything to the contrary in this Agreement, RingCentral may act immediately and without notice to suspend or limit the Services if RingCentral reasonably suspects fraudulent or illegal activity in the Customer's Account, material breach of the Acceptable Use Policy, or use of the Services that could interfere with the functioning of the RingCentral Network provided such suspension or limitation may only be to the extent reasonably necessary to protect against the applicable condition, activity, or use. RingCentral will promptly remove the suspension or limitation as soon as the condition, activity or use is resolved and mitigated in full. If Customer anticipates legitimate but unusual activity on its Account, Customer should contact Customer Care in advance to avoid any Service disruption.
 - ii. **Emergency Services.** RingCentral's policy governing the provision of emergency services accessed via the Services is available at <https://www.ringcentral.com/legal/emergency-services.html>.
 - iii. **Numbering Policy.** The provision, use, and publication of numbers used in conjunction with the Services are governed by RingCentral's Numbering Policies, available at <https://www.ringcentral.com/legal/policies/numbering-policy.html>.

6. Termination

- A. **Termination for Cause.** Either Party may terminate this Agreement and any Services purchased hereunder in whole or part by giving written notice to the other Party: i) if the other Party breaches any material term of this Agreement and fails to cure such breach within thirty (30) days after receipt of such notice; ii) at the written recommendation of a government or regulatory agency following a change in either applicable Law or the Services; or iii) upon the commencement by or against the other Party of insolvency, receivership or bankruptcy proceedings or any other proceedings or an assignment for the benefit of creditors.
- B. **Effect of Termination.** If Customer terminates the Services, a portion of the Services, or this Agreement in its entirety due to RingCentral's material breach under Section 6(A) (Termination for Cause), Customer will not be liable for any fees or charges for terminated Services for any period subsequent to the effective date of such termination (except those arising from continued usage before the Services are disconnected), and RingCentral will provide Customer a pro-rata refund of any prepaid and unused fees or charges paid by Customer for terminated Services. If this Agreement or any Services are terminated for any reason other than as a result of a material breach by RingCentral or as otherwise permitted pursuant to Section 6(A) or as set forth in Section 14(I) (Regulatory and Legal Changes) the Customer must, to the extent permitted by applicable Law and without limiting any other right or remedy of RingCentral, pay within thirty (30) days of such termination all amounts that have accrued prior to such termination, as well as all sums remaining unpaid for the Services for the remainder of the then-current Term plus related Taxes and fees.

7. Intellectual Property

A. Limited License

- i. Subject to, and conditional upon Customer's compliance with, the terms of this Agreement, RingCentral grants to Customer and its End User, a limited, personal, revocable, non-exclusive, non-transferable (other than as permitted under this Agreement), non-sublicensable license to use any software provided or made available by RingCentral to the Customer as part of the Services ("**Software**") to the extent reasonably required to use the Services as permitted by this Agreement,

only for the duration that Customer is entitled to use the Services and subject to the Customer being current on its payment obligations.

- ii. Customer will not, and will not allow its End Users, to: (a) sublicense, resell, distribute or assign its right under the license granted under this Agreement to any other person or entity; (b) modify, adapt or create derivative works of the Software or any associated documentation; (c) reverse engineer, decompile, decrypt, disassemble or otherwise attempt to derive the source code for the Software; (d) use the Software for infringement analysis, benchmarking, or for any purpose other than as necessary to use the Services Customer is authorized to use; (e) create any competing Software or Services; or (f) remove any copyright or other proprietary or confidential notices on any Software or Services.

B. IP Rights

- i. **RingCentral's Rights.** Except as expressly provided in this Agreement, the limited license granted to Customer under Section 7(A) (Limited License) does not convey any ownership or other rights or licenses, express or implied, in the Services (including the Software), any related materials, or in any Intellectual Property and no IP Rights or other rights or licenses are granted, transferred, or assigned to Customer, any End User, or any other party by implication, estoppel, or otherwise. All rights not expressly granted herein are reserved and retained by RingCentral and its licensors. The Software and Services may comprise or incorporate services, software, technology, or products developed or provided by third parties, including open-source software or code. Customer acknowledges that misuse of RingCentral Services may violate third-party IP rights.
- ii. **Customer Rights.** As between RingCentral and Customer, Customer retains title to all IP Rights that are owned by the Customer or its suppliers. To the extent reasonably required or desirable for the provision of the Services, Customer grants to RingCentral a limited, personal, non-exclusive, royalty-free, license to use Customer's IP Rights in the same. Customer must provide (and is solely responsible for providing) all required notices and obtaining all licenses, consents, authorizations, or other approvals related to the use, reproduction, transmission, or receipt of any Customer Content that includes personal or Confidential Information or incorporates any third-party IP rights.

- C. **Use of Marks.** Neither Party may use or display the other Party's trademarks, service mark or logos in any manner without such Party's prior written consent.

8. Confidentiality

- A. **Restrictions on Use or Disclosures by Either Party.** During the Term of this Agreement and for at least one (1) year thereafter, the Receiving Party shall hold the Disclosing Party's Confidential Information in confidence, shall use such Confidential Information only for the purpose of fulfilling its obligations under this Agreement, and shall use at least as great a standard of care in protecting the Confidential Information as it uses to protect its own Confidential Information.

Each Party may disclose Confidential Information only to those of its employees, agents or subcontractors who have a need to it in order to perform or exercise such Party's rights or obligations under this Agreement and who are required to protect it against unauthorized disclosure in a manner no less protective than required under this Agreement. Each Party may disclose the other Party's Confidential Information in any legal proceeding or to a governmental entity as required by Law.

These restrictions on the use or disclosure of Confidential Information do not apply to any information which is independently developed by the Receiving Party or lawfully received free of restriction from another source having the right to so furnish such information; after it has become generally available to the public without breach of this Agreement by the Receiving Party; which at the time of disclosure was already known to the Receiving Party, without restriction as evidenced by documentation in such Party's possession; or which the Disclosing Party confirms in writing is free of such restrictions.

Upon termination of this Agreement, the Receiving Party will promptly delete, destroy or, at the Disclosing Party's request, return to the Disclosing Party, all Disclosing Party's Confidential Information in its possession, including deleting or rendering unusable all electronic files and data that contain Confidential Information, and upon request will provide the Disclosing Party with certification of compliance with this subsection.

9. Data Protection

- A. **Data Privacy.** RingCentral respects Customer's privacy and will only use the information provided by Customer to RingCentral or collected in the provision of the Services in accordance with RingCentral's Data Processing Addendum, available at <https://www.ringcentral.com/legal/dpa.html>, incorporated by reference. RingCentral may update the Data Processing Addendum from time to time and will provide notice of any material updates to the Customer as required by applicable Laws at the email address on file with the Account. Such updates will be effective thirty (30) days after such notice to Customer.
- B. **Data Security.** RingCentral will take commercially reasonable precautions, including, without limitation, technical (e.g., firewalls and data encryption), organizational, administrative, and physical measures, to help safeguard Customer's Account, Account Data, and Customer Content against unauthorized use, disclosure, or modification. Customer must protect all End Points using commercially reasonable security measures. Customer is solely responsible to keep all user identifications and passwords secure. Customer must monitor use of the Services for possible unlawful or fraudulent use. Customer must notify RingCentral immediately if Customer becomes aware or has reason to believe that the Services are being used fraudulently or without authorization by any End User or third party. Failure to notify RingCentral may result in the suspension or termination of the Services and additional charges to Customer resulting from such use. RingCentral will not be liable for any charges resulting from unauthorized use of Customer's Account.

- C. Software Changes.** RingCentral may from time-to-time push software updates and patches directly to Customer's device(s) for installation and Customer will not prevent RingCentral from doing so. Customer must implement promptly all fixes, updates, upgrades and replacements of software and third-party software that may be provided by RingCentral. RingCentral will not be liable for inoperability of the Services or any other Services failures due to failure of Customer to timely implement the required changes.

10. Limitations of Liability

A. Excluded Damages

IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES OR ITS OR THEIR SUPPLIERS BE LIABLE FOR (1) INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES; (2) LOSS OF USE OR LOSS OF DATA; (3) LOSS OF BUSINESS OPPORTUNITIES, REVENUES OR PROFITS; OR (4) COSTS OF PROCURING REPLACEMENT PRODUCTS OR SERVICES, IN ALL CASES WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER THEORY OF LIABILITY, AND EVEN IF SUCH PARTY HAS BEEN INFORMED IN ADVANCE OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN.

B. Liability Caps

EXCEPT AS SET FORTH HEREIN, THE TOTAL CUMULATIVE LIABILITY OF THE PARTIES UNDER THIS AGREEMENT WILL NOT EXCEED THE AMOUNTS PAID OR PAYABLE UNDER THIS AGREEMENT DURING THE PREVIOUS SIX (6) MONTHS. LIMITATIONS UNDER THIS SECTION (LIABILITY CAPS) WILL NOT APPLY TO:

- i. FEES OWED BY CUSTOMER
- ii. EITHER PARTY'S LIABILITY FOR INFRINGEMENT OF THE OTHER PARTY'S IP RIGHTS
- iii. EITHER PARTY'S LIABILITY RESULTING FROM GROSS NEGLIGENCE, FRAUD, OR WILLFUL OR CRIMINAL MISCONDUCT
- iv. CUSTOMER'S LIABILITY RESULTING FROM USE OF THE SERVICES IN BREACH OF THE ACCEPTABLE USE POLICY OR EMERGENCY SERVICES POLICY
- v. EITHER PARTY'S LIABILITY ARISING FROM DEATH OR PERSONAL INJURY CAUSED BY NEGLIGENCE, OR FOR ANY OTHER LIABILITY WHICH MAY NOT BE RESTRICTED, LIMITED, OR EXCLUDED PURSUANT TO APPLICABLE LAW.

11. Indemnification

A. Indemnification by RingCentral

- i. RingCentral shall indemnify and hold harmless the Customer and its Affiliates for Indemnifiable Amounts, and shall defend any third-party claims or causes of action (a **"Third Party Claim"**) to the extent such Third Party Claim arises out of or alleges that:
 - a. The Services, as provided by RingCentral, infringe or misappropriate the patent, copyright, trademark, or trade secret rights of a third party.
- ii. RingCentral will have no obligations under subsection (i) above to the extent the Third Party Claim arises from: (a) use of the Services in combination with data, software, hardware, equipment, or technology not provided or authorized by RingCentral in writing unless any of the foregoing are necessary for the proper operation of the Services; (b) modifications to the Services not made by RingCentral; (c) Customer Content; (d) failure to promptly install any updates of any software or firmware or accept or use any modified or replacement items provided free of charge by or on behalf of RingCentral; (e) breach of the Agreement; or (f) a Third Party Claim brought by Customer's Affiliate, successor, or assignee.
- iii. If such a Third-Party Claim is made or appears possible, Customer agrees to permit RingCentral, at RingCentral's sole discretion and expense, to (a) modify or replace the Services, or component or part thereof, to make it non-infringing or (b) obtain the right for Customer to continue to use the Services. If RingCentral determines that neither alternative is commercially reasonable, RingCentral may terminate this Agreement in its entirety or with respect to the affected Service, component or part (a **"Discontinued Component"**), effective immediately on written notice to Customer, in which case Customer will not owe any fees or charges relating to the Discontinued Component for any period subsequent to the date of such termination, and will be entitled to receive a refund of any prepaid but unused fees relating to the Discontinued Component. In the event the removal of the Discontinued Component does not substantially affect Customer's use of the Services, the refund or fee abatement pursuant to the foregoing shall be a reasonable portion of the total fees owed by Customer for the Services as a whole based on the significance of the Discontinued Component to the total value of the Services as a whole. RingCentral's obligations under this Sub-Section will be RingCentral's sole and exclusive liability and Customer's sole and exclusive remedies with respect to any actual or alleged intellectual property violations.

- B. Indemnification by Customer.** To the extent permitted by the laws and the constitution of the jurisdiction of Customer, Customer shall indemnify, and hold harmless RingCentral and its Affiliates for Indemnifiable Amounts, and shall defend any Third Party Claims arising out of or in connection with: (i) material violation of applicable Law by the Customer, its Affiliates, or their respective End Users in connection with their use of the Services; (ii) use of the Services in breach of the Use Policies; (iii) failure to promptly install any updates of any software or firmware or accept or use modified or replacement items provided free of charge by or on behalf of RingCentral; or (iv) Customer Content.

- C. Defense and Indemnification Procedures.** Any Party seeking indemnification under this Section 11 (the “**Indemnified Party**”) shall provide the Party from which it seeks such indemnification (the “**Indemnifying Party**”) with the following: (a) prompt written notice of the Third-Party Claim, (b) sole control over the defense and settlement of the Third-Party Claim, and (c) reasonable information, cooperation, and assistance (at the Indemnifying Party’s sole expense except for the value of the time of the Indemnified Party’s personnel) in connection with the defense and settlement of the Third-Party Claim. The Indemnified Party’s failure to comply with the foregoing obligations will not relieve the Indemnifying Party of its defense or indemnification obligations under this Section 11 (Indemnification) except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnified Party will have the right to participate (but not control), at its own expense, in the defense of such Third-Party Claim, including any related settlement negotiations. No such claim may be settled by the Indemnifying Party without the Indemnified Party’s express written consent (not to be unreasonably withheld, conditioned, or delayed) unless such settlement includes a full and complete release of all claims and actions against the Indemnified Party by each party bringing such Third-Party Claim, requires no admission of fault, liability, or guilt by the Indemnified Party, and requires no act by the Indemnified Party other than the payment of a sum of money fully indemnified by the Indemnifying Party.

12. Warranties

- A. RingCentral Warranty.** RingCentral will provide the Services using a commercially reasonable level of skill and care, in material compliance with all applicable Laws and otherwise subject to the terms of this Agreement. To the extent permitted by Law, RingCentral shall pass through to Customer any and all warranties RingCentral receives in connection with equipment provided to Customer by or on behalf of RingCentral.
- B. Customer Warranty.** Customer’s and its End Users’ use of the Services must always comply with all applicable Laws and this Agreement. Further, when Customer’s subscription for Services exceeds one (1) fiscal year, Customer warrants that it shall exercise due diligence and best efforts to secure an adequate appropriation of funds on time from its legislative or similar government body to pay for the contracted Services in the follow-on fiscal year(s).
- C. Disclaimer of Warranties.** EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT AND TO THE FULLEST EXTENT PERMITTED BY LAW, THE SERVICES ARE PROVIDED “AS IS” AND “AS AVAILABLE,” AND RINGCENTRAL MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUIET ENJOYMENT, AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE IN TRADE, TOGETHER WITH SIMILAR WARRANTIES, WHETHER ARISING UNDER ANY LAW OR OTHERWISE. TO THE EXTENT THAT RINGCENTRAL CANNOT DISCLAIM ANY SUCH WARRANTY AS A MATTER OF APPLICABLE LAW, THE SCOPE AND DURATION OF SUCH WILL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY LAW.

13. Dispute Resolution

- A. Governing Law.** Any dispute arising out of or relating to this Agreement shall be governed and construed in accordance with the laws of TX, without regard to its choice of law rules, and the parties agree to submit to the jurisdiction of, and venue in, the courts in that state. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement or Customer’s use of the products or Services.
- B. Good Faith Attempt to Settle Disputes.** In the event of a dispute, each Party shall appoint a duly authorized representative who shall use all reasonable endeavors to resolve in good faith any dispute within reasonable timescales.
- C. Equitable Relief.** Any breach of either Party’s IP Rights may cause that Party irreparable harm for which monetary damages will be inadequate and such Party may, in addition to other remedies available at Law or in equity, obtain injunctive relief without the necessity of posting a bond or other security, proof of damages, or similar requirement, in addition to any other relief to which such Party may be entitled under applicable Law.
- D. Limitations.** Except for actions for non-payment or liability arising from Section 11 (Indemnification), no claim, suit, action or proceeding relating to this Agreement may be brought by either Party more than two (2) years after the cause of action has accrued. Any actions, lawsuits, or proceedings must be conducted solely on an individual basis and the Parties expressly waive any right to bring any action, lawsuit or proceeding as a class or collective action, private attorney general action or in any other capacity acting in a representative capacity.

14. Miscellaneous

- A. Relationship of the Parties.** RingCentral and Customer are independent contractors, and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between RingCentral and Customer.
- B. Assignment.** Neither Party may assign its rights or obligations under this Agreement or any Order Form without the prior written consent of the other Party, not to be unreasonably withheld or delayed. However, RingCentral may assign the Agreement or any portion thereof and any or all of its rights and obligations thereunder without consent (a) to an Affiliate; (b) as part of, or otherwise in connection with, the transfer or disposition of equity securities representing more than fifty percent (50%) of its voting control; (c) to the successor or surviving entity in connection with a merger, acquisition, or consolidation; or (d) as part of, or otherwise in connection with, the sale or other transfer of one or more of the service(s) under the Agreement or greater than 50% of the principal assets used in connection with the provision such service(s). This Agreement will bind and inure to the benefit of the Parties, and their permitted assigns and successors.
- C. Notices.** Except where otherwise expressly stated in the Agreement, all notices or other communications must be in English and are deemed to have been fully given when made in writing and delivered in person, upon delivered email, confirmed facsimile, or five days after deposit with an reputable overnight courier service, and addressed as follows: To RingCentral at RingCentral, Inc., Legal Dept., 20 Davis Drive, Belmont, CA 94002 USA, with a copy to legal@ringcentral.com, and to Customer at either the physical address or email address associated with the Customer Account.

Customer acknowledges and agrees that all electronic notices have the full force and effect of paper notices. The addresses to which notices may be given by either Party may be changed (a) by RingCentral upon written notice given to Customer pursuant to this Section or (b) by Customer in the Administrative Portal.

- D. Force Majeure.** Excluding either Party's payment obligations under the Agreement, neither Party will be responsible or liable for any failure to perform or delay in performing to the extent resulting from any event or circumstance that is beyond that Party's reasonable control, including without limitation any act of God; national emergency; third-party telecommunications networks; riot; war; terrorism; governmental act or direction; change in Laws; fiber, cable, or wire cut; power outage or reduction; rebellion; revolution; insurrection; earthquake; storm; hurricane; flood, fire, or other natural disaster; strike or labor disturbance; or other cause, whether similar or dissimilar to the foregoing, not resulting from the actions or inactions of such Party.
- E. Third-Party Beneficiaries.** RingCentral and Customer agree that there will be no third-party beneficiaries to this Agreement.
- F. Headings, Interpretation.** The headings, section titles, and captions used in the Agreement are for convenience of reference only and will have no legal effect. All defined terms include related grammatical forms, and, whenever the context may require, the singular form of nouns and pronouns include the plural, and vice versa. The Parties agree that this Agreement will be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a Party or Parties on the grounds that the Party or Parties drafted or was more responsible for drafting the provision(s).
- G. Anti-Bribery.** Each Party represents that in the execution of this Agreement and in the performance of its obligations under this Agreement it has complied and will comply with all applicable anti-bribery Laws and regulations, including, without limitation, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and similar applicable Laws.
- H. Export Control.** Any services, products, software, and technical information (including, but not limited to, services and training) provided pursuant to the Agreement may be subject to U.S. export Laws and regulations. Customer will not use, distribute, transfer, or transmit the services, products, software, or technical information (even if incorporated into other products) except in compliance with U.S. and other applicable export regulations.
- I. Regulatory and Legal Changes.** In the event of any change in Law, regulation or industry change that would prohibit or otherwise materially interfere with RingCentral's ability to provide Services under this Agreement, RingCentral may terminate the affected Services or this Agreement or otherwise modify the terms thereof.
- J. Use of Beta, Preview, or Early Access Software.** If you use any beta, preview, or early access services, features, products, or software offered or made available by RingCentral, then you acknowledge that your use of the services, products, or software are governed by the [Beta Evaluation License Agreement](#) and not by this Agreement.
- K. Entire Agreement.** The Agreement, together with any exhibits, Order Forms, Use Policies, and Attachments, each of which is expressly incorporated into this Agreement with this reference, constitutes the entire agreement between the Parties and supersedes and replaces any and all prior or contemporaneous understandings, proposals, representations, marketing materials, statements, or agreements, whether oral, written, or otherwise, regarding such subject. RingCentral expressly rejects in their entirety any additional or conflicting terms or conditions contained in Customer purchase order, or similar Customer document, which the Parties agree are solely for the Customer's convenience.
- L. Order of Precedence.** In the event of any conflict between the documents comprising this Agreement, precedence will be given to the documents in the following descending order: (i) the applicable Order Form (including any hyperlinks); (ii) the applicable Attachment; (iii) the main body of this Agreement; (iv) Use Policies and Data Processing Addendum incorporated by reference in this Agreement; and (v) and any other document expressly referred to in this Agreement which governs the Services. With respect to data processing, the Data Processing Addendum shall take precedence over any inconsistent terms in any of the documents listed in the previous sentence.
- M. Amendments.** Except as otherwise provided, this Agreement may only be modified by a written amendment executed by authorized representatives of both Parties. In no event will handwritten changes to any terms or conditions, including in the applicable Order Form, be effective.

- N. Severability and Waiver.** In the event any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, such provision(s) will be stricken and the remainder of this Agreement will remain legal, valid, and binding. The failure by either Party to exercise or enforce any right conferred by this Agreement will not be deemed to be a waiver of any such right or to operate so as to bar the exercise or enforcement of any such or other right on any later occasion. Except as otherwise expressly stated in this Agreement, all rights and remedies stated in the Agreement are cumulative and in addition to any other rights and remedies available under the Agreement, at Law, or in equity.
- O. Execution.** Each Party represents and warrants that: (a) it possesses the legal right and capacity to enter into the Agreement and to perform all of its obligations thereunder; (b) the individual signing the Agreement and (each executable part thereof) on that Party's behalf has full power and authority to execute and deliver the same; and (c) the Agreement will be a binding obligation of that Party. Each Party agrees that an Electronic Signature, whether digital or encrypted, is intended to authenticate this Agreement and to have the same force and effect as manual signatures.
- P. Counterparts.** This Agreement may be executed electronically and in separate counterparts each of which when taken together will constitute one in the same original.
- Q. Survival.** The rights and obligations of either Party that by their nature would continue beyond the expiration or termination of this Agreement or an Order Form will survive expiration or termination of this Agreement or the Order Form, including without limitation payment obligations, warranty disclaimers, indemnities, limitations of liability, definitions and miscellaneous.
- R. Family Education Rights and Privacy Act (FERPA).** Customer Content when in-transit on the RingCentral Network and when at-rest within RingCentral Data Centers may contain communications and/or educational records pertaining to students in connection with the performance of the Services pursuant to the Agreement. RingCentral shall only use or disclose such Customer Content as is reasonably necessary to provide the Services or for RingCentral to otherwise perform its obligations under the Agreement.

EXHIBIT A DEFINITIONS

Definitions. Capitalized terms used in this Agreement but otherwise not defined have the following meaning:

1. **“Account”** means the numbered account established with RingCentral and associated with Customer and the Services provided to Customer under this Agreement. For billing and convenience purposes, multiple services, Digital Lines, or End Users may be included in a single billing account, and/or a single Customer may have multiple billing accounts encompassing different geographic locations, business units, or other designations as requested by Customer and accepted by RingCentral.
2. **“Account Administrator”** means the person(s) who have been granted authority by Customer to set up, amend, or otherwise control settings and/or make additional purchases for the Account via the Administrative Portal. Account Administrators may have varying levels of Account rights, skills, or permissions.
3. **“Account Data”** means: any business contact information provided with the Account; RingCentral-generated logs of calling or other metadata developed or collected in the provision of the Services; configuration data; and records of Digital Lines and any Services purchased under this Agreement.
4. **“Administrative Fees”** means any administrative recovery fees, 911 cost recovery fees and the like separately charged by RingCentral to Customer.
5. **“Administrative Portal”** means the online administrative portal through which Account Administrators control settings and/or make additional purchases for the Account.
6. **“Affiliate(s)”** means a person or entity that is controlled by a Party hereto, controls a Party hereto, or is under common control with a Party hereto, and “control” means beneficial ownership of greater than fifty percent (50%) of an entity’s then-outstanding voting securities or ownership interests.
7. **“Attachment(s)”** means documents appended to the contract containing additional terms for products and Services. Attachments and the terms and conditions contained therein are part of this Agreement.
8. **“Confidential Information”** means any information disclosed by or on behalf of the Disclosing Party) to the Receiving Party that should reasonably be considered as confidential given the nature of the information and the circumstances surrounding its disclosure.
9. **“Customer Care”** means Customer support operations delivered by RingCentral and/or its subcontractors.
10. **“Customer Content”** means the content of calls, facsimiles, SMS messages, voicemails, voice recordings, shared files, conferences, or other communications transmitted or stored through the Services.
11. **“Digital Line”** means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits an End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.
12. **“Disclosing Party”** means the Party disclosing Confidential Information or on whose behalf Confidential Information is disclosed by such Party’s agents, including but not limited to, its Affiliates, officers, directors, employees, and attorneys.
13. **“Electronic Signatures”** means an electronic sound, symbol, or process, including clicking a digital button to accept, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.
14. **“End Point”** means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.
15. **“End User”** means an individual user to whom Customer makes the Services available, and may be a natural person, and may include but is not limited to Customer’s employees, consultants, clients, external users, invitees, contractors, and agents.
16. **“Helpdesk Support”** shall mean the performance of the following tasks:
 - Standard feature/functionality (“how to”) support for End Users (i.e. call forwarding, voice mail set-up, etc.).
 - Standard management of the Admin Interface within the product.
 - Support all moves, adds, changes, and deletes of employees.
17. **“Indemnifiable Amounts”** means all (X) damages and other amounts awarded against the Indemnified Party by a court of competent jurisdiction pursuant to a final judgment in connection with such Third-Party Claim; (Y) any amounts payable by the Indemnified Party or its Affiliates pursuant to a binding, written agreement settling the Third Party Claim, provided such agreement is approved in advance in writing by the Indemnifying Party; and (Z) all reasonable costs and expenses paid to third parties by the Indemnified Party or its Affiliates in connection with the Indemnified Party’s or its Affiliates’ attorneys’ fees and related expenses.
18. **“Indemnifying Party”** and **“Indemnified Party”** have the meanings set forth in Section 11(C) (Defense and Indemnification Procedures).
19. **“Initial Term”** has the meaning set forth in Section 2(D) (Services Term).

20. **“Intellectual Property Rights”** or **“IP Rights”** means all common law and statutory rights (whether registered or unregistered, or recorded or unrecorded, regardless of method) arising out of or associated with: (a) patents and patent applications, inventions, industrial designs, discoveries, business methods, and processes; (b) copyrights and copyright registrations, and “moral” rights; (c) the protection of trade and industrial secrets and Confidential Information; (d) other proprietary rights relating to intangible property; (e) trademarks, trade names and service marks; (f) a person’s name, likeness, voice, photograph or signature, including without limitation rights of personality, privacy, and publicity; (g) analogous rights to those set forth above; and (h) divisions, continuations, continuations-in-part, renewals, reissuances and extensions of the foregoing (as applicable).
21. **“Law”** means any law, statute, regulation, rule, ordinance, administrative guidance, treaty or convention, or court or administrative order or ruling of any governing Federal, State, local or non-U.S. governmental body with jurisdiction over the Services.
22. **“Order Form(s)”** means a request for Service describing the type and quantity of Services required by Customer and submitted and accepted by the Parties in accordance with Section 2(A) (Ordering Services). The Order Form may be presented and executed via the Administrative Portal.
23. **“Receiving Party”** means the Party or its agents, including, but not limited to its Affiliates, officers, directors, employees, and attorneys receiving Confidential Information.
24. **“Renewal Term”** has the meaning set forth in Section 2(D) (Services Term).
25. **“RingCentral Network”** means the network and supporting facilities between and among the RingCentral points of presence (“PoP(s)”), up to and including the interconnection point between the RingCentral’s network and facilities, and the public Internet, and the Public Switched Telephone Network (PSTN). The RingCentral Network does not include the public Internet, a Customer’s own private network, or the PSTN.
26. **“Service(s)”** means all services provided under this Agreement and set forth in one or more Order Form(s).
27. **“Start Date”** means the date so identified in the relevant Order Form or the date on which Customer orders Services via the Administrative Portal.
28. **“Taxes”** means any and all federal, state, local, municipal, foreign, and other taxes and fees charged or collected from Customers, including but not limited to any Universal Service Fund, TRS and 911 taxes and fees.
29. **“Term”** means the Initial Term plus any Renewal Terms.
30. **“Third Party Claim”** has the meaning set forth in Section 11(A) (Indemnification by RingCentral).
31. **“Use Policy”** refers to any of the policies identified in Section 5(B) (Use Policies).

ATTACHMENT A SERVICE ATTACHMENT - RINGEX SERVICES

This Service Attachment is a part of the Master Services Agreement (the “**Agreement**”) that includes the terms and conditions agreed by the Parties under which RingCentral will provide to the Customer the RingEX Services as described under the applicable Order Form (the “**Services**”).

1. Service Overview

The Services are a cloud-based unified communications service that includes enterprise-class voice, fax, call handling, mobile apps, and bring-your-own-device (BYOD) capability that integrates with a growing list of applications.

The Services include:

- Voice Services, including extension-to-extension calling and the ability to make and receive calls to and from the public switched telephone network (PSTN)
- Video and audio-conferencing service, including screen sharing
- Collaboration Tools, including One-to-One and Team Chat, File Sharing, task management, SMS/Texting (where available), and other innovative tools

The Services may be accessed from a variety of user End Points, including IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.

2. RingEX Purchase Plans

A. Tiers of Service. The Services are made available in several pricing tiers, which are described more fully at <https://www.ringcentral.com/office/plansandpricing.html>. While RingCentral offers unlimited monthly plans for some of its products and services, RingCentral Services are intended for regular business use. “Unlimited” use does not permit any use otherwise prohibited by the Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>, including trunking, access stimulation, reselling of the Services, etc. Use of the RingCentral AI Assistant capabilities is subject to the applicable terms contained in the AI Assistant Add-On Service Description available at <https://www.ringcentral.com/legal/add-on-services.html#qlinks-12>.

B. Minute and Calling Credit Bundles. Each plan includes a number of Toll-Free minutes, per month, which are pooled to create a single allotment of Toll-Free minutes available for the entire account. Core/Advanced/Ultra tier plans include a monthly allotment of 100/1000/10000 toll free minutes per account, respectively. Overage charges of 3.9¢ per minute apply to calls made in excess of allotment.

International Calling Credit Bundles can be purchased in addition to any base amount included with the purchased tier. International External Calls are charged against Calling Credits on the Account per destination rates, or as overage once Calling Credits are exceeded. Currently effective rates are available at <https://www.ringcentral.com/support/international-rates.html>.

Extension-to-Extension Calls within the Customer account never incur any usage fee and are unlimited, except to the extent that such calls are forwarded to another number that is not on the Customer account.

Additional Calling Credits may be purchased through the Auto-Purchase feature, which can be selected for automatic purchase in various increments on the Administrative Portal. Auto-Purchase is triggered when the combined usage of all End Users on an Account exceeds the total Calling Credits or when End Users make calls with additional fees (e.g., 411).

Minute Bundles and Calling Credit Bundles expire at the end of month and cannot roll over to the following month. Auto-Purchased Calling Credits expire twelve (12) months from date of purchase. Bundles may not be sold, transferred, assigned, or applied to any other customer.

C. Enhanced Business SMS Allotment and Pricing. Each plan includes a number of SMS per each user, per month, which are pooled to create a single allotment of SMS available to the entire account. Core/Advanced/Ultra tier plans include a monthly allotment of 25/100/200 SMS, per user respectively. Each SMS sent or received will be deducted from the pool of available SMS on the account. Overage charges apply to SMS sent or received in excess of allotment and will be charged at the then-applicable rates, available at <https://www.ringcentral.com/support/new-sms-rates.html>. Additional SMS bundles are available for purchase at discounted prices. Customer must successfully register phone numbers with the SMS registrar prior to using SMS. RingCentral may attempt to deliver SMS sent from unregistered phone numbers at its discretion, however unregistered SMS are excluded from the monthly allotment and any purchased SMS bundles, and will be charged at then-applicable unregistered SMS rates, available at <https://www.ringcentral.com/support/new-sms-rates.html>.

3. Operator Assisted Calling, 311, 511 and other N11 Calling

RingCentral does not support 0+ or operator assisted calling (including, without limitation, collect calls, third party billing calls, 900, or other premium line numbers or calling card calls). The Services may not support 211, 311, 411, 511 and/or N11 calling. To the extent they are supported, additional charges may apply for these calls.

4. Directory Listing Service

RingCentral offers directory listing (the “**Directory Listing Service**”). If Customer subscribes to the Directory Listing Service, RingCentral will share certain Customer Contact Data with third parties as reasonably necessary to include in the phone directory (“**Listing Information**”). This information may include, but is not limited to, Customer’s company name, address, and phone numbers. Customer authorizes RingCentral to use and disclose the Listing Information for the purpose of publishing in, and making publicly available through, third-party directory listing services, to be selected by RingCentral or third-party service providers in their sole discretion. Customer acknowledges and agrees that by subscribing to the Directory Listing Service, Customer’s Listing Information may enter the public domain and that RingCentral cannot control third parties’ use of such information obtained through the Directory Listing Service.

- A. **Opt Out.** Customer may opt out of the Directory Listing Service at any time; however, RingCentral is not obligated to have Customer’s Listing Information removed from third-party directory assistance listing services that have already received Customer’s information.
- B. **No Liability.** RingCentral will have no responsibility or liability for any cost, damages, liabilities, or inconvenience caused by calls made to Customer’s telephone number; materials sent to Customer, inaccuracies, errors or omissions with Listing Information; or any other use of such information. RingCentral will not be liable to Customer for any use by third parties of Customer’s Listing Information obtained through the Directory Listing Service, including without limitation the use of such information after Customer has opted out of the Directory Listing Service.

5. Global RingEX or RingCentral Global Office.

Global RingEX (which is also known as RingCentral Global Office and references in the Service Description to Global RingEX shall also refer to Global Office) provides a single communications system to companies that have offices around the world, offering localized service in countries for which Global RingEX is available. Additional information related to Global RingEX Services is available at <http://www.ringcentral.com/legal/policies/global-office-countries.html>. This section sets forth additional terms and conditions concerning RingCentral’s Global RingEX for customers that subscribe to it.

- A. **Emergency Service Limitations for Global RingEX.** RingCentral provides access to Emergency Calling Services in many, but not all, countries in which RingCentral Global RingEX is available, allowing End Users in most countries to access Emergency Services. Emergency Services may only be accessed within the country in which the Digital Line is assigned, e.g., an End User with a Digital Line assigned in Ireland may dial Emergency Services only within Ireland. Access to Emergency Calling Services in RingCentral Global RingEX countries, where available, is subject to the Emergency Services Policy, available at <https://www.ringcentral.com/legal/emergency-services.html>. Customer must make available and will maintain at all times traditional landline and/or mobile network telephone services that will enable End Users to call the applicable Emergency Services number. Customer may not use the RingCentral Services in environments requiring fail-safe performance or in which the failure of the RingCentral Services could lead directly to death, personal injury, or severe physical or environmental damage.
- B. **Global RingEX Provided Only in Connection with Home Country Service.** RingCentral provides Global RingEX Service only in connection with Services purchased in the Home Country. RingCentral may immediately suspend or terminate Customer’s Global RingEX Services if Customer terminates its Digital Lines in the Home Country. All invoicing for the Global RingEX Services will be done in the Home Country on the Customer’s Account, together with other Services purchased under this Agreement, using the Home Country’s currency. Customer must at all times provide a billing address located in the Home Country. RingCentral will provide all documentation, licenses, and services in connection with the Global RingEX Service in English; additional language support may be provided at RingCentral’s sole discretion.
- C. **Primary Place of Use of Global RingEX Service.** Customer represents and warrants that the primary place of use of the Global RingEX Services will be the country in which the Digital Line is assigned, e.g., an End User with a Digital Line assigned in Ireland will primarily use that Digital Line in Ireland.
- D. **Relationships with Local Providers.** In connection with the provision of Global RingEX Services, RingCentral relies on local providers to supply certain regulated communication services; for example (i) for the provision of local telephone numbers within local jurisdictions; (ii) to enable you to place local calls within local jurisdictions; and (iii) to enable you to receive calls from non-RingCentral numbers on Customer’s Global RingEX telephone number(s), by connecting with the local public switched telephone network. Customer hereby appoints RingCentral as Customer’s agent with power of attorney (and such appointment is coupled with an interest and is irrevocable during the Term) to conclude and enter into agreements with such local providers on Customer’s behalf to secure such services. RingCentral’s locally licensed affiliates provide all telecommunications services offered to Customer within the countries in which such affiliates are licensed; in some cases, RingCentral may obtain services from locally licensed providers on Customer’s behalf. RingCentral is responsible for all contracting, billing, and customer care related to those services. Customer is responsible for providing RingCentral with all information necessary for RingCentral to obtain numbers in Global RingEX countries.

6. **Additional Services.** RingCentral offers add-on services for the Services (where available), which are described at <https://www.ringcentral.com/legal/microsoft-teams-services-attachment.html>. Additional terms or charges may apply, depending on the selected features.
7. **Bring Your Own Carrier (BYOC) Services.** RingCentral offers a software-as-a-service in which customers provide and maintain their own local telecommunications services, which may be connected to RingCentral's cloud PBX, videoconferencing, and team messaging services. BYOC and additional terms are described and available at <https://www.ringcentral.com/legal/BYOC-service-description.html>.
8. **Definitions.** Terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. For purposes of this Service Attachment, the following terms have the meanings set forth below:
 - A. **“Digital Line”** means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits the End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.
 - B. **“End Point”** means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.
 - C. **“Extension-to-Extension Calls”** means calls made and received between End Points on the Customer Account with RingCentral, regardless of whether the calls are domestic or international.
 - D. **“External Calls”** means calls made to or received from external numbers on the PSTN that are not on the Customer Account with RingCentral.
 - E. **“Home Country”** means the United States or the country that is otherwise designated as Customer’s primary or home country in the Order Form.

ATTACHMENT B SERVICE ATTACHMENT - RINGCX SERVICES

This Service Attachment is a part of the Master Services Agreement (the “**Agreement**”) that includes the terms and conditions agreed by the Parties under which RingCentral will provide to the Customer the RingCX Services as described under the applicable Order Form.

In the event of any conflict between the provisions of the Agreement and the provisions of this Service Attachment, such provisions of this Service Attachment will prevail.

1. Service Overview

“**RingCX Services**” is a cloud-based, contact center and omnichannel communications solution consisting of inbound and outbound voice media routing, queuing, and distribution as well as digital channel management, and related services, applications, and features, whether included as part of a Subscription Package or ordered separately.

2. Billing and Payment

A. Billing

Starting at the Start Date set forth in the Order Form and until the end of the Term, You agree to pay for: a) the RingCX Services fees for at least the number of Seats set forth in the RingCX Services Order (as amended as permitted below) (an “**RingCX Contract Seat**”) based on the per Seat pricing set forth in the RingCX Services Order (the “**RingCX Contract Seat Price**”), as amended from time to time, regardless of the number of Seats being used; b) any Usage (per minute) fees; c) any Subscription Packages set forth in the RingCX Services Order (e.g. Interactive RingCX Response, minutes, international minutes); and d) any additional fees set forth in the RingCX Services Order.

B. Adding New RingCX Contract Seats

You may add RingCX Contract Seats at any time either through a new RingCX Services Order or a written amendment executed by You and RingCentral. The RingCX Services fees related to these additional RingCX Contract Seats will be billed at the per Seat price set forth in the RingCX Order form. For the avoidance of doubt, You will be required to pay for RingCX Services fees related to these additional RingCX Contract Seats until the end of the Term.

C. Adding On-Demand RingCX Seats

At any time, You may utilize additional Seats with your RingCX Services on an as-needed basis (each, an “**On-Demand RingCX Seat**”). You will be billed for any RingCX Services at the rate of the RingCX Contract Seat Price plus an overage charge determined by the purchased subscription tier, which is described on the applicable Order Form (the “**On-Demand RingCX Price**”). Billing for any On-Demand RingCX Seat will continue until removed from Your RingCX Services subscription (which You may do at any time in your discretion). RingCX Services fees for any On-Demand RingCX Seats will be charged for the full month, regardless of the number of days used. For each monthly billing period, You will be charged for the highest number of On-Demand RingCX Seats used within such billing period. Fees for other RingCX Service licenses may be billed at the price set forth in the RingCX Services Order.

3. RingCX Services, Settings, and Modifications

A RingEX account is required to use the RingCX Services. The settings and preferences for your RingCX Services, including without limitation user rights, user skills, and permissions; routing, scripts; registration Information; and activation of On-Demand RingCX Seats, among others, may be set and modified by those individuals whom You allow to have access to the web console (“**Account Administrators**”). The Customer acknowledges that the acts or omissions of the Account Administrators may result in additional charges or affect RingCX Services. The Customer will be solely responsible for the acts or omissions and the impact on billable amounts of the Account Administrators.

4. Use of RingCX Services

You acknowledge and agree that all use of the RingCX Services shall be subject to this Service Attachment and the Agreement, including without limitation the use policies and data privacy policies. You acknowledge and agree that You are fully responsible and liable for all use of the RingCX Services, any software or hardware used in conjunction with the RingCX Services, and any and all fees and charges that are incurred as a result of such use. Notwithstanding anything to the contrary stated in the Agreement, the use of the RingCX Services shall be subject to the following terms:

- A. **NO 911 SERVICE. YOU ACKNOWLEDGE AND AGREE THAT 911 / EMERGENCY CALLS OR MESSAGES MAY NOT BE PLACED OR SENT THROUGH THE RINGCX SERVICES, AND NO 911 CALLING OR SMS OR OTHER EMERGENCY MESSAGING SERVICE IS OFFERED OR PROVIDED WITH THE RINGCX SERVICES. YOU MUST MAKE AVAILABLE ALTERNATIVE ARRANGEMENTS TO PLACE 911 CALLS.**
- B. **Customer 911 Notification Obligations.** You represent, warrant, and covenant that: (i) You shall ensure that any person who might use the RingCX Services or be present at the physical location where any the RingCX Services might be accessed or used is fully informed and aware that he or she will not be able to place calls or send messages to 911 or other emergency response services through the RingCX Services; and (ii) You shall provide all of the foregoing parties with an alternate method by which to place such calls and, as applicable, to send such messages.

- C. Cardholder Data.** You acknowledge and agree that when using RingCX Services, You will not record or store Cardholder Data (“CHD”) as that term is defined by the PCI Data Security Standard. If You are required to receive CHD using the RingCX Services, You will pause any recordings or otherwise ensure that no CHD is being recorded or saved to the RingCentral platform.

5. Compliance and Regulations

You disclaim and deny any reliance on any marketing materials relating to the RingCX Services with regard to Telephone Consumer Protection Act (“TCPA”) compliance and/or the Telemarketing Sales Rule. Any statements regarding the TCPA or other legal compliance are opinion only, and You are ultimately responsible for making your own determinations regarding the requirements of the TCPA and its applicability to the RingCX Services.

RingCentral shall not redesign or otherwise modify its Manual Dial product, including any relevant hardware or software, in a manner that would give it the capacity to dial randomly or sequentially generated numbers, function as a predictive dialer or dial numbers in any manner that does not require human intervention for each call.

6. Artificial Intelligence

AI features, whether included in a package tier or offered as an add-on to an existing page, are subject to the specific product terms applicable to those features. These terms may be substantive and should be reviewed prior to purchase (such copy is available at <https://www.ringcentral.com/legal/add-on-services.html#qlinks-9> and are incorporated by reference into these terms.

7. Definitions

Terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. For purposes of this Service Attachment, the following terms have the meanings set forth below:

- A. “RingCX Materials”** means documentation, either electronic or otherwise, that RingCentral provides or makes available to the Customer describing the RingCX Services, including the components of each Subscription Package, if applicable, and any other features and functionality offered as part of the RingCX Services. The RingCX Materials may include without limitation manuals, product descriptions, user or installation instructions, diagrams, printouts, listings, flowcharts, and training materials related to the RingCX Services.
- B. “RingCX Services Order”** is an Order form executed by the Parties under the terms of the Agreement and this Service Attachment, setting out the details of the subscription to the RingCX Services, including any Subscription Package, and any additional products, services and functionality purchased by the Customer.
- C. “Interactive Voice Response” or “IVR”** means a module that allows customers to script automated voice interactions, accessing third-party services and databases when needed to service the customer. IVR-only packages do not include any services or restrictions related to Seats.
- D. “Seat”** means either: i) a named license based on the named persons that use the RingCX Services, or ii) a concurrent license based on the number of persons simultaneously using the RingCX Services. Each Seat includes 2,000 minutes of IVR per month unlimited inbound and manually dialed outbound domestic minutes, and 5GB storage for screen recording (if configured by Customer). All use is subject to the Acceptable Use Policy. Overages apply.
- E. “Subscription Package”** is a set of RingCX Services features and applications, as further defined in the RingCX Materials, that could be ordered as a bundle.
- F. “Usage”** means any charges incurred in connection with the use of your RingCX Services, including, without limitation, local, long-distance, international, and toll-free minutes, charges, storage (if applicable), and any products listed on the RingCX Service Order.

ATTACHMENT C RINGCENTRAL SECURITY ADDENDUM

1. Scope

This document describes the Information Security Measures (“**Measures**”) that RingCentral has in place when processing Protected Data through RingCentral Services.

2. Definitions

For purposes of this Security Addendum only, capitalized terms, not otherwise defined herein, have the meaning set forth in the Agreement.

- A. “**Ring Central Services**”, or “**Services**”, means services offered by RingCentral and acquired by the Customer.
- B. “**Customer**” means the entity that entered into the Agreement with RingCentral.
- C. “**Protected Data**” means Customer and partner data processed by RingCentral Services, as defined in the applicable RingCentral DPA or Agreement, including “personal data” and “personal information” as defined by applicable privacy laws, confidential data as defined in the Agreement, account data, configuration data, communication content including messages, voicemail, and video recording.
- D. “**Agreement**” means the agreement in place between RingCentral and the Customer for the provision of the Services.
- E. “**Personnel**” means RingCentral employees, contractors or subcontracted Professional Services staff.

3. Information Security Management

A. Security Program

RingCentral maintains a written information security program that:

- i. Includes documented policies or standards appropriate to govern the handling of Protected Data in compliance with the Agreement and with applicable law.
- ii. Is managed by a senior employee responsible for overseeing and implementing the program.
- iii. Includes administrative, technical, and physical safeguards reasonably designed to protect the confidentiality, integrity, and availability of Protected Data.
- iv. Is appropriate to the nature, size, and complexity of RingCentral’s business operations.

B. Security Policy Management

RingCentral’s security policies, standards, and procedures:

- i. Align with information security established industry standards.
- ii. Are subject to ongoing review.
- iii. May be revised to reflect changes in industry best practices.

C. Risk Management

RingCentral:

- i. Performs cybersecurity risk assessments to identify threats to their business or operations at least annually.
- ii. Updates RingCentral policies, procedures and standards as needed to address threats to RingCentral’s business or operations.

4. Independent security assessments

A. External Audit

RingCentral:

- i. Uses qualified independent third-party auditors to perform security audits covering systems, environments, and networks where Protected Data is processed, including
 - a. SOC2 Type II
 - b. IES/ISO 27001.
- ii. maintains additional audits and compliance certifications as appropriate for RingCentral’s business and as identified at www.ringcentral.com/trust-center.html.

B. Distribution of Reports

Copies of relevant audit reports and certifications:

- i. Will be provided to Customer on request.

- ii. Are subject to Non-Disclosure Agreement.

C. Annual Risk Assessment Questionnaire

Customer may, on one (1) occasion within any twelve (12) month period, request that RingCentral complete a third-party risk assessment questionnaire within a reasonable time frame.

In case of conflict between this section and the equivalent section in the RingCentral DPA, the DPA takes precedence.

5. Human Resource Security

A. Background Checks

RingCentral requires pre-employment screenings of all employees. RingCentral ensures criminal background searches on its employees to the extent permitted by law. Each background check in the US includes:

- i. An identity verification (SSN trace).
- ii. Criminal history checks for up to seven (7) years for felony and misdemeanors at the local, state, and federal level, where appropriate.
- iii. Terrorist (OFAC) list search, as authorized by law.

Internationally, criminal history checks are conducted as authorized by local law.

Background checks are conducted by a member of the National Association of Professional Background Screeners or a competent industry-recognized company in the local jurisdiction.

B. Training

RingCentral will ensure that all employees including contractors:

- i. Complete annual training to demonstrate familiarity with RingCentral's security policies.
- ii. Complete annual training for security and privacy requirements, including CyberSecurity awareness, GDPR, and CCPA.
- iii. Have the reasonable skill and experience suitable for employment and placement in a position of trust within RingCentral.

C. Workstation Security

RingCentral ensures that:

- i. RingCentral employees either use RingCentral owned and managed devices in the performance of their duties or Bring Your Own Device (BYOD) device.
- ii. All devices, whether RingCentral owned and managed or Bring Your Own Device (BYOD) device, are enrolled in the full RingCentral managed device program.

D. Data Loss Prevention

RingCentral employs a comprehensive system to prevent the inadvertent or intentional compromise of RingCentral data and Protected Data.

E. Due Diligence Over Sub-Contractors

RingCentral will:

- i. maintain a security process to conduct appropriate due diligence prior to engaging sub-contractors.
- ii. assess the security capabilities of any such sub-contractors on a periodic basis to ensure subcontractors' ability to comply with the Measures described in this document.
- iii. apply written information security requirements that oblige sub-contractors to adhere to RingCentral's key information security policies and standards consistent with and no less protective than these Measures.

F. Non-Disclosure

RingCentral ensures that employees and contractors/sub-contractors who process Protected Data are bound in writing by obligations of confidentiality.

6. Physical Security

A. General

RingCentral:

- i. Restricts access to, controls, and monitors all physical areas where RingCentral Services process Protected Data ("**Secure Areas**").
- ii. Maintains appropriate physical security controls on a 24-hours-per-day, 7-days-per-week basis ("**24/7**").

- iii. Revokes any physical access to Secure Areas promptly after the cessation of the need to access buildings and system(s).
- iv. Performs review of access rights on at least an annual basis.

B. Access and Authorization Processes

RingCentral maintains a documented access authorization and logging process. The authorization and logging process will include at minimum:

- i. Reports detailing all access to Secure Areas, including the identities and dates and times of access.
- ii. Reports to be maintained for at least one year as allowed by law.
- iii. Video surveillance equipment to monitor and record activity at all Secure Areas entry and exit points on a 24/7 basis to the extent permitted by applicable laws and regulations.
- iv. Video recording to be maintained for at least 30 days or per physical location provider's policies.

C. Data Centers

To the extent that RingCentral is operating or using a data center, RingCentral ensures that physical security controls are in alignment with industry standards such as ISO 27001 and SSAE 16 or ISAE 3402 or similar standard including:

- i. Perimeter security including fencing/barriers and video surveillance.
- ii. Secure access including security guard/reception.
- iii. Interior access controlled through RFID cards, 2FA, anti-tailgating controls.
- iv. Redundant utility feeds and support for continuous delivery through backup systems.
- v. Redundant network connection from multiple providers.

7. Logical Security

A. User Identification and Authentication

RingCentral:

- i. Maintains a documented user management lifecycle management process that includes manual and/or automated processes for approved account creation, account removal and account modification for all Information Resources and across all environments.
- ii. Ensures that RingCentral users have an individual accounts for unique traceability.
- iii. Ensures that RingCentral users do not use shared accounts; where shared accounts are technically required controls are in place to ensure traceability.
- iv. RingCentral user passwords are configured aligned with current NIST guidance.

For the customer facing applications, Customers may choose to integrate with SSO (Single Sign on) so that Customer retains control over their required password settings including Customer's existing MFA/2FA solutions.

B. User Authorization and Access Control

RingCentral:

- i. Configures remote access to all networks storing or transmitting Protected Data to require multi-factor authentication for such access.
- ii. Revokes access to systems and applications that contain or process Protected Data promptly after the cessation of the need to access the system(s) or application(s).
- iii. Has the capability of detecting, logging, and reporting access to the system and network or attempts to breach security of the system or network.

RingCentral employs access control mechanisms that are intended to:

- i. Limit access to Protected Data to only those Personnel who have a reasonable need to access said data to enable RingCentral to perform its obligations under the Agreement.
- ii. Prevent unauthorized access to Protected Data.
- iii. Limit access to users who have a business need to know.
- iv. Follow the principle of least privilege, allowing access to only the information and resources that are necessary.
- v. Perform review access controls on a minimum annual basis for all RingCentral's systems that transmit, process, or store Protected Data.

8. Telecommunication and Network Security

A. Network Management

RingCentral:

- i. Maintains network security program that includes industry standard firewall protection and two-factor authentication for access to RingCentral's networks.
- ii. Deploys an Intrusion Detection Systems (IDS) and/or Intrusion Prevention Systems (IPS) to generate, monitor, and respond to alerts which could indicate potential compromise of the network and/or host.
- iii. Monitors web traffic from the Internet and from internal sources to detect cyber-attacks including Distributed Denial of Service (DDoS) attacks against web sites / services and to block malicious traffic.

B. Network Segmentation

RingCentral:

- i. Implements network segmentation between the corporate enterprise network and hosting facilities for Services.
- ii. Ensures separation between environments dedicated to development, staging, and production.
- iii. Restricts access between environments to authorized devices.
- iv. Controls configuration and management of network segregation and firewall rules through a formal request and approval process.

C. Network Vulnerability Scanning

RingCentral:

- i. Runs internal and external network vulnerability scans against information processing systems at least quarterly.
- ii. Evaluates findings based on (where applicable) CVSS score and assessment of impact, likelihood, and severity.
- iii. Remediates findings following industry standard timelines.

9. Operations Security

A. Asset Management

RingCentral:

- i. Maintains an accurate and current asset register covering hardware and software assets used for the delivery of services.
- ii. Maintains accountability of assets throughout their lifecycle.
- iii. Maintains processes to wipe or physically destroy physical assets prior to their disposal.

B. Configuration Management

RingCentral:

- i. Maintains baseline configurations of information systems and applications based on industry best practices including:
 - a. Removal of all vendor-provided passwords.
 - b. Remove/disable unused services and settings.
 - c. Anti-malware/endpoint protection as technically feasible.
- ii. Enforces security configuration settings for systems used in the provision of the Services.
- iii. Ensures that clocks of all information processing systems are synchronized to one of more reference time sources.

C. Malicious Code Protection

- i. To the extent practicable, RingCentral has endpoint protection in place, in the form of Endpoint Detection and Response (EDR) and/or antivirus software, installed and running on servers and workstations.
- ii. EDR alerts are monitored, and immediate action is taken to investigate and remediate any abnormal behavior.
- iii. Where used, antivirus software will be current and running to scan for and promptly remove or quarantine viruses and other malware on Windows servers and workstations.

D. Vulnerability, Security Patching

RingCentral:

- i. Monitors for publicly disclosed vulnerabilities and exposures for impact to Supplier's information systems and products.

- ii. Ensures quality assurance testing of patches prior to deployment.
- iii. Ensures that all findings resulting from network vulnerability scanning and relevant publicly disclosed vulnerabilities and exposures are remediated according to industry best practices, including CVSS score and assessment of impact, likelihood and severity and are remediated following industry standard timelines.

E. Logging and Monitoring

RingCentral shall ensure that:

- i. All systems, devices or applications associated with the access, processing, storage, communication and/or transmission of Protected Data, generate audit logs.
- ii. Access to Protected Data is logged.
- iii. Logs include sufficient detail that they can be used to detect significant unauthorized activity.
- iv. Logs are protected against unauthorized access, modification, and deletion.
- v. Logs are sent to a centralized location for aggregation and monitoring.

10. Software Development and Maintenance

A. Secure Development Lifecycle

RingCentral:

- i. Applies secure development lifecycle practices, including, during design, development, and test cycles.
- ii. Ensures that products are subject to security design review including threat considerations and data handling practices.
- iii. Ensures that Services are subject to a secure release review prior to promotion to production.

B. Security Testing

As part of the secure development lifecycle, RingCentral:

- i. Performs rigorous security testing, including, as technically feasible:
 - a. static code analysis.
 - b. source code peer reviews.
 - c. dynamic and interactive security testing.
 - d. security logic, or security "QA" testing.
- ii. Ensures that Internet-facing applications are subject to application security assessment reviews and testing to identify common security vulnerabilities as identified by industry-recognized organizations (e.g., OWASP Top 10 Vulnerabilities, CWE/SANS Top 25 vulnerabilities).
- iii. For all mobile applications (i.e. running on Android, Blackberry, iOS, Windows Phone) that collect, transmit or display Protected Data, conducts an application security assessment review to identify and remediate industry-recognized vulnerabilities specific to mobile applications.
- iv. Does NOT use Protected Data for testing.
- v. Makes all reasonable effort to identify and remediate software vulnerabilities prior to release.

C. Annual Penetration Testing

RingCentral:

- i. Engages qualified, independent third-party penetration testers to perform annual penetration test against its Products and environments where Protected Data is hosted.
- ii. Requires sub-processors to perform similar penetration testing against their systems, environments, and networks.
- iii. Ensures remediation of all findings in a commercially reasonable period of time.

D. Product Vulnerability Management

RingCentral:

- i. Uses commercially reasonable efforts to regularly identify software security vulnerabilities in RingCentral Services.
- ii. Provides relevant updates, upgrades, and bug fixes for known software security vulnerabilities, for any software provided or in which any Protected Data is processed.

- iii. Ensures that all findings resulting from internal and external testing are evaluated according to industry best practices, including CVSS score and assessment of impact, likelihood and severity and are remediated following industry standard timelines.

E. Open Source and Third-Party Software

RingCentral:

- i. Maintains an asset registry of all third-party software (TPS) and open-source software (OSS) incorporated into the Services.
- ii. Uses commercially reasonable efforts to ensure the secure development and security of open-source software and third-party software used by RingCentral.
- iii. Uses commercially reasonable efforts to evaluate, track and remediate vulnerabilities of open-source software (OSS) and other third-party libraries that are incorporated into the Services.

11. Data Handling

A. Data Classification

RingCentral maintains data classification standards including:

- i. Public data, data that is generally available or expected to be known to the public.
- ii. Confidential data, data that is not available to the general public.

Protected Data is classified as RingCentral Confidential Data.

B. Data Segregation

RingCentral:

- i. Ensures physical or logical segregation of Protected Data from other customers' data.
- ii. Ensures physical separation and access control to segregate Protected Data from RingCentral data.

C. Encryption of Data

RingCentral:

- i. Shall ensure encryption of Protected Data in electronic form in transit over all public wired networks (e.g., Internet) and all wireless networks (excluding communication over Public Switch Telephone Networks).
- ii. Excepting the Engage Communities feature of Engage Digital, shall ensure encryption of Protected Data in electronic form when stored at rest.
- iii. Uses industry standard encryption algorithms and key strengths to encrypt Protected Data in transit over all public wired networks (e.g., Internet) and all wireless networks.

D. Destruction of Data

RingCentral shall:

- i. Ensure the secure deletion of data when it is no longer required.
- ii. Ensure that electronic media that has been used in the delivery of Services to the Customer will be sanitized before disposal or repurposing, using a process that assures data deletion and prevents data from being reconstructed or read.
- iii. Destroy any equipment containing Protected Data that is damaged or non-functional.

12. Incident Response

RingCentral's incident response capability is designed to comply with statutory and regulatory obligations governing incident response. As such, RingCentral:

- A.** Maintains an incident response capability to respond to events potentially impacting the confidentiality, integrity and/or availability of Services and/or data including Protected Data.
- B.** Has a documented incident response plan based on industry best practices.
- C.** Has a process for evidence handling that safeguards the integrity of evidence collected to including allowing detection of unauthorized access to.
- D.** Will take appropriate steps and measures to comply with statutory and regulatory obligations governing incident response.

When RingCentral learns of or discovers a security event which impacts Protected Data, RingCentral will notify Customer without undue delay and will take commercially reasonable steps to isolate, mitigate, and/or remediate such event.

13. Business Continuity and Disaster Recovery

A. Business Continuity

RingCentral:

- i. Ensures that responsibilities for service continuity are clearly defined and documented and have been allocated to an individual with sufficient authority.
- ii. Has a business continuity plan (BCP) in place designed to provide ongoing provision of the Services to Customer.
- iii. Develops, implements, and maintains a business continuity management program to address the needs of the business and Services provided to the Customer. To that end, RingCentral completes a minimum level of business impact analysis, crisis management, business continuity, and disaster recovery planning.
- iv. Ensures that the scope of the BCP encompasses all relevant locations, personnel and information systems used to provide the Services.
- v. Ensure that its BCP includes, but is not limited to, elements such location workarounds, application workarounds, vendor workarounds, and staffing workarounds, exercised at minimum annually.
- vi. Reviews, updates, and tests the BCP at least annually.

B. Disaster Recovery

RingCentral:

- i. Maintains a disaster recovery plan, which includes, but is not limited to, infrastructure, technology, and system(s) details, recovery activities, and identifies the people/teams required for such recovery, exercised at least annually.
- ii. Ensures that the disaster recovery plan addresses actions that RingCentral will take in the event of an extended outage of service.
- iii. Ensures that its plans address the actions and resources required to provide for (i) the continuous operation of RingCentral, and (ii) in the event of an interruption, the recovery of the functions required to enable RingCentral to provide the Services, including required systems, hardware, software, resources, personnel, and data supporting these functions.

CITY OF SUGAR LAND
STANDARD CONTRACT FOR GENERAL SERVICES (MODIFIED)
\$100K to \$999,999.99
(Rev. 5-22-25)

I. Signatures. By signing below, the parties agree to the terms of this Contract:

CITY OF SUGAR LAND

CONTRACTOR:

By:

By:

DocuSigned by:
Michael Fiocca
DED1147B10E24F7...

Date:

Date: 12/8/2025

Title:

Title: AVP, Public Sector Sales

Company: RingCentral

MATTER NUMBER: 7957M
APPROVED AS TO FORM:

Angela Mann

II. General Information and Terms.

Contractor's Name and Address: RingCentral, Inc.
20 Davis Drive
Belmont, CA 94002

Description of Services: Cloud-Based Communications Platform

Maximum Contract Amount: \$449,221.80
(Year 1 – Hardware, Implementation, and User Licenses & Support: \$127,613.16; Years 2-5 – User Licenses & Support \$80,402.16/year)

Effective Date: On the latest of the dates signed by both parties.

Subscription Start Date: The date on which the City's licensed access to the Services begins.

Termination Date: One year from the Subscription Start Date.

Renewal: This Contract will automatically renew for four (4) additional one-year terms, upon the same terms and conditions provided herein, unless written notice of a party's intent not to renew is received by the other party on or before



INITIAL ORDER FORM

This Initial Order Form is a binding agreement between RingCentral, Inc. (“**RingCentral**”) and **City of Sugar Land** (“**Customer**” or “**You**”) (together the “**Parties**”), for the purchase of the Services, licenses, and products listed herein. This Initial Order Form is subject to and incorporates the terms and conditions of: (i) the separate written agreement, executed by the Parties governing the purchase of the Services described in this Order Form, or (ii) the RingCentral Online Terms of Service available at <https://www.ringcentral.com/legal/eulatos.html>, if there is no written agreement in place (hereinafter (i) and (ii) referred to as the “**Agreement**”). Capitalized terms not defined herein shall have the same meanings as set forth in the applicable Agreement between the Parties. Unless agreed by both Parties in writing, any terms or conditions set forth in a Customer-issued purchase order or ordering document shall not apply.

Please note that RingCentral MVP is now RingEX. All references to “RingCentral MVP”, whether in terms of service, advertising or product descriptions, mean “RingEX”.

Customer

City of Sugar Land

2700 Town Center Blvd N
Sugar Land, TX 77479-1280
United States

Kevin Stubblefield
+1 713-470-8023
kstubblefield@sugarlandtx.gov

Service Provider

RingCentral, Inc.

20 Davis Drive
Belmont, CA 94002
United States

Service Commitment Period

Start Date: Effective Upon Date of Last Signature

Initial Term: 60 Months

Renewal Term: 1 Month

Payment Schedule: Monthly

RingEX Services

Recurring Services			
Summary of Service	Qty	Rate	Subtotal
DigitalLine Unlimited Ultra	260	\$11.29	\$2,935.40
DigitalLine Unlimited Ultra		\$6.79	
Compliance and Administrative Cost Recovery Fee		\$3.50	
e911 Service Fee		\$1.00	
DigitalLine Basic	123	\$5.50	\$676.50
DigitalLine Basic		\$1.00	
Compliance and Administrative Cost Recovery Fee		\$3.50	
e911 Service Fee		\$1.00	
Additional Local Number	812	\$0.49	\$397.88
Monthly Recurring Services*			\$4,009.78

One-Time Items			
Summary of Item(s)	Qty	Rate	Subtotal
Poly Edge E220 IP Phone	80	\$104.30	\$8,344.00
Poly Edge E320 IP Phone	5	\$152.60	\$763.00
One-Time Total			\$9,107.00

RingCX Services

Recurring Services			
Summary of Service	Qty	Rate	Subtotal
RingCX Standard, Named agent seat	30	\$67.28	\$2,018.40
Call recording storage - 30 days, per seat	30	\$0.00	\$0.00
Advanced Support - Enhanced - RCX	30	\$22.40	\$672.00
Monthly Recurring Services*			\$2,690.40

Total Initial Amount	\$15,807.18
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*Amounts are exclusive of applicable Taxes, Fees, and Shipping Charges.

Overage Rates*	
RingCX Services	Rate
RingCX Standard, Named agent seat On Demand	\$87.28
Inbound calls to North America toll-free numbers, per 10 min	\$0.14
Outbound calls via automated dialer to North America numbers, per 10 min	\$0.16
IVR calls processing, overage per 10 minutes	\$0.20
Call recording storage - 30 days, overage per seat	\$0.00
Disconnect Scrub, per 10 scrubs	\$0.08
Automated speech recognition, per 10 minutes	\$0.30
RingCX Analytics - Historical Data Retention 2Y	\$30.00
RingCX Analytics - Historical Data Retention 3Y	\$45.00
RingCX Analytics - Historical Data Retention 4Y	\$60.00
RingCX Analytics - Historical Data Retention 5Y	\$75.00
RingCX Analytics - Historical Data Retention 6Y	\$90.00
RingCX Analytics - Historical Data Retention 7Y	\$105.00
RingCX Analytics - Historical Data Retention 8Y	\$120.00
RingCX Screen Recording Active Storage per 1 GB	\$0.50

NOTE: Customer acknowledges and agrees that if third-party products such as WhatsApp are used, additional fees may be incurred and invoiced by RingCentral on your next billing cycle after such usage occurred.

Cost Center Billing

For customers with cost center billing, it is the Customer's responsibility to provide cost center allocation information to RingCentral at least 10 days prior to the issuance of the invoice. After the information is received, it will be reflected on future invoices, but will not be adjusted retroactively on past invoices. If purchasing additional services through the administrative portal, it is the Customer's responsibility to assign cost centers at the time of purchase; otherwise, those services will not be allocated by cost center on the next invoice. Please note that cost center allocation is not available for certain items, such as minute bundles and credit memos. For additional questions, please contact the RingCentral invoice billing team at billingsupport@ringcentral.com.

Free Services Amount

You will receive the amount(s) indicated below (the "Free Service Amount"), which will be applied against charges for the recurring

Services set forth in this Order Form and any applicable taxes and fees associated with those Services invoiced by RingCentral. The Free Service Amount is non-transferable and non-refundable and will expire upon termination of this Order Form. You will be responsible for paying for any additional services and products ordered, and any applicable associated taxes and fees.

RingEX Free Services Amount: 12,518.28 US Dollars

RingCX Free Services Amount: 8,071.20 US Dollars

Customer Reference. Customer may promote their use of RingCentral services and agrees that RingCentral may identify customer as a user of the services. All press releases or quotes regarding Customer’s use of service will be pre-approved by Customer, which consent will not be unreasonably withheld.

Add-on Services. Customer is responsible for reviewing additional terms and conditions that may apply to RingCentral add-on services (where available) and certain Advanced Support Services listed on this order form, and which are available at <https://www.ringcentral.com/legal/add-on-services.html>.

Special Terms & Notes

Cooperative Contract

- 1. **Applicable Agreement.** This Order Form is subject to the terms and conditions of the Vendor Agreement between The Interlocal Purchasing System (TIPS), Department of Texas Region 8 Education Service Center, and RingCentral, contract 240303.
- 2. TIPS Contract Number 240303 must appear on:
 - A. RingCentral quotations to the TIPS Member;
 - B. The TIPS Member's Purchase Order; and
 - C. The RingCentral invoice to the TIPS Member.
- 3. Eligible Entity must issue RingCentral a purchase order for any subsequent purchases made through the RingCentral Administrative Portal.
- 4. **Renewal.** Eligible Entity’s subscription will not automatically renew. Eligible Entity may renew its subscription with RingCentral under TIPS Contract 240303 until it expires. Subscription terms that exceed the TIPS contract term shall remain valid, subject to any TIPS limiting terms. Eligible Entities that would like to renew subscription services after expiration of TIPS Contract 240303 may, subject to mutual consent of the Parties and the terms of the TIPS contract, continue their subscription under TIPS in one of the following ways:
 - A. If RingCentral does not receive a subsequent TIPS contract award, Eligible Entity may continue to renew its subscription services under TIPS Contract 240303.
 - B. If RingCentral does receive a subsequent TIPS contract award, Eligible Entity may continue to renew its subscription services under that subsequent TIPS contract.

RingCX

RingCX Analytics. RingCX Analytics includes real-time and historical reporting as custom and pre-built visual dashboards with pre-defined reports. RingCentral will retain historical reporting data according to your selected historical data retention period after which data will be purged on a rolling basis. Retention periods apply to all users of the RingCX product and will be billed on a per seat per month basis.

RingCentral will retain one year’s worth of historical reporting data after which any data older than one year, will be purged. Access to longer periods of analytics data may be purchased according to the table above. The applicable retention period selected for the Services above is 1 year.

Customer must contact RingCentral support to modify historical reporting data retention periods, if available.

IN WITNESS WHEREOF, the Parties have executed this Initial Order Form above through their duly authorized representatives.

Customer
City of Sugar Land

RingCentral
RingCentral, Inc.

DocuSigned by:

Michael Fiocca

DEB1147B40E24F7...

By: _____

By: _____

Name: _____

Name: Michael Fiocca

Title: _____

Title: Regional Vice President, Public Sector

Date: _____

Date: 12/8/2025



MASTER SERVICES AGREEMENT

This Master Services Agreement is effective as of the date of last signature (“**Effective Date**”) and made between:

City of Sugar Land (“Customer”)

RingCentral, Inc. (“RingCentral”)

Address:

2700 Town Center Blvd N
Sugar Land, TX 77479-1280

Address:

20 Davis Drive
Belmont, CA 94002

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: Michael Fiocca

Title: Regional Vice President, Public Sector

Date: 12/8/2025

DocuSigned by:
Michael Fiocca
DED1147B10E24E7...

RingCentral and Customer are together referred to as the “Parties” and each individually as a “Party.”

1. The Master Services Agreement (“**Agreement**”) consists of the terms and conditions contained herein, and any Service Attachments applicable to Customer’s Services, and any other Attachments agreed by the Parties, are incorporated into and form a part of this Agreement.

Exhibit A – Definitions

Attachment A – RingEX Services

Attachment B – RingCX Services

Attachment C – Security Addendum

Attachment D – Data Processing Addendum

THE PARTIES AGREE AS FOLLOWS:

2. Ordering and Term

- A. Ordering Services.** Customer may order the Services set forth in the relevant Attachments, attached hereto, by executing an Order Form in the format provided by RingCentral. Customer must submit the Order Form to RingCentral either in writing or electronically via the Administrative Portal. The Order Form will identify the Services requested by Customer together with: (i) the price for each Service; (ii) scheduled Start Date; (iii) and products rented, licensed, or sold to Customer, if any. An Order Form will become binding when it is executed by the Customer and accepted by RingCentral. RingCentral may accept an Order Form by commencing performance of the requested Services. The Services and invoicing for those Services will begin on the Start Date, as identified in the applicable Order Form or on the day Services are ordered via the Administrative Portal. Customer may purchase additional Services, software, and equipment via the Administrative Portal or by executing additional Order Forms.
- B. Equipment.** Subject to availability based on brand and Customer location, Customer may purchase or rent equipment from RingCentral for use with the Services. The terms and conditions that govern any such transaction can be found at:
 - i. Purchase: <http://www.ringcentral.com/legal/ringcentral-hardware-terms-conditions.html>;
 - ii. Rental: <http://www.ringcentral.com/legal/lease-rental.html>, and
 - iii. Device as a Services: <https://www.ringcentral.com/legal/daas-agreement.html>.
- C. Term of this Agreement.** The Term of this Agreement will commence on the Effective Date and continue until the last Order Form is terminated or expires, unless terminated earlier in accordance with its terms.
- D. Services Term.** The Services Term will begin on the Start Date of the initial Order Form and continue for the initial term set forth in the initial Order Form (“**Initial Term**”). Upon expiration of the Initial Term, unless otherwise set forth in the Order Form, the

term recurring Services will automatically renew for successive periods as set forth in the initial Order Form (each a “**Renewal Term**”) unless either Party gives notice of non-renewal at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term. The Term of any recurring Services added to your Account after the initial Order Form is executed will start on the Start Date in the applicable Order Form, will run coterminously with the then-current Term of any preexisting Services unless otherwise extended in the applicable Order Form, and will be invoiced on the same billing cycles as the preexisting Services.

3. Invoicing and Payment

- A. Prices and Charges.** All prices are identified in US dollars on the Administrative Portal or in the applicable Order Form unless otherwise agreed by the Parties. Additional charges may result if Customer activates additional features, exceeds usage thresholds, or purchases additional Services or equipment. Customer will be liable for all charges resulting from use of the Services on its Account. Unless otherwise agreed between the Parties, recurring charges (such as charges for Digital Lines, product licenses, minute bundles, and equipment rental fees) for the Services begin on the Start Date identified in the Administrative Portal or in the applicable Order Form and will remain in effect for the Initial Term (as described in an Order Form) or, if applicable, the then-current Renewal Term. RingCentral will provide notice of any proposed increase in such charges no later than sixty (60) days before the end of the Initial Term or then-current Renewal Term, and any such increase will be effective on the first day of the next Renewal Term. Administrative Fees that RingCentral is entitled to pass on to its customers as a surcharge pursuant to applicable Law may be increased on thirty (30) days’ written notice. Outbound calling rates will be applied based on the rate in effect at the time of use. Customer may locate the currently effective rates in the Administrative Portal.
- B. Invoicing and Payment.** Invoices will be issued in accordance with the payment terms set forth in the Order Form. If Customer chooses to pay by credit or debit card, by providing a valid credit or debit card, Customer is expressly authorizing all Services and equipment charges and fees to be charged to such payment card, including recurring payments billed on a monthly or annual basis. In addition, Customer’s provided credit card shall be used for any in-month purchases of additional services and products, or where Customer has exceeded usage or threshold limits, any overage charges. Unless otherwise stated in the applicable Order Form, recurring charges are invoiced in advance in the frequency set forth in the Order Form, and usage-based and onetime charges are billed monthly in arrears. Customer shall make payment in full, without deduction or set-off, within thirty (30) days of the invoice date. Any payment not made when due may be subject to a late payment fee equivalent to the lesser of (i) one and a half percent (1.5%) per month or (ii) if applicable, the highest rate allowed by Law. In no event may payment be subject to delays due to Customer internal purchase order process.
- C. Taxes.** All rates, fees, and charges are exclusive of applicable Taxes, for which Customer is solely responsible. Taxes may vary based on jurisdiction and the Services provided. If any withholding tax is levied on the payments, then Customer must increase the sums paid to RingCentral so that the amount received by RingCentral after the withholding tax is deducted is the full amount RingCentral would have received if no withholding or deduction had been made. If Customer is a tax-exempt entity, tax exemption will take effect upon provision to and validation by RingCentral of certificate of tax exemption.
- D. Billing Disputes.** If a Customer reasonably and in good faith disputes any portion of RingCentral’s invoice, it must provide written notice to RingCentral within thirty (30) days of the invoice date, identifying the reason for the dispute and the amount being disputed. Customer’s dispute as to any portion of the invoice will not excuse Customer’s obligation to timely pay the undisputed portion of the invoice. Upon resolution, Customer must pay any validly invoiced unpaid amounts within thirty (30) days. Any amounts that are found to be in error resulting in an overpayment by the Customer will be applied as a billing credit against future invoices. Customer will be reimbursed any outstanding billing credits at the expiration or termination of this Agreement.

4. Provision of the Service

- A. General Terms.** RingCentral will provide the Services as described in the relevant Service Attachment. RingCentral may enhance, replace, and/or change the features of the Services, but it will not materially reduce the core features, functions, or security of the Services during the Term without Customer’s consent.
- B. Customer Care**
 - i.** Customer must provide Helpdesk Support to Customer’s End Users. RingCentral may require Customer’s Helpdesk Support personnel to complete a designated series of training courses on RingCentral’s Services. Such training will be provided to Customer online in English at no cost.
 - ii.** RingCentral will make remote support available to Customer’s Helpdesk Support personnel and/or Account Administrators via the Customer Care call center, which will be available 24/7, to attempt to resolve technical issues with, and answer questions regarding the use of the Services. Unless otherwise agreed by the parties, Customer Care support will be provided in English, and onsite and implementation services are not included in the Customer Care support.
 - iii.** Customer may open a case with Customer Care following the process in place at the time. Any individual contacting Customer Care on behalf of Customer must be authorized to do so on behalf of the Account and will be required to follow applicable authentication protocols.
- C. Professional Services.** RingCentral offers a broad portfolio of professional services that includes onsite and remote implementation services; extended enterprise services including premium technical support; and consulting. Any such services are governed by this Agreement, the Professional Services terms, and any applicable Statement of Work (SOW), which may be attached hereto.

- D. Managed Services.** Customer may purchase Managed Services from RingCentral for use with the Services. The terms and conditions that govern the Managed Services can be found at: <https://www.ringcentral.com/legal/managed-services-attachment.html>.
- E. Subcontracting.** RingCentral may provide any of the Services hereunder through any of its Affiliates or subcontractors, provided that RingCentral will bear the same degree of responsibility for acts and omissions for those subcontractors acting on RingCentral's behalf in the performance of its obligations under this Agreement as it would bear if such acts and omissions were performed by RingCentral directly.

5. Use of the Service

- A. Service Requirements.** The Services are dependent upon Customer's maintenance of sufficient Internet access, networks, and power as set forth in RingCentral's Technical Sufficiency Criteria, available at <https://www.ringcentral.com/legal/policies/technical-sufficiency-criteria.html>. RingCentral will not be responsible for any deficiencies in the provision of the Services if Customer's network does not meet RingCentral's Technical Sufficiency Criteria.
- B. Use Policies.** Customer and its End Users may use the Services only in compliance with this Agreement, applicable Law, and the Use Policies referenced below, which are incorporated into and form part of this Agreement. Customer must ensure that its End Users comply with the Use Policies. Any breach of this Section (Use Policies) will be deemed a material breach of this Agreement. RingCentral may update the Use Policies from time to time and will provide notice of material updates to Customer at the email address on file with the Account. All updates will become effective thirty (30) days after such notice to Customer or upon posting for non-material changes. Customer may object to a modification that negatively impacts its use of the Service by sending written notice ("Objection Notice") to RingCentral within thirty (30) days from the date of the notice of modification. If the Parties cannot reach agreement, then either Party may terminate the affected Services without penalty with thirty (30) days written notice to the other Party.
- i. Acceptable Use Policy.** The Services must be used in accordance with RingCentral's Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>. Notwithstanding anything to the contrary in this Agreement, RingCentral may act immediately and without notice to suspend or limit the Services if RingCentral reasonably suspects fraudulent or illegal activity in the Customer's Account, material breach of the Acceptable Use Policy, or use of the Services that could interfere with the functioning of the RingCentral Network provided such suspension or limitation may only be to the extent reasonably necessary to protect against the applicable condition, activity, or use. RingCentral will promptly remove the suspension or limitation as soon as the condition, activity or use is resolved and mitigated in full. If Customer anticipates legitimate but unusual activity on its Account, Customer should contact Customer Care in advance to avoid any Service disruption.
- ii. Emergency Services.** RingCentral's policy governing the provision of emergency services accessed via the Services is available at <https://www.ringcentral.com/legal/emergency-services.html>.
- iii. Numbering Policy.** The provision, use, and publication of numbers used in conjunction with the Services are governed by RingCentral's Numbering Policies, available at <https://www.ringcentral.com/legal/policies/numbering-policy.html>.

6. Termination

- A. Termination for Cause.** Either Party may terminate this Agreement and any Services purchased hereunder in whole or part by giving written notice to the other Party: i) if the other Party breaches any material term of this Agreement and fails to cure such breach within thirty (30) days after receipt of such notice; ii) at the written recommendation of a government or regulatory agency following a change in either applicable Law or the Services; or iii) upon the commencement by or against the other Party of insolvency, receivership or bankruptcy proceedings or any other proceedings or an assignment for the benefit of creditors.
- B. Effect of Termination.** If Customer terminates the Services, a portion of the Services, or this Agreement in its entirety due to RingCentral's material breach under Section 6(A) (Termination for Cause), Customer will not be liable for any fees or charges for terminated Services for any period subsequent to the effective date of such termination (except those arising from continued usage before the Services are disconnected), and RingCentral will provide Customer a pro-rata refund of any prepaid and unused fees or charges paid by Customer for terminated Services. If this Agreement or any Services are terminated for any reason other than as a result of a material breach by RingCentral or as otherwise permitted pursuant to Section 6(A) or as set forth in Section 14(I) (Regulatory and Legal Changes) the Customer must, to the extent permitted by applicable Law and without limiting any other right or remedy of RingCentral, pay within thirty (30) days of such termination all amounts that have accrued prior to such termination, as well as all sums remaining unpaid for the Services for the remainder of the then-current Term plus related Taxes and fees.

7. Intellectual Property

A. Limited License

- i.** Subject to, and conditional upon Customer's compliance with, the terms of this Agreement, RingCentral grants to Customer and its End User, a limited, personal, revocable, non-exclusive, non-transferable (other than as permitted under this Agreement), non-sublicensable license to use any software provided or made available by RingCentral to the Customer as part of the Services ("Software") to the extent reasonably required to use the Services as permitted by this Agreement, only for the duration that Customer is entitled to use the Services and subject to the Customer being current on its payment obligations.

- ii. Customer will not, and will not allow its End Users, to: (a) sublicense, resell, distribute or assign its right under the license granted under this Agreement to any other person or entity; (b) modify, adapt or create derivative works of the Software or any associated documentation; (c) reverse engineer, decompile, decrypt, disassemble or otherwise attempt to derive the source code for the Software; (d) use the Software for infringement analysis, benchmarking, or for any purpose other than as necessary to use the Services Customer is authorized to use; (e) create any competing Software or Services; or (f) remove any copyright or other proprietary or confidential notices on any Software or Services.

B. IP Rights

- i. **RingCentral's Rights.** Except as expressly provided in this Agreement, the limited license granted to Customer under Section 7(A) (Limited License) does not convey any ownership or other rights or licenses, express or implied, in the Services (including the Software), any related materials, or in any Intellectual Property and no IP Rights or other rights or licenses are granted, transferred, or assigned to Customer, any End User, or any other party by implication, estoppel, or otherwise. All rights not expressly granted herein are reserved and retained by RingCentral and its licensors. The Software and Services may comprise or incorporate services, software, technology, or products developed or provided by third parties, including open-source software or code. Customer acknowledges that misuse of RingCentral Services may violate third-party IP rights.
- ii. **Customer Rights.** As between RingCentral and Customer, Customer retains title to all IP Rights that are owned by the Customer or its suppliers. To the extent reasonably required or desirable for the provision of the Services, Customer grants to RingCentral a limited, personal, non-exclusive, royalty-free, license to use Customer's IP Rights in the same. Customer must provide (and is solely responsible for providing) all required notices and obtaining all licenses, consents, authorizations, or other approvals related to the use, reproduction, transmission, or receipt of any Customer Content that includes personal or Confidential Information or incorporates any third-party IP rights.

- C. **Use of Marks.** Neither Party may use or display the other Party's trademarks, service mark or logos in any manner without such Party's prior written consent.

8. Confidentiality

- A. **Restrictions on Use or Disclosures by Either Party.** During the Term of this Agreement and for at least one (1) year thereafter, the Receiving Party shall hold the Disclosing Party's Confidential Information in confidence, shall use such Confidential Information only for the purpose of fulfilling its obligations under this Agreement, and shall use at least as great a standard of care in protecting the Confidential Information as it uses to protect its own Confidential Information.

Each Party may disclose Confidential Information only to those of its employees, agents or subcontractors who have a need to it in order to perform or exercise such Party's rights or obligations under this Agreement and who are required to protect it against unauthorized disclosure in a manner no less protective than required under this Agreement. Each Party may disclose the other Party's Confidential Information in any legal proceeding or to a governmental entity as required by Law.

These restrictions on the use or disclosure of Confidential Information do not apply to any information which is independently developed by the Receiving Party or lawfully received free of restriction from another source having the right to so furnish such information; after it has become generally available to the public without breach of this Agreement by the Receiving Party; which at the time of disclosure was already known to the Receiving Party, without restriction as evidenced by documentation in such Party's possession; or which the Disclosing Party confirms in writing is free of such restrictions.

Upon termination of this Agreement, the Receiving Party will promptly delete, destroy or, at the Disclosing Party's request, return to the Disclosing Party, all Disclosing Party's Confidential Information in its possession, including deleting or rendering unusable all electronic files and data that contain Confidential Information, and upon request will provide the Disclosing Party with certification of compliance with this subsection.

9. Data Protection

- A. **Data Privacy.** RingCentral respects Customer's privacy and will only use the information provided by Customer to RingCentral or collected in the provision of the Services in accordance with RingCentral's Data Processing Addendum, available at <https://www.ringcentral.com/legal/dpa.html>, incorporated by reference. RingCentral may update the Data Processing Addendum from time to time and will provide notice of any material updates to the Customer as required by applicable Laws at the email address on file with the Account. Such updates will be effective thirty (30) days after such notice to Customer.
- B. **Data Security.** RingCentral will take commercially reasonable precautions, including, without limitation, technical (e.g., firewalls and data encryption), organizational, administrative, and physical measures, to help safeguard Customer's Account, Account Data, and Customer Content against unauthorized use, disclosure, or modification. Customer must protect all End Points using commercially reasonable security measures. Customer is solely responsible to keep all user identifications and passwords secure. Customer must monitor use of the Services for possible unlawful or fraudulent use. Customer must notify RingCentral immediately if Customer becomes aware or has reason to believe that the Services are being used fraudulently or without authorization by any End User or third party. Failure to notify RingCentral may result in the suspension or termination of the Services and additional charges to Customer resulting from such use. RingCentral will not be liable for any charges resulting from unauthorized use of Customer's Account.
- C. **Software Changes.** RingCentral may from time-to-time push software updates and patches directly to Customer's device(s) for installation and Customer will not prevent RingCentral from doing so. Customer must implement promptly all fixes, updates, upgrades and replacements of software and third-party software that may be provided by RingCentral. RingCentral will not be

liable for inoperability of the Services or any other Services failures due to failure of Customer to timely implement the required changes.

10. Limitations of Liability

A. Excluded Damages

IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES OR ITS OR THEIR SUPPLIERS BE LIABLE FOR (1) INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES; (2) LOSS OF USE OR LOSS OF DATA; (3) LOSS OF BUSINESS OPPORTUNITIES, REVENUES OR PROFITS; OR (4) COSTS OF PROCURING REPLACEMENT PRODUCTS OR SERVICES, IN ALL CASES WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER THEORY OF LIABILITY, AND EVEN IF SUCH PARTY HAS BEEN INFORMED IN ADVANCE OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN.

B. Liability Caps

EXCEPT AS SET FORTH HEREIN, THE TOTAL CUMULATIVE LIABILITY OF THE PARTIES UNDER THIS AGREEMENT WILL NOT EXCEED THE AMOUNTS PAID OR PAYABLE UNDER THIS AGREEMENT DURING THE PREVIOUS SIX (6) MONTHS. LIMITATIONS UNDER THIS SECTION (LIABILITY CAPS) WILL NOT APPLY TO:

- i. FEES OWED BY CUSTOMER
- ii. EITHER PARTY'S LIABILITY FOR INFRINGEMENT OF THE OTHER PARTY'S IP RIGHTS
- iii. EITHER PARTY'S LIABILITY RESULTING FROM GROSS NEGLIGENCE, FRAUD, OR WILLFUL OR CRIMINAL MISCONDUCT
- iv. CUSTOMER'S LIABILITY RESULTING FROM USE OF THE SERVICES IN BREACH OF THE ACCEPTABLE USE POLICY OR EMERGENCY SERVICES POLICY
- v. EITHER PARTY'S LIABILITY ARISING FROM DEATH OR PERSONAL INJURY CAUSED BY NEGLIGENCE, OR FOR ANY OTHER LIABILITY WHICH MAY NOT BE RESTRICTED, LIMITED, OR EXCLUDED PURSUANT TO APPLICABLE LAW.

11. Indemnification

A. Indemnification by RingCentral

- i. RingCentral shall indemnify and hold harmless the Customer and its Affiliates for Indemnifiable Amounts, and shall defend any third-party claims or causes of action (a **"Third Party Claim"**) to the extent such Third Party Claim arises out of or alleges that:
 - a. The Services, as provided by RingCentral, infringe or misappropriate the patent, copyright, trademark, or trade secret rights of a third party.
- ii. RingCentral will have no obligations under subsection (i) above to the extent the Third Party Claim arises from: (a) use of the Services in combination with data, software, hardware, equipment, or technology not provided or authorized by RingCentral in writing unless any of the foregoing are necessary for the proper operation of the Services; (b) modifications to the Services not made by RingCentral; (c) Customer Content; (d) failure to promptly install any updates of any software or firmware or accept or use any modified or replacement items provided free of charge by or on behalf of RingCentral; (e) breach of the Agreement; or (f) a Third Party Claim brought by Customer's Affiliate, successor, or assignee.
- iii. If such a Third-Party Claim is made or appears possible, Customer agrees to permit RingCentral, at RingCentral's sole discretion and expense, to (a) modify or replace the Services, or component or part thereof, to make it non-infringing or (b) obtain the right for Customer to continue to use the Services. If RingCentral determines that neither alternative is commercially reasonable, RingCentral may terminate this Agreement in its entirety or with respect to the affected Service, component or part (a **"Discontinued Component"**), effective immediately on written notice to Customer, in which case Customer will not owe any fees or charges relating to the Discontinued Component for any period subsequent to the date of such termination, and will be entitled to receive a refund of any prepaid but unused fees relating to the Discontinued Component. In the event the removal of the Discontinued Component does not substantially affect Customer's use of the Services, the refund or fee abatement pursuant to the foregoing shall be a reasonable portion of the total fees owed by Customer for the Services as a whole based on the significance of the Discontinued Component to the total value of the Services as a whole. RingCentral's obligations under this Sub-Section will be RingCentral's sole and exclusive liability and Customer's sole and exclusive remedies with respect to any actual or alleged intellectual property violations.

- B. **Indemnification by Customer.** To the extent permitted by the laws and the constitution of the jurisdiction of Customer, Customer shall indemnify, and hold harmless RingCentral and its Affiliates for Indemnifiable Amounts, and shall defend any Third Party Claims arising out of or in connection with: (i) material violation of applicable Law by the Customer, its Affiliates, or their respective End Users in connection with their use of the Services; (ii) use of the Services in breach of the Use Policies; (iii) failure to promptly install any updates of any software or firmware or accept or use modified or replacement items provided free of charge by or on behalf of RingCentral; or (iv) Customer Content.

- C. **Defense and Indemnification Procedures.** Any Party seeking indemnification under this Section 11 (the **"Indemnified Party"**) shall provide the Party from which it seeks such indemnification (the **"Indemnifying Party"**) with the following: (a) prompt written

notice of the Third-Party Claim, (b) sole control over the defense and settlement of the Third-Party Claim, and (c) reasonable information, cooperation, and assistance (at the Indemnifying Party's sole expense except for the value of the time of the Indemnified Party's personnel) in connection with the defense and settlement of the Third-Party Claim. The Indemnified Party's failure to comply with the foregoing obligations will not relieve the Indemnifying Party of its defense or indemnification obligations under this Section 11 (Indemnification) except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnified Party will have the right to participate (but not control), at its own expense, in the defense of such Third-Party Claim, including any related settlement negotiations. No such claim may be settled by the Indemnifying Party without the Indemnified Party's express written consent (not to be unreasonably withheld, conditioned, or delayed) unless such settlement includes a full and complete release of all claims and actions against the Indemnified Party by each party bringing such Third-Party Claim, requires no admission of fault, liability, or guilt by the Indemnified Party, and requires no act by the Indemnified Party other than the payment of a sum of money fully indemnified by the Indemnifying Party.

12. Warranties

- A. **RingCentral Warranty.** RingCentral will provide the Services using a commercially reasonable level of skill and care, in material compliance with all applicable Laws and otherwise subject to the terms of this Agreement. To the extent permitted by Law, RingCentral shall pass through to Customer any and all warranties RingCentral receives in connection with equipment provided to Customer by or on behalf of RingCentral.
- B. **Customer Warranty.** Customer's and its End Users' use of the Services must always comply with all applicable Laws and this Agreement. Further, when Customer's subscription for Services exceeds one (1) fiscal year, Customer warrants that it shall exercise due diligence and best efforts to secure an adequate appropriation of funds on time from its legislative or similar government body to pay for the contracted Services in the follow-on fiscal year(s).
- C. **Disclaimer of Warranties.** EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT AND TO THE FULLEST EXTENT PERMITTED BY LAW, THE SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE," AND RINGCENTRAL MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUIET ENJOYMENT, AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE IN TRADE, TOGETHER WITH SIMILAR WARRANTIES, WHETHER ARISING UNDER ANY LAW OR OTHERWISE. TO THE EXTENT THAT RINGCENTRAL CANNOT DISCLAIM ANY SUCH WARRANTY AS A MATTER OF APPLICABLE LAW, THE SCOPE AND DURATION OF SUCH WILL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY LAW.

13. Dispute Resolution

- A. **Governing Law.** Any dispute arising out of or relating to this Agreement shall be governed and construed in accordance with the laws of TX, without regard to its choice of law rules, and the parties agree to submit to the jurisdiction of, and venue in, the courts in that state. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement or Customer's use of the products or Services.
- B. **Good Faith Attempt to Settle Disputes.** In the event of a dispute, each Party shall appoint a duly authorized representative who shall use all reasonable endeavors to resolve in good faith any dispute within reasonable timescales.
- C. **Equitable Relief.** Any breach of either Party's IP Rights may cause that Party irreparable harm for which monetary damages will be inadequate and such Party may, in addition to other remedies available at Law or in equity, obtain injunctive relief without the necessity of posting a bond or other security, proof of damages, or similar requirement, in addition to any other relief to which such Party may be entitled under applicable Law.
- D. **Limitations.** Except for actions for non-payment or liability arising from Section 11 (Indemnification), no claim, suit, action or proceeding relating to this Agreement may be brought by either Party more than two (2) years after the cause of action has accrued. Any actions, lawsuits, or proceedings must be conducted solely on an individual basis and the Parties expressly waive any right to bring any action, lawsuit or proceeding as a class or collective action, private attorney general action or in any other capacity acting in a representative capacity.

14. Miscellaneous

- A. **Relationship of the Parties.** RingCentral and Customer are independent contractors, and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between RingCentral and Customer.
- B. **Assignment.** Neither Party may assign its rights or obligations under this Agreement or any Order Form without the prior written consent of the other Party, not to be unreasonably withheld or delayed. However, RingCentral may assign the Agreement or any portion thereof and any or all of its rights and obligations thereunder without consent (a) to an Affiliate; (b) as part of, or otherwise in connection with, the transfer or disposition of equity securities representing more than fifty percent (50%) of its voting control; (c) to the successor or surviving entity in connection with a merger, acquisition, or consolidation; or (d) as part of, or otherwise in connection with, the sale or other transfer of one or more of the service(s) under the Agreement or greater than 50% of the principal assets used in connection with the provision such service(s). This Agreement will bind and inure to the benefit of the Parties, and their permitted assigns and successors.
- C. **Notices.** Except where otherwise expressly stated in the Agreement, all notices or other communications must be in English and are deemed to have been fully given when made in writing and delivered in person, upon delivered email, confirmed facsimile, or five days after deposit with a reputable overnight courier service, and addressed as follows: To RingCentral at

RingCentral, Inc., Legal Dept., 20 Davis Drive, Belmont, CA 94002 USA, with a copy to legal@ringcentral.com, and to Customer at either the physical address or email address associated with the Customer Account.

Customer acknowledges and agrees that all electronic notices have the full force and effect of paper notices. The addresses to which notices may be given by either Party may be changed (a) by RingCentral upon written notice given to Customer pursuant to this Section or (b) by Customer in the Administrative Portal.

- D. Force Majeure.** Excluding either Party's payment obligations under the Agreement, neither Party will be responsible or liable for any failure to perform or delay in performing to the extent resulting from any event or circumstance that is beyond that Party's reasonable control, including without limitation any act of God; national emergency; third-party telecommunications networks; riot; war; terrorism; governmental act or direction; change in Laws; fiber, cable, or wire cut; power outage or reduction; rebellion; revolution; insurrection; earthquake; storm; hurricane; flood, fire, or other natural disaster; strike or labor disturbance; or other cause, whether similar or dissimilar to the foregoing, not resulting from the actions or inactions of such Party.
- E. Third-Party Beneficiaries.** RingCentral and Customer agree that there will be no third-party beneficiaries to this Agreement.
- F. Headings, Interpretation.** The headings, section titles, and captions used in the Agreement are for convenience of reference only and will have no legal effect. All defined terms include related grammatical forms, and, whenever the context may require, the singular form of nouns and pronouns include the plural, and vice versa. The Parties agree that this Agreement will be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a Party or Parties on the grounds that the Party or Parties drafted or was more responsible for drafting the provision(s).
- G. Anti-Bribery.** Each Party represents that in the execution of this Agreement and in the performance of its obligations under this Agreement it has complied and will comply with all applicable anti-bribery Laws and regulations, including, without limitation, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and similar applicable Laws.
- H. Export Control.** Any services, products, software, and technical information (including, but not limited to, services and training) provided pursuant to the Agreement may be subject to U.S. export Laws and regulations. Customer will not use, distribute, transfer, or transmit the services, products, software, or technical information (even if incorporated into other products) except in compliance with U.S. and other applicable export regulations.
- I. Regulatory and Legal Changes.** In the event of any change in Law, regulation or industry change that would prohibit or otherwise materially interfere with RingCentral's ability to provide Services under this Agreement, RingCentral may terminate the affected Services or this Agreement or otherwise modify the terms thereof.
- J. Use of Beta, Preview, or Early Access Software.** If you use any beta, preview, or early access services, features, products, or software offered or made available by RingCentral, then you acknowledge that your use of the services, products, or software are governed by the [Beta Evaluation License Agreement](#) and not by this Agreement.
- K. Entire Agreement.** The Agreement, together with any exhibits, Order Forms, Use Policies, and Attachments, each of which is expressly incorporated into this Agreement with this reference, constitutes the entire agreement between the Parties and supersedes and replaces any and all prior or contemporaneous understandings, proposals, representations, marketing materials, statements, or agreements, whether oral, written, or otherwise, regarding such subject. RingCentral expressly rejects in their entirety any additional or conflicting terms or conditions contained in Customer purchase order, or similar Customer document, which the Parties agree are solely for the Customer's convenience.
- L. Order of Precedence.** In the event of any conflict between the documents comprising this Agreement, precedence will be given to the documents in the following descending order: (i) the applicable Order Form (including any hyperlinks); (ii) the applicable Attachment; (iii) the main body of this Agreement; (iv) Use Policies and Data Processing Addendum incorporated by reference in this Agreement; and (v) and any other document expressly referred to in this Agreement which governs the Services. With respect to data processing, the Data Processing Addendum shall take precedence over any inconsistent terms in any of the documents listed in the previous sentence.
- M. Amendments.** Except as otherwise provided, this Agreement may only be modified by a written amendment executed by authorized representatives of both Parties. In no event will handwritten changes to any terms or conditions, including in the applicable Order Form, be effective.
- N. Severability and Waiver.** In the event any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, such provision(s) will be stricken and the remainder of this Agreement will remain legal, valid, and binding. The failure by either Party to exercise or enforce any right conferred by this Agreement will not be deemed to be a waiver of any such right or to operate so as to bar the exercise or enforcement of any such or other right on any later occasion. Except as otherwise expressly stated in this Agreement, all rights and remedies stated in the Agreement are cumulative and in addition to any other rights and remedies available under the Agreement, at Law, or in equity.
- O. Execution.** Each Party represents and warrants that: (a) it possesses the legal right and capacity to enter into the Agreement and to perform all of its obligations thereunder; (b) the individual signing the Agreement and (each executable part thereof) on that Party's behalf has full power and authority to execute and deliver the same; and (c) the Agreement will be a binding obligation of that Party. Each Party agrees that an Electronic Signature, whether digital or encrypted, is intended to authenticate this Agreement and to have the same force and effect as manual signatures.
- P. Counterparts.** This Agreement may be executed electronically and in separate counterparts each of which when taken together will constitute one in the same original.

- Q. Survival.** The rights and obligations of either Party that by their nature would continue beyond the expiration or termination of this Agreement or an Order Form will survive expiration or termination of this Agreement or the Order Form, including without limitation payment obligations, warranty disclaimers, indemnities, limitations of liability, definitions and miscellaneous.
- R. Family Education Rights and Privacy Act (FERPA).** Customer Content when in-transit on the RingCentral Network and when at-rest within RingCentral Data Centers may contain communications and/or educational records pertaining to students in connection with the performance of the Services pursuant to the Agreement. RingCentral shall only use or disclose such Customer Content as is reasonably necessary to provide the Services or for RingCentral to otherwise perform its obligations under the Agreement.

EXHIBIT A DEFINITIONS

Definitions. Capitalized terms used in this Agreement but otherwise not defined have the following meaning:

1. **“Account”** means the numbered account established with RingCentral and associated with Customer and the Services provided to Customer under this Agreement. For billing and convenience purposes, multiple services, Digital Lines, or End Users may be included in a single billing account, and/or a single Customer may have multiple billing accounts encompassing different geographic locations, business units, or other designations as requested by Customer and accepted by RingCentral.
2. **“Account Administrator”** means the person(s) who have been granted authority by Customer to set up, amend, or otherwise control settings and/or make additional purchases for the Account via the Administrative Portal. Account Administrators may have varying levels of Account rights, skills, or permissions.
3. **“Account Data”** means: any business contact information provided with the Account; RingCentral-generated logs of calling or other metadata developed or collected in the provision of the Services; configuration data; and records of Digital Lines and any Services purchased under this Agreement.
4. **“Administrative Fees”** means any administrative recovery fees, 911 cost recovery fees and the like separately charged by RingCentral to Customer.
5. **“Administrative Portal”** means the online administrative portal through which Account Administrators control settings and/or make additional purchases for the Account.
6. **“Affiliate(s)”** means a person or entity that is controlled by a Party hereto, controls a Party hereto, or is under common control with a Party hereto, and “control” means beneficial ownership of greater than fifty percent (50%) of an entity’s then-outstanding voting securities or ownership interests.
7. **“Attachment(s)”** means documents appended to the contract containing additional terms for products and Services. Attachments and the terms and conditions contained therein are part of this Agreement.
8. **“Confidential Information”** means any information disclosed by or on behalf of the Disclosing Party) to the Receiving Party that should reasonably be considered as confidential given the nature of the information and the circumstances surrounding its disclosure.
9. **“Customer Care”** means Customer support operations delivered by RingCentral and/or its subcontractors.
10. **“Customer Content”** means the content of calls, facsimiles, SMS messages, voicemails, voice recordings, shared files, conferences, or other communications transmitted or stored through the Services.
11. **“Digital Line”** means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits an End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.
12. **“Disclosing Party”** means the Party disclosing Confidential Information or on whose behalf Confidential Information is disclosed by such Party’s agents, including but not limited to, its Affiliates, officers, directors, employees, and attorneys.
13. **“Electronic Signatures”** means an electronic sound, symbol, or process, including clicking a digital button to accept, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.
14. **“End Point”** means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.
15. **“End User”** means an individual user to whom Customer makes the Services available, and may be a natural person, and may include but is not limited to Customer’s employees, consultants, clients, external users, invitees, contractors, and agents.
16. **“Helpdesk Support”** shall mean the performance of the following tasks:
 - Standard feature/functionality (“how to”) support for End Users (i.e. call forwarding, voice mail set-up, etc.).
 - Standard management of the Admin Interface within the product.
 - Support all moves, adds, changes, and deletes of employees.
17. **“Indemnifiable Amounts”** means all (X) damages and other amounts awarded against the Indemnified Party by a court of competent jurisdiction pursuant to a final judgment in connection with such Third-Party Claim; (Y) any amounts payable by the Indemnified Party or its Affiliates pursuant to a binding, written agreement settling the Third Party Claim, provided such agreement is approved in advance in writing by the Indemnifying Party; and (Z) all reasonable costs and expenses paid to third parties by the Indemnified Party or its Affiliates in connection with the Indemnified Party’s or its Affiliates’ attorneys’ fees and related expenses.
18. **“Indemnifying Party”** and **“Indemnified Party”** have the meanings set forth in Section 11(C) (Defense and Indemnification Procedures).
19. **“Initial Term”** has the meaning set forth in Section 2(D) (Services Term).

20. **“Intellectual Property Rights”** or **“IP Rights”** means all common law and statutory rights (whether registered or unregistered, or recorded or unrecorded, regardless of method) arising out of or associated with: (a) patents and patent applications, inventions, industrial designs, discoveries, business methods, and processes; (b) copyrights and copyright registrations, and “moral” rights; (c) the protection of trade and industrial secrets and Confidential Information; (d) other proprietary rights relating to intangible property; (e) trademarks, trade names and service marks; (f) a person’s name, likeness, voice, photograph or signature, including without limitation rights of personality, privacy, and publicity; (g) analogous rights to those set forth above; and (h) divisions, continuations, continuations-in-part, renewals, reissuances and extensions of the foregoing (as applicable).
21. **“Law”** means any law, statute, regulation, rule, ordinance, administrative guidance, treaty or convention, or court or administrative order or ruling of any governing Federal, State, local or non-U.S. governmental body with jurisdiction over the Services.
22. **“Order Form(s)”** means a request for Service describing the type and quantity of Services required by Customer and submitted and accepted by the Parties in accordance with Section 2(A) (Ordering Services). The Order Form may be presented and executed via the Administrative Portal.
23. **“Receiving Party”** means the Party or its agents, including, but not limited to its Affiliates, officers, directors, employees, and attorneys receiving Confidential Information.
24. **“Renewal Term”** has the meaning set forth in Section 2(D) (Services Term).
25. **“RingCentral Network”** means the network and supporting facilities between and among the RingCentral points of presence (“PoP(s)”), up to and including the interconnection point between the RingCentral’s network and facilities, and the public Internet, and the Public Switched Telephone Network (PSTN). The RingCentral Network does not include the public Internet, a Customer’s own private network, or the PSTN.
26. **“Service(s)”** means all services provided under this Agreement and set forth in one or more Order Form(s).
27. **“Start Date”** means the date so identified in the relevant Order Form or the date on which Customer orders Services via the Administrative Portal.
28. **“Taxes”** means any and all federal, state, local, municipal, foreign, and other taxes and fees charged or collected from Customers, including but not limited to any Universal Service Fund, TRS and 911 taxes and fees.
29. **“Term”** means the Initial Term plus any Renewal Terms.
30. **“Third Party Claim”** has the meaning set forth in Section 11(A) (Indemnification by RingCentral).
31. **“Use Policy”** refers to any of the policies identified in Section 5(B) (Use Policies).

ATTACHMENT A SERVICE ATTACHMENT - RINGEX SERVICES

This Service Attachment is a part of the Master Services Agreement (the “**Agreement**”) that includes the terms and conditions agreed by the Parties under which RingCentral will provide to the Customer the RingEX Services as described under the applicable Order Form (the “**Services**”).

1. Service Overview

The Services are a cloud-based unified communications service that includes enterprise-class voice, fax, call handling, mobile apps, and bring-your-own-device (BYOD) capability that integrates with a growing list of applications.

The Services include:

- Voice Services, including extension-to-extension calling and the ability to make and receive calls to and from the public switched telephone network (PSTN)
- Video and audio-conferencing service, including screen sharing
- Collaboration Tools, including One-to-One and Team Chat, File Sharing, task management, SMS/Texting (where available), and other innovative tools

The Services may be accessed from a variety of user End Points, including IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.

2. RingEX Purchase Plans

A. Tiers of Service. The Services are made available in several pricing tiers, which are described more fully at <https://www.ringcentral.com/office/plansandpricing.html>. While RingCentral offers unlimited monthly plans for some of its products and services, RingCentral Services are intended for regular business use. “Unlimited” use does not permit any use otherwise prohibited by the Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>, including trunking, access stimulation, reselling of the Services, etc. Use of the RingCentral AI Assistant capabilities is subject to the applicable terms contained in the AI Assistant Add-On Service Description available at <https://www.ringcentral.com/legal/add-on-services.html#qlinks-12>.

B. Minute and Calling Credit Bundles. Each plan includes a number of Toll-Free minutes, per month, which are pooled to create a single allotment of Toll-Free minutes available for the entire account. Core/Advanced/Ultra tier plans include a monthly allotment of 100/1000/10000 toll free minutes per account, respectively. Overage charges of 3.9¢ per minute apply to calls made in excess of allotment.

International Calling Credit Bundles can be purchased in addition to any base amount included with the purchased tier. International External Calls are charged against Calling Credits on the Account per destination rates, or as overage once Calling Credits are exceeded. Currently effective rates are available at <https://www.ringcentral.com/support/international-rates.html>.

Extension-to-Extension Calls within the Customer account never incur any usage fee and are unlimited, except to the extent that such calls are forwarded to another number that is not on the Customer account.

Additional Calling Credits may be purchased through the Auto-Purchase feature, which can be selected for automatic purchase in various increments on the Administrative Portal. Auto-Purchase is triggered when the combined usage of all End Users on an Account exceeds the total Calling Credits or when End Users make calls with additional fees (e.g., 411).

Minute Bundles and Calling Credit Bundles expire at the end of month and cannot roll over to the following month. Auto-Purchased Calling Credits expire twelve (12) months from date of purchase. Bundles may not be sold, transferred, assigned, or applied to any other customer.

C. Enhanced Business SMS Allotment and Pricing. Each plan includes a number of SMS per each user, per month, which are pooled to create a single allotment of SMS available to the entire account. Core/Advanced/Ultra tier plans include a monthly allotment of 25/100/200 SMS, per user respectively. Each SMS sent or received will be deducted from the pool of available SMS on the account. Overage charges apply to SMS sent or received in excess of allotment and will be charged at the then-applicable rates, available at <https://www.ringcentral.com/support/new-sms-rates.html>. Additional SMS bundles are available for purchase at discounted prices. Customer must successfully register phone numbers with the SMS registrar prior to using SMS. RingCentral may attempt to deliver SMS sent from unregistered phone numbers at its discretion, however unregistered SMS are excluded from the monthly allotment and any purchased SMS bundles, and will be charged at then-applicable unregistered SMS rates, available at <https://www.ringcentral.com/support/new-sms-rates.html>.

3. Operator Assisted Calling, 311, 511 and other N11 Calling

RingCentral does not support 0+ or operator assisted calling (including, without limitation, collect calls, third party billing calls, 900, or other premium line numbers or calling card calls). The Services may not support 211, 311, 411, 511 and/or N11 calling. To the extent they are supported, additional charges may apply for these calls.

4. Directory Listing Service

RingCentral offers directory listing (the “**Directory Listing Service**”). If Customer subscribes to the Directory Listing Service, RingCentral will share certain Customer Contact Data with third parties as reasonably necessary to include in the phone directory (“**Listing Information**”). This information may include, but is not limited to, Customer’s company name, address, and phone numbers. Customer authorizes RingCentral to use and disclose the Listing Information for the purpose of publishing in, and making publicly available through, third-party directory listing services, to be selected by RingCentral or third-party service providers in their sole discretion. Customer acknowledges and agrees that by subscribing to the Directory Listing Service, Customer’s Listing Information may enter the public domain and that RingCentral cannot control third parties’ use of such information obtained through the Directory Listing Service.

- A. **Opt Out.** Customer may opt out of the Directory Listing Service at any time; however, RingCentral is not obligated to have Customer’s Listing Information removed from third-party directory assistance listing services that have already received Customer’s information.
- B. **No Liability.** RingCentral will have no responsibility or liability for any cost, damages, liabilities, or inconvenience caused by calls made to Customer’s telephone number; materials sent to Customer, inaccuracies, errors or omissions with Listing Information; or any other use of such information. RingCentral will not be liable to Customer for any use by third parties of Customer’s Listing Information obtained through the Directory Listing Service, including without limitation the use of such information after Customer has opted out of the Directory Listing Service.

5. Global RingEX or RingCentral Global Office.

Global RingEX (which is also known as RingCentral Global Office and references in the Service Description to Global RingEX shall also refer to Global Office) provides a single communications system to companies that have offices around the world, offering localized service in countries for which Global RingEX is available. Additional information related to Global RingEX Services is available at <http://www.ringcentral.com/legal/policies/global-office-countries.html>. This section sets forth additional terms and conditions concerning RingCentral’s Global RingEX for customers that subscribe to it.

- A. **Emergency Service Limitations for Global RingEX.** RingCentral provides access to Emergency Calling Services in many, but not all, countries in which RingCentral Global RingEX is available, allowing End Users in most countries to access Emergency Services. Emergency Services may only be accessed within the country in which the Digital Line is assigned, e.g., an End User with a Digital Line assigned in Ireland may dial Emergency Services only within Ireland. Access to Emergency Calling Services in RingCentral Global RingEX countries, where available, is subject to the Emergency Services Policy, available at <https://www.ringcentral.com/legal/emergency-services.html>. Customer must make available and will maintain at all times traditional landline and/or mobile network telephone services that will enable End Users to call the applicable Emergency Services number. Customer may not use the RingCentral Services in environments requiring fail-safe performance or in which the failure of the RingCentral Services could lead directly to death, personal injury, or severe physical or environmental damage.
- B. **Global RingEX Provided Only in Connection with Home Country Service.** RingCentral provides Global RingEX Service only in connection with Services purchased in the Home Country. RingCentral may immediately suspend or terminate Customer’s Global RingEX Services if Customer terminates its Digital Lines in the Home Country. All invoicing for the Global RingEX Services will be done in the Home Country on the Customer’s Account, together with other Services purchased under this Agreement, using the Home Country’s currency. Customer must at all times provide a billing address located in the Home Country. RingCentral will provide all documentation, licenses, and services in connection with the Global RingEX Service in English; additional language support may be provided at RingCentral’s sole discretion.
- C. **Primary Place of Use of Global RingEX Service.** Customer represents and warrants that the primary place of use of the Global RingEX Services will be the country in which the Digital Line is assigned, e.g., an End User with a Digital Line assigned in Ireland will primarily use that Digital Line in Ireland.
- D. **Relationships with Local Providers.** In connection with the provision of Global RingEX Services, RingCentral relies on local providers to supply certain regulated communication services; for example (i) for the provision of local telephone numbers within local jurisdictions; (ii) to enable you to place local calls within local jurisdictions; and (iii) to enable you to receive calls from non-RingCentral numbers on Customer’s Global RingEX telephone number(s), by connecting with the local public switched telephone network. Customer hereby appoints RingCentral as Customer’s agent with power of attorney (and such appointment is coupled with an interest and is irrevocable during the Term) to conclude and enter into agreements with such local providers on Customer’s behalf to secure such services. RingCentral’s locally licensed affiliates provide all telecommunications services offered to Customer within the countries in which such affiliates are licensed; in some cases, RingCentral may obtain services from locally licensed providers on Customer’s behalf. RingCentral is responsible for all contracting, billing, and customer care related to those services. Customer is responsible for providing RingCentral with all information necessary for RingCentral to obtain numbers in Global RingEX countries.

6. **Additional Services.** RingCentral offers add-on services for the Services (where available), which are described at <https://www.ringcentral.com/legal/microsoft-teams-services-attachment.html>. Additional terms or charges may apply, depending on the selected features.
7. **Bring Your Own Carrier (BYOC) Services.** RingCentral offers a software-as-a-service in which customers provide and maintain their own local telecommunications services, which may be connected to RingCentral's cloud PBX, videoconferencing, and team messaging services. BYOC and additional terms are described and available at <https://www.ringcentral.com/legal/BYOC-service-description.html>.
8. **Definitions.** Terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. For purposes of this Service Attachment, the following terms have the meanings set forth below:
 - A. **“Digital Line”** means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits the End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.
 - B. **“End Point”** means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.
 - C. **“Extension-to-Extension Calls”** means calls made and received between End Points on the Customer Account with RingCentral, regardless of whether the calls are domestic or international.
 - D. **“External Calls”** means calls made to or received from external numbers on the PSTN that are not on the Customer Account with RingCentral.
 - E. **“Home Country”** means the United States or the country that is otherwise designated as Customer’s primary or home country in the Order Form.

ATTACHMENT B SERVICE ATTACHMENT - RINGCX SERVICES

This Service Attachment is a part of the Master Services Agreement (the “**Agreement**”) that includes the terms and conditions agreed by the Parties under which RingCentral will provide to the Customer the RingCX Services as described under the applicable Order Form.

In the event of any conflict between the provisions of the Agreement and the provisions of this Service Attachment, such provisions of this Service Attachment will prevail.

1. Service Overview

“**RingCX Services**” is a cloud-based, contact center and omnichannel communications solution consisting of inbound and outbound voice media routing, queuing, and distribution as well as digital channel management, and related services, applications, and features, whether included as part of a Subscription Package or ordered separately.

2. Billing and Payment

A. Billing

Starting at the Start Date set forth in the Order Form and until the end of the Term, You agree to pay for: a) the RingCX Services fees for at least the number of Seats set forth in the RingCX Services Order (as amended as permitted below) (an “**RingCX Contract Seat**”) based on the per Seat pricing set forth in the RingCX Services Order (the “**RingCX Contract Seat Price**”), as amended from time to time, regardless of the number of Seats being used; b) any Usage (per minute) fees; c) any Subscription Packages set forth in the RingCX Services Order (e.g. Interactive RingCX Response, minutes, international minutes); and d) any additional fees set forth in the RingCX Services Order.

B. Adding New RingCX Contract Seats

You may add RingCX Contract Seats at any time either through a new RingCX Services Order or a written amendment executed by You and RingCentral. The RingCX Services fees related to these additional RingCX Contract Seats will be billed at the per Seat price set forth in the RingCX Order form. For the avoidance of doubt, You will be required to pay for RingCX Services fees related to these additional RingCX Contract Seats until the end of the Term.

C. Adding On-Demand RingCX Seats

At any time, You may utilize additional Seats with your RingCX Services on an as-needed basis (each, an “**On-Demand RingCX Seat**”). You will be billed for any RingCX Services at the rate of the RingCX Contract Seat Price plus an overage charge determined by the purchased subscription tier, which is described on the applicable Order Form (the “**On-Demand RingCX Price**”). Billing for any On-Demand RingCX Seat will continue until removed from Your RingCX Services subscription (which You may do at any time in your discretion). RingCX Services fees for any On-Demand RingCX Seats will be charged for the full month, regardless of the number of days used. For each monthly billing period, You will be charged for the highest number of On-Demand RingCX Seats used within such billing period. Fees for other RingCX Service licenses may be billed at the price set forth in the RingCX Services Order.

3. RingCX Services, Settings, and Modifications

A RingEX account is required to use the RingCX Services. The settings and preferences for your RingCX Services, including without limitation user rights, user skills, and permissions; routing, scripts; registration Information; and activation of On-Demand RingCX Seats, among others, may be set and modified by those individuals whom You allow to have access to the web console (“**Account Administrators**”). The Customer acknowledges that the acts or omissions of the Account Administrators may result in additional charges or affect RingCX Services. The Customer will be solely responsible for the acts or omissions and the impact on billable amounts of the Account Administrators.

4. Use of RingCX Services

You acknowledge and agree that all use of the RingCX Services shall be subject to this Service Attachment and the Agreement, including without limitation the use policies and data privacy policies. You acknowledge and agree that You are fully responsible and liable for all use of the RingCX Services, any software or hardware used in conjunction with the RingCX Services, and any and all fees and charges that are incurred as a result of such use. Notwithstanding anything to the contrary stated in the Agreement, the use of the RingCX Services shall be subject to the following terms:

A. NO 911 SERVICE. YOU ACKNOWLEDGE AND AGREE THAT 911 / EMERGENCY CALLS OR MESSAGES MAY NOT BE PLACED OR SENT THROUGH THE RINGCX SERVICES, AND NO 911 CALLING OR SMS OR OTHER EMERGENCY MESSAGING SERVICE IS OFFERED OR PROVIDED WITH THE RINGCX SERVICES. YOU MUST MAKE AVAILABLE ALTERNATIVE ARRANGEMENTS TO PLACE 911 CALLS.

B. Customer 911 Notification Obligations. You represent, warrant, and covenant that: (i) You shall ensure that any person who might use the RingCX Services or be present at the physical location where any the RingCX Services might be accessed or used is fully informed and aware that he or she will not be able to place calls or send messages to 911 or other emergency response services through the RingCX Services; and (ii) You shall provide all of the foregoing parties with an alternate method by which to place such calls and, as applicable, to send such messages.

- C. Cardholder Data.** You acknowledge and agree that when using RingCX Services, You will not record or store Cardholder Data (“CHD”) as that term is defined by the PCI Data Security Standard. If You are required to receive CHD using the RingCX Services, You will pause any recordings or otherwise ensure that no CHD is being recorded or saved to the RingCentral platform.

5. Compliance and Regulations

You disclaim and deny any reliance on any marketing materials relating to the RingCX Services with regard to Telephone Consumer Protection Act (“TCPA”) compliance and/or the Telemarketing Sales Rule. Any statements regarding the TCPA or other legal compliance are opinion only, and You are ultimately responsible for making your own determinations regarding the requirements of the TCPA and its applicability to the RingCX Services.

RingCentral shall not redesign or otherwise modify its Manual Dial product, including any relevant hardware or software, in a manner that would give it the capacity to dial randomly or sequentially generated numbers, function as a predictive dialer or dial numbers in any manner that does not require human intervention for each call.

6. Artificial Intelligence

AI features, whether included in a package tier or offered as an add-on to an existing page, are subject to the specific product terms applicable to those features. These terms may be substantive and should be reviewed prior to purchase (such copy is available at <https://www.ringcentral.com/legal/add-on-services.html#qlinks-9> and are incorporated by reference into these terms.

7. Definitions

Terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. For purposes of this Service Attachment, the following terms have the meanings set forth below:

- A. “RingCX Materials”** means documentation, either electronic or otherwise, that RingCentral provides or makes available to the Customer describing the RingCX Services, including the components of each Subscription Package, if applicable, and any other features and functionality offered as part of the RingCX Services. The RingCX Materials may include without limitation manuals, product descriptions, user or installation instructions, diagrams, printouts, listings, flowcharts, and training materials related to the RingCX Services.
- B. “RingCX Services Order”** is an Order form executed by the Parties under the terms of the Agreement and this Service Attachment, setting out the details of the subscription to the RingCX Services, including any Subscription Package, and any additional products, services and functionality purchased by the Customer.
- C. “Interactive Voice Response” or “IVR”** means a module that allows customers to script automated voice interactions, accessing third-party services and databases when needed to service the customer. IVR-only packages do not include any services or restrictions related to Seats.
- D. “Seat”** means either: i) a named license based on the named persons that use the RingCX Services, or ii) a concurrent license based on the number of persons simultaneously using the RingCX Services. Each Seat includes 2,000 minutes of IVR per month unlimited inbound and manually dialed outbound domestic minutes, and 5GB storage for screen recording (if configured by Customer). All use is subject to the Acceptable Use Policy. Overages apply.
- E. “Subscription Package”** is a set of RingCX Services features and applications, as further defined in the RingCX Materials, that could be ordered as a bundle.
- F. “Usage”** means any charges incurred in connection with the use of your RingCX Services, including, without limitation, local, long-distance, international, and toll-free minutes, charges, storage (if applicable), and any products listed on the RingCX Service Order.

**ATTACHMENT C
RINGCENTRAL SECURITY ADDENDUM**

1. Scope

This document describes the Information Security Measures (“**Measures**”) that RingCentral has in place when processing Protected Data through RingCentral Services.

2. Definitions

For purposes of this Security Addendum only, capitalized terms, not otherwise defined herein, have the meaning set forth in the Agreement.

- A. “Ring Central Services”, or “Services”,** means services offered by RingCentral and acquired by the Customer.
- B. “Customer”** means the entity that entered into the Agreement with RingCentral.
- C. “Protected Data”** means Customer and partner data processed by RingCentral Services, as defined in the applicable RingCentral DPA or Agreement, including “personal data” and “personal information” as defined by applicable privacy laws, confidential data as defined in the Agreement, account data, configuration data, communication content including messages, voicemail, and video recording.
- D. “Agreement”** means the agreement in place between RingCentral and the Customer for the provision of the Services.
- E. “Personnel”** means RingCentral employees, contractors or subcontracted Professional Services staff.

3. Information Security Management

A. Security Program

RingCentral maintains a written information security program that:

- i. Includes documented policies or standards appropriate to govern the handling of Protected Data in compliance with the Agreement and with applicable law.
- ii. Is managed by a senior employee responsible for overseeing and implementing the program.
- iii. Includes administrative, technical, and physical safeguards reasonably designed to protect the confidentiality, integrity, and availability of Protected Data.
- iv. Is appropriate to the nature, size, and complexity of RingCentral’s business operations.

B. Security Policy Management

RingCentral’s security policies, standards, and procedures:

- i. Align with information security established industry standards.
- ii. Are subject to ongoing review.
- iii. May be revised to reflect changes in industry best practices.

C. Risk Management

RingCentral:

- i. Performs cybersecurity risk assessments to identify threats to their business or operations at least annually.
- ii. Updates RingCentral policies, procedures and standards as needed to address threats to RingCentral’s business or operations.

4. Independent security assessments

A. External Audit

RingCentral:

- i. Uses qualified independent third-party auditors to perform security audits covering systems, environments, and networks where Protected Data is processed, including
 - a. SOC2 Type II
 - b. IES/ISO 27001.
- ii. maintains additional audits and compliance certifications as appropriate for RingCentral’s business and as identified at www.ringcentral.com/trust-center.html.

B. Distribution of Reports

Copies of relevant audit reports and certifications:

- i. Will be provided to Customer on request.

- ii. Are subject to Non-Disclosure Agreement.

C. Annual Risk Assessment Questionnaire

Customer may, on one (1) occasion within any twelve (12) month period, request that RingCentral complete a third-party risk assessment questionnaire within a reasonable time frame.

In case of conflict between this section and the equivalent section in the RingCentral DPA, the DPA takes precedence.

5. Human Resource Security

A. Background Checks

RingCentral requires pre-employment screenings of all employees. RingCentral ensures criminal background searches on its employees to the extent permitted by law. Each background check in the US includes:

- i. An identity verification (SSN trace).
- ii. Criminal history checks for up to seven (7) years for felony and misdemeanors at the local, state, and federal level, where appropriate.
- iii. Terrorist (OFAC) list search, as authorized by law.

Internationally, criminal history checks are conducted as authorized by local law.

Background checks are conducted by a member of the National Association of Professional Background Screeners or a competent industry-recognized company in the local jurisdiction.

B. Training

RingCentral will ensure that all employees including contractors:

- i. Complete annual training to demonstrate familiarity with RingCentral's security policies.
- ii. Complete annual training for security and privacy requirements, including CyberSecurity awareness, GDPR, and CCPA.
- iii. Have the reasonable skill and experience suitable for employment and placement in a position of trust within RingCentral.

C. Workstation Security

RingCentral ensures that:

- i. RingCentral employees either use RingCentral owned and managed devices in the performance of their duties or Bring Your Own Device (BYOD) device.
- ii. All devices, whether RingCentral owned and managed or Bring Your Own Device (BYOD) device, are enrolled in the full RingCentral managed device program.

D. Data Loss Prevention

RingCentral employs a comprehensive system to prevent the inadvertent or intentional compromise of RingCentral data and Protected Data.

E. Due Diligence Over Sub-Contractors

RingCentral will:

- i. maintain a security process to conduct appropriate due diligence prior to engaging sub-contractors.
- ii. assess the security capabilities of any such sub-contractors on a periodic basis to ensure subcontractors' ability to comply with the Measures described in this document.
- iii. apply written information security requirements that oblige sub-contractors to adhere to RingCentral's key information security policies and standards consistent with and no less protective than these Measures.

F. Non-Disclosure

RingCentral ensures that employees and contractors/sub-contractors who process Protected Data are bound in writing by obligations of confidentiality.

6. Physical Security

A. General

RingCentral:

- i. Restricts access to, controls, and monitors all physical areas where RingCentral Services process Protected Data ("**Secure Areas**").
- ii. Maintains appropriate physical security controls on a 24-hours-per-day, 7-days-per-week basis ("**24/7**").

- iii. Revokes any physical access to Secure Areas promptly after the cessation of the need to access buildings and system(s).
- iv. Performs review of access rights on at least an annual basis.

B. Access and Authorization Processes

RingCentral maintains a documented access authorization and logging process. The authorization and logging process will include at minimum:

- i. Reports detailing all access to Secure Areas, including the identities and dates and times of access.
- ii. Reports to be maintained for at least one year as allowed by law.
- iii. Video surveillance equipment to monitor and record activity at all Secure Areas entry and exit points on a 24/7 basis to the extent permitted by applicable laws and regulations.
- iv. Video recording to be maintained for at least 30 days or per physical location provider's policies.

C. Data Centers

To the extent that RingCentral is operating or using a data center, RingCentral ensures that physical security controls are in alignment with industry standards such as ISO 27001 and SSAE 16 or ISAE 3402 or similar standard including:

- i. Perimeter security including fencing/barriers and video surveillance.
- ii. Secure access including security guard/reception.
- iii. Interior access controlled through RFID cards, 2FA, anti-tailgating controls.
- iv. Redundant utility feeds and support for continuous delivery through backup systems.
- v. Redundant network connection from multiple providers.

7. Logical Security

A. User Identification and Authentication

RingCentral:

- i. Maintains a documented user management lifecycle management process that includes manual and/or automated processes for approved account creation, account removal and account modification for all Information Resources and across all environments.
- ii. Ensures that RingCentral users have an individual accounts for unique traceability.
- iii. Ensures that RingCentral users do not use shared accounts; where shared accounts are technically required controls are in place to ensure traceability.
- iv. RingCentral user passwords are configured aligned with current NIST guidance.

For the customer facing applications, Customers may choose to integrate with SSO (Single Sign on) so that Customer retains control over their required password settings including Customer's existing MFA/2FA solutions.

B. User Authorization and Access Control

RingCentral:

- i. Configures remote access to all networks storing or transmitting Protected Data to require multi-factor authentication for such access.
- ii. Revokes access to systems and applications that contain or process Protected Data promptly after the cessation of the need to access the system(s) or application(s).
- iii. Has the capability of detecting, logging, and reporting access to the system and network or attempts to breach security of the system or network.

RingCentral employs access control mechanisms that are intended to:

- i. Limit access to Protected Data to only those Personnel who have a reasonable need to access said data to enable RingCentral to perform its obligations under the Agreement.
- ii. Prevent unauthorized access to Protected Data.
- iii. Limit access to users who have a business need to know.
- iv. Follow the principle of least privilege, allowing access to only the information and resources that are necessary.
- v. Perform review access controls on a minimum annual basis for all RingCentral's systems that transmit, process, or store Protected Data.

8. Telecommunication and Network Security

A. Network Management

RingCentral:

- i. Maintains network security program that includes industry standard firewall protection and two-factor authentication for access to RingCentral's networks.
- ii. Deploys an Intrusion Detection Systems (IDS) and/or Intrusion Prevention Systems (IPS) to generate, monitor, and respond to alerts which could indicate potential compromise of the network and/or host.
- iii. Monitors web traffic from the Internet and from internal sources to detect cyber-attacks including Distributed Denial of Service (DDoS) attacks against web sites / services and to block malicious traffic.

B. Network Segmentation

RingCentral:

- i. Implements network segmentation between the corporate enterprise network and hosting facilities for Services.
- ii. Ensures separation between environments dedicated to development, staging, and production.
- iii. Restricts access between environments to authorized devices.
- iv. Controls configuration and management of network segregation and firewall rules through a formal request and approval process.

C. Network Vulnerability Scanning

RingCentral:

- i. Runs internal and external network vulnerability scans against information processing systems at least quarterly.
- ii. Evaluates findings based on (where applicable) CVSS score and assessment of impact, likelihood, and severity.
- iii. Remediates findings following industry standard timelines.

9. Operations Security

A. Asset Management

RingCentral:

- i. Maintains an accurate and current asset register covering hardware and software assets used for the delivery of services.
- ii. Maintains accountability of assets throughout their lifecycle.
- iii. Maintains processes to wipe or physically destroy physical assets prior to their disposal.

B. Configuration Management

RingCentral:

- i. Maintains baseline configurations of information systems and applications based on industry best practices including:
 - a. Removal of all vendor-provided passwords.
 - b. Remove/disable unused services and settings.
 - c. Anti-malware/endpoint protection as technically feasible.
- ii. Enforces security configuration settings for systems used in the provision of the Services.
- iii. Ensures that clocks of all information processing systems are synchronized to one of more reference time sources.

C. Malicious Code Protection

- i. To the extent practicable, RingCentral has endpoint protection in place, in the form of Endpoint Detection and Response (EDR) and/or antivirus software, installed and running on servers and workstations.
- ii. EDR alerts are monitored, and immediate action is taken to investigate and remediate any abnormal behavior.
- iii. Where used, antivirus software will be current and running to scan for and promptly remove or quarantine viruses and other malware on Windows servers and workstations.

D. Vulnerability, Security Patching

RingCentral:

- i. Monitors for publicly disclosed vulnerabilities and exposures for impact to Supplier's information systems and products.

- ii. Ensures quality assurance testing of patches prior to deployment.
- iii. Ensures that all findings resulting from network vulnerability scanning and relevant publicly disclosed vulnerabilities and exposures are remediated according to industry best practices, including CVSS score and assessment of impact, likelihood and severity and are remediated following industry standard timelines.

E. Logging and Monitoring

RingCentral shall ensure that:

- i. All systems, devices or applications associated with the access, processing, storage, communication and/or transmission of Protected Data, generate audit logs.
- ii. Access to Protected Data is logged.
- iii. Logs include sufficient detail that they can be used to detect significant unauthorized activity.
- iv. Logs are protected against unauthorized access, modification, and deletion.
- v. Logs are sent to a centralized location for aggregation and monitoring.

10. Software Development and Maintenance

A. Secure Development Lifecycle

RingCentral:

- i. Applies secure development lifecycle practices, including, during design, development, and test cycles.
- ii. Ensures that products are subject to security design review including threat considerations and data handling practices.
- iii. Ensures that Services are subject to a secure release review prior to promotion to production.

B. Security Testing

As part of the secure development lifecycle, RingCentral:

- i. Performs rigorous security testing, including, as technically feasible:
 - a. static code analysis.
 - b. source code peer reviews.
 - c. dynamic and interactive security testing.
 - d. security logic, or security "QA" testing.
- ii. Ensures that Internet-facing applications are subject to application security assessment reviews and testing to identify common security vulnerabilities as identified by industry-recognized organizations (e.g., OWASP Top 10 Vulnerabilities, CWE/SANS Top 25 vulnerabilities).
- iii. For all mobile applications (i.e. running on Android, Blackberry, iOS, Windows Phone) that collect, transmit or display Protected Data, conducts an application security assessment review to identify and remediate industry-recognized vulnerabilities specific to mobile applications.
- iv. Does NOT use Protected Data for testing.
- v. Makes all reasonable effort to identify and remediate software vulnerabilities prior to release.

C. Annual Penetration Testing

RingCentral:

- i. Engages qualified, independent third-party penetration testers to perform annual penetration test against its Products and environments where Protected Data is hosted.
- ii. Requires sub-processors to perform similar penetration testing against their systems, environments, and networks.
- iii. Ensures remediation of all findings in a commercially reasonable period of time.

D. Product Vulnerability Management

RingCentral:

- i. Uses commercially reasonable efforts to regularly identify software security vulnerabilities in RingCentral Services.
- ii. Provides relevant updates, upgrades, and bug fixes for known software security vulnerabilities, for any software provided or in which any Protected Data is processed.

- iii. Ensures that all findings resulting from internal and external testing are evaluated according to industry best practices, including CVSS score and assessment of impact, likelihood and severity and are remediated following industry standard timelines.

E. Open Source and Third-Party Software

RingCentral:

- i. Maintains an asset registry of all third-party software (TPS) and open-source software (OSS) incorporated into the Services.
- ii. Uses commercially reasonable efforts to ensure the secure development and security of open-source software and third-party software used by RingCentral.
- iii. Uses commercially reasonable efforts to evaluate, track and remediate vulnerabilities of open-source software (OSS) and other third-party libraries that are incorporated into the Services.

11. Data Handling

A. Data Classification

RingCentral maintains data classification standards including:

- i. Public data, data that is generally available or expected to be known to the public.
- ii. Confidential data, data that is not available to the general public.

Protected Data is classified as RingCentral Confidential Data.

B. Data Segregation

RingCentral:

- i. Ensures physical or logical segregation of Protected Data from other customers' data.
- ii. Ensures physical separation and access control to segregate Protected Data from RingCentral data.

C. Encryption of Data

RingCentral:

- i. Shall ensure encryption of Protected Data in electronic form in transit over all public wired networks (e.g., Internet) and all wireless networks (excluding communication over Public Switch Telephone Networks).
- ii. Excepting the Engage Communities feature of Engage Digital, shall ensure encryption of Protected Data in electronic form when stored at rest.
- iii. Uses industry standard encryption algorithms and key strengths to encrypt Protected Data in transit over all public wired networks (e.g., Internet) and all wireless networks.

D. Destruction of Data

RingCentral shall:

- i. Ensure the secure deletion of data when it is no longer required.
- ii. Ensure that electronic media that has been used in the delivery of Services to the Customer will be sanitized before disposal or repurposing, using a process that assures data deletion and prevents data from being reconstructed or read.
- iii. Destroy any equipment containing Protected Data that is damaged or non-functional.

12. Incident Response

RingCentral's incident response capability is designed to comply with statutory and regulatory obligations governing incident response. As such, RingCentral:

- A.** Maintains an incident response capability to respond to events potentially impacting the confidentiality, integrity and/or availability of Services and/or data including Protected Data.
- B.** Has a documented incident response plan based on industry best practices.
- C.** Has a process for evidence handling that safeguards the integrity of evidence collected to including allowing detection of unauthorized access to.
- D.** Will take appropriate steps and measures to comply with statutory and regulatory obligations governing incident response.

When RingCentral learns of or discovers a security event which impacts Protected Data, RingCentral will notify Customer without undue delay and will take commercially reasonable steps to isolate, mitigate, and/or remediate such event.

13. Business Continuity and Disaster Recovery

A. Business Continuity

RingCentral:

- i. Ensures that responsibilities for service continuity are clearly defined and documented and have been allocated to an individual with sufficient authority.
- ii. Has a business continuity plan (BCP) in place designed to provide ongoing provision of the Services to Customer.
- iii. Develops, implements, and maintains a business continuity management program to address the needs of the business and Services provided to the Customer. To that end, RingCentral completes a minimum level of business impact analysis, crisis management, business continuity, and disaster recovery planning.
- iv. Ensures that the scope of the BCP encompasses all relevant locations, personnel and information systems used to provide the Services.
- v. Ensure that its BCP includes, but is not limited to, elements such location workarounds, application workarounds, vendor workarounds, and staffing workarounds, exercised at minimum annually.
- vi. Reviews, updates, and tests the BCP at least annually.

B. Disaster Recovery

RingCentral:

- i. Maintains a disaster recovery plan, which includes, but is not limited to, infrastructure, technology, and system(s) details, recovery activities, and identifies the people/teams required for such recovery, exercised at least annually.
- ii. Ensures that the disaster recovery plan addresses actions that RingCentral will take in the event of an extended outage of service.
- iii. Ensures that its plans address the actions and resources required to provide for (i) the continuous operation of RingCentral, and (ii) in the event of an interruption, the recovery of the functions required to enable RingCentral to provide the Services, including required systems, hardware, software, resources, personnel, and data supporting these functions.

ATTACHMENT D
RINGCENTRAL DATA PROCESSING ADDENDUM
(March 2025)

This Data Processing Addendum ("**DPA**") is made by and between RingCentral and Customer (each a "**Party**", together the "**Parties**"), and is supplemental to the agreement executed between the Parties to which it is attached ("**Agreement**") for the provision of the Services to Customer.

This DPA applies to the Services ordered by Customer after the date indicate above. RingCentral may update the terms of the DPA as needed in accordance with the Agreement ("**Updated DPA**") and, unless otherwise specified in an Order Form, the Updated DPA will apply to the Services ordered by Customer (including renewals) following the date mentioned in the Updated DPA.

Capitalized terms used but not defined in this DPA have the same meanings as set out in the Agreement.

1. Definitions

1.1 For the purposes of this DPA:

- a. "**Affiliate**" means a person or entity that is controlled by a Party hereto, controls a Party hereto, or is under common control with a Party hereto, and "control" means beneficial ownership of greater than fifty percent (50%) of an entity's then-outstanding voting securities or ownership interests.
- b. "**Agreement**" means the main written or electronic agreement between Customer and RingCentral for the provision of any of the RingCentral Services.
- c. "**Applicable Data Protection Laws**" means all data protection and privacy laws (including the GDPR) applicable to RingCentral in the processing of Personal Data under this DPA.
- d. "**Controller**" shall have the same meaning under Applicable Data Protection Law.
- e. "**Customer Personal Data**" means any Personal Data that RingCentral processes as a Processor under the Agreement.
- f. "**GDPR**" means (i) the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, (ii) any Applicable Data Protection Laws implemented by European Union member states, (iii) the UK Data Protection Act (DPA 2018), as amended, and the GDPR as incorporated into UK law as the UK GDPR, and (iv) the Swiss Federal Acts on Data Protection (the "FADP"); all as amended from time to time.
- g. "**Personal Data**" means any information relating to an identified or identifiable natural person, as defined by Applicable Data Protection Law.
- h. "**Processor**" shall have the same meaning under Applicable Data Protection Law.
- i. "**Security Incident**" means a breach of security leading to any accidental or unlawful destruction, loss, alteration, unauthorized disclosure of or access to Customer Personal Data that compromises the privacy, security, or confidentiality of such Personal Data.
- j. "**Services**" means the RingCentral services as described in Annex 1.

2. Scope of DPA

- 2.1** This DPA will apply to the extent that RingCentral processes Customer Personal Data on behalf of a Customer as a Processor, where such processing is further detailed in Annex 1. Any processing of Personal Data as a Controller by RingCentral is out of scope of this DPA.

3. Roles and Responsibilities

- 3.1 Parties' Roles.** As between the Parties and for the purposes of this DPA, Customer shall be the Controller of the Customer Personal Data processed by RingCentral under the Agreement as a Processor. RingCentral will comply with the obligations of a Controller to the extent it processes Personal Data as a Controller for RingCentral's legitimate business purposes, including as necessary for the operation of the Services, and as necessary to comply with applicable law.

3.2 Obligations of the Customer. Customer undertakes to:

- a. Ensure that it may lawfully disclose the Customer Personal Data to RingCentral for the purposes set out in the Agreement,
- b. Comply with applicable data protection laws in its use of the Services, and its own collection and processing of Personal Data including Customer Personal Data. Customer acknowledges and confirms, as relevant, that Customer has informed its employees (current and future) and its works council as applicable, that as part of the Services Customer has access to the traffic data; and
- c. Process special categories of Personal Data or sensitive data (as defined by Applicable Data Protection Laws), or Personal Data concerning children or minors, or related to criminal convictions and offenses, lawfully and relying on a valid legal basis in accordance with Applicable Data Protection Laws. The Parties acknowledge that the Services are not designed to recognize and/or classify such data.

3.3 Purpose Limitation

Except where otherwise required by applicable law, RingCentral shall process the Customer Personal Data (i) in accordance with Customer's documented instructions (which instructions are set out in the Agreement, this DPA and Customer's configuration and use of the Services, in accordance with the applicable terms of use), (ii) for the purposes of providing, monitoring, supporting, improving, and maintaining the Services. Where required by Applicable Data Protection Laws, RingCentral will promptly inform Customer if, in its opinion, an instruction infringes Applicable Data Protection Laws.

3.4 Confidentiality of Processing. RingCentral shall ensure that any person that it authorizes to process the Customer Personal Data shall be subject to a duty of confidentiality (either a contractual or a statutory duty).

3.5 Security. RingCentral will maintain appropriate technical and organizational security measures to safeguard the security of Customer Personal Data. RingCentral's security measures are set out in the RingCentral Security Addendum at <https://netstorage.ringcentral.com/documents/trust-center-security-addendum.pdf>. RingCentral will maintain an information security and risk management program based on commercial best practices to preserve the confidentiality, integrity and accessibility of Customer Personal Data with administrative, technical and physical measures conforming to generally recognized industry standards and practices.

3.6 Security Incidents. Upon becoming aware of a Security Incident, RingCentral shall notify Customer without undue delay at the contact information that Customer has provided in the Administrative Portal and shall provide such timely information as Customer may reasonably require, including to enable Customer to fulfill any data breach reporting obligations under Applicable Data Protection Laws.

3.7 Provision of Security Reports. RingCentral will select an independent, qualified third-party auditor to conduct, at RingCentral's expense, at least annual audits of the security of the Services and environments, in accordance with internationally recognized standards such as ISO27001, the SOC 2, Type II standards or its equivalent. Upon Customer request and under Non-Disclosure Agreement, RingCentral will provide a copy of the most recent audit reports (or similar security attestation) to document compliance with the foregoing requirement, where such certification is available. Such audit report is RingCentral's Confidential Information and Customer will not distribute to any third party without RingCentral's written approval.

3.8 Audits.

- (a) Both Parties acknowledge that it is the Parties' intention ordinarily to rely on the provision of the security reports at Section 3.7 above to verify RingCentral's compliance with this DPA.
- (b) Additionally, Customer may request, but not more than once during each twelve (12) month period, RingCentral to complete a Customer provided information security program questionnaire, limited in scope to the actual services/environments related to the Services provided to Customer ("Security Review").
- (c) After Customer's review of RingCentral's audit report or similar attestation, and of the completed information security questionnaire (including any changes introduced by RingCentral to address any gaps), if, to the extent required by Applicable Data Protection Laws, additional information is reasonably necessary to demonstrate compliance with RingCentral's obligations pursuant to Applicable Data Protection Laws and this DPA, Customer may request in writing to perform an audit (including inspections) of RingCentral pursuant to the audit request procedure below, no more than once every twelve (12) month period, unless a supervisory authority specifically requires that an audit is carried out of RingCentral or in response to a Security Incident.
- (d) In order to exercise its right to audit pursuant to this section, Customer must provide RingCentral with a written detailed request, including the explanation of gaps in RingCentral's provided audit reports and in the Security Review that render the audit necessary to demonstrate RingCentral's compliance with this DPA or with applicable law.
- (e) The audit may be performed by Customer or a third-party auditor (any such third party under strict confidentiality obligations, including requirements that individual auditors appointed have not performed audits of any of RingCentral's competitors in the previous twelve (12) months and that they will be prohibited from performing such audits in the twelve (12) months following RingCentral's audit) solely at Customer's expense. RingCentral may object in writing to any third-party auditor if the auditor is, in RingCentral's reasonable opinion, not suitably qualified or independent, a competitor of RingCentral, or otherwise manifestly unsuitable. Any such objection by RingCentral will require the Customer to appoint another auditor or conduct the audit itself.
- (f) RingCentral and Customer will agree in advance upon the scope and timing of the audit, not to occur sooner than thirty (30) days from the date of the written request for an onsite audit under 3.8(d), to protect the confidential and proprietary Information of RingCentral and other Parties, to minimize disruption to RingCentral's business, to limit the scope to the actual services/environments related to the Services provided to Customer under the Agreement, and to agree on a reasonable duration of the audit. In the event the Customer requests to perform an on-site audit, Customer agrees that RingCentral charges a reasonable fee for costs incurred in connection with such on-site audit based on RingCentral's professional services rates, unless the audit shows an evidenced material breach on the part of RingCentral. RingCentral will provide the Customer with details of any applicable fee, and the basis of its calculation, in advance of any such audit.
- (g) The audit performance will occur during regular business hours for the RingCentral personnel involved and the Parties agree that RingCentral will make available material for Customer's review, but not for Customer to retain.

- (h) RingCentral will investigate, prioritize, and remediate in a timeframe defined by industry best practices any findings identified through these assessments, taking into consideration RingCentral Services and security framework requirements.
- (i) All information provided or made available to Customer pursuant to this section shall be deemed Confidential Information of RingCentral.

3.9 Cooperation and Data Subjects' Rights. It is the Customer's responsibility to respond to any data subject request. Some of the RingCentral Services may provide direct technical means to enable Customer to fulfil its duties to respond to requests from data subjects under Applicable Data Protection Laws. If Customer is unable to address the data subject's request through such technical means, or where such functionality is not available, RingCentral shall, taking into account the nature of the processing, provide reasonable assistance to Customer, to enable Customer to respond to such data subject requests. In the event that such request is made directly to RingCentral, RingCentral shall promptly direct the data subject to contact the Customer.

3.10 Deletion or Return of Data. Upon termination or expiry of the Agreement, RingCentral shall delete Customer Personal Data (including copies) in RingCentral's possession or, at Customer's request, provide options to return the Personal Data to the Customer, except to the extent that RingCentral is required by applicable law to retain some or all of the Customer Personal Data.

4. GDPR Obligations

4.1 Applicability. This Section 4 shall apply to the processing of Customer Personal Data that is subject to the protection of the GDPR.

4.2 Sub-processors. Customer agrees that RingCentral and its Affiliates may engage RingCentral Affiliates and third-party subprocessors (collectively, "**Sub-processors**") to process the Personal Data on RingCentral's behalf. Depending on the scope and the nature of the subprocessing, RingCentral shall impose data protection terms on such Subprocessors that protect Customer Personal Data to an equivalent standard provided for by this DPA and shall remain liable for any breach of the DPA caused by a Subprocessor. The Subprocessors engaged by RingCentral in respect of each of the Services at the time of the Agreement are noted on the RingCentral Subprocessor list available at <https://www.ringcentral.com/legal/dpa-subprocessor-list.html>, or are otherwise specified in the Agreement.

4.3 Subprocessor Notification. RingCentral may, by giving reasonable notice to the Customer, add or replace the Subprocessors. If the Customer objects to the appointment of an additional Subprocessor within thirty (30) calendar days of such notice on reasonable grounds relating to the protection of the Customer Personal Data, then the Parties will discuss such concerns with a view to achieving resolution. If such resolution cannot be reached, then RingCentral will either not appoint the Sub-processor or, if this is not possible, Customer will be entitled to suspend or terminate the affected RingCentral Service without penalty with a thirty (30) day written notice to RingCentral. Notwithstanding the foregoing, in the event of an unforeseeable force majeure (such as a RingCentral Subprocessor failure) that can provoke a degradation or interruption of the Service, RingCentral reserves the right to immediately change the failing Subprocessor in order to maintain or restore the standard conditions of the Service. In this situation, the notification of Subprocessor change may be exceptionally sent after the change.

4.4 Data Protection Impact Assessments. RingCentral shall, to the extent required by the GDPR, and upon Customer's request and at Customer's expense, provide Customer with reasonable assistance with data protection impact assessments or prior consultations with data protection authorities that Customer is required to carry out under GDPR in relation to the scope of the Services provided to the Customer under the Agreement.

4.5 International Transfers. RingCentral may transfer and process Customer Personal Data outside the European Economic Area ("EEA"), Switzerland, or the United Kingdom, in accordance with the applicable SubProcessor list, to locations where RingCentral, its Affiliates or its Sub-processors maintain data processing operations.

- a. *Data Privacy Framework.* RingCentral complies with and has certified to the U.S. Department of Commerce its adherence to the EU-U.S. Data Privacy Framework (EU-U.S. DPF), the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. Data Privacy Framework (Swiss-U.S. DPF). RingCentral's [Notice of Certification](#) applies to the Services.
- b. *Standard Contractual Clauses.* To the extent that RingCentral processes (or causes to be processed) any Customer Personal Data originating from the EEA, Switzerland, or the United Kingdom in a country that has not been recognized by the European Commission as providing an adequate level of protection for Customer Personal Data, and that the Data Privacy Framework as described above does not apply, RingCentral will put in place such measures as are necessary to ensure the transfer is in compliance with Applicable Data Protection Laws, which include the execution of the applicable EU Commission's Standard Contractual Clauses, and the UK International Data Transfer Addendum to the EU Standard Contractual Clauses, or the putting in place of any other valid transfer mechanism.

4.6 Data Disclosure Requests. If RingCentral receives a request from a law enforcement or other government authority to disclose Personal Data that RingCentral is processing on the Customer's behalf, RingCentral will notify and provide the Customer with the details of the data disclosure request prior to disclosing any Personal Data, unless legally prohibited or where an imminent risk of serious harm exists that prohibits prior notification.

5. Miscellaneous

- 5.1** Unless the above explicitly states otherwise the terms and conditions of the Agreement shall apply to the DPA. In case of any conflict between the terms of the Agreement, and security related terms included in the DPA or the Agreement, and the terms of this DPA, the terms of this DPA prevail with regard to Personal Data processing activities.
- 5.2** The governing law and forum that apply to the Agreement also apply to this DPA.
- 5.3** Contact information for privacy inquiries: privacy@RingCentral.com.
- 5.4** The Annexes attached to the DPA are :
- Annex 1 - Description of the Processing
 - *(If applicable)* Annex 2 - RingCentral Customer United States Privacy Addendum

Annex 1

DESCRIPTION OF THE PROCESSING

Purpose of Processing

The purpose of the processing activities carried out by RingCentral is the provision of any of the following:

1. Cloud-based communications and collaboration services for high-definition voice, video, SMS, chat messaging and collaboration, conferencing, online meetings, and fax;
2. Customer contact center services and an omni-channel customer communication management platform that unifies all customer-facing communication channels, including voice, email, SMS, website, mobile app, chat and social media communications, onto a single platform, enabling community responses to customer service inquiries;
3. Virtual events and presentation services;
4. Professional services;
5. Any other Services as specified in the Agreement unless otherwise governed by specific data protection terms;

all the above as specified in the Agreement collectively (the “**Services**”).

Services may include dashboards providing various metrics and insights on customers’ communications, some of which are based on a conversation intelligence platform involving artificial intelligence

Data Subjects

The data processing impacts the following categories of data subjects:

- Customer's employees and authorized users who use the Services in connection with the business of the Customer;
- Any other individuals who are involved in or referred to in the content of communications or collaborations taking place through the Customer's use of the Services.
- Customer Personal Data

As applicable to the Services, the categories of Customer Personal Data processed may include, but are not limited to:

1. Service account data which may comprise any of the following: name; telephone number; email address; physical address; title; role; profile information; application settings, login credentials (user ID, log in, account, passwords);
2. Usage data which may comprise any of the following: device information (such as IP address, ISP, device and operating system type, operations system and client version, client version, type of microphone or speakers, connection type and related information, etc.); connection type and related information (e.g., connected over WiFi); system logs, including usage logs, backend logs, client logs; cookie identifiers; communications metadata, including Call Detail Records (CDRs) and traffic data;
3. User generated content which may comprise any of the following: participants’ names or phone numbers; chat messages; text of inbound and outbound faxes; voicemails; text of inbound and outbound SMS; meetings notes; audio/video streams in transit; meeting or call recordings; content of contact center interactions (e.g., emails, social media posts, call recordings, chat, etc.); transcriptions of recorded calls or meetings; summaries of recorded calls or meetings; meeting history; shared files, pictures, and links; message attachments, such as notes, tasks, events, code snippets, and .gifs; folder creations; search history; online presence and status messages; user feedback;
4. Any other type of Personal Data as needed for the performance of the Services.

Special Categories of Customer Personal Data

The Services are not designed to recognize and/or classify data as special categories of data or sensitive data (as defined in the GDPR or in other Applicable Data Protection Laws), nor as Personal Data concerning children or minors, or related to criminal convictions and offenses. Insofar as Customer processes special categories of Personal Data, Customer undertakes to process this category of Personal Data lawfully, and in particular to rely on a valid legal basis in accordance with Applicable Data Protection Laws.

Processing Operations

RingCentral processes Customer Personal Data for the purposes of providing and maintaining the Services to which the Customer has subscribed, including any ancillary or related Services under the scope of the Agreement, which may include collection, storage, transmission, recording, transcription, publishing, displaying; retrieval; consultation; combination; structuring; adaptation.

Duration of the Processing

Customer Personal Data will be processed for the term of the Agreement, or as otherwise required by law or agreed between the Parties.

Annex 2

RingCentral Customer United States Privacy Terms

This United States Privacy Addendum ("US Privacy Terms") is made by and between RingCentral and Customer (each a "Party", together the "Parties"), and is supplemental to the Data Processing Addendum ("DPA") as appended to the Agreement (defined below), executed between the Parties, for the provision of the Services to Customer.

Where US State Privacy Laws apply to RingCentral's processing of Customer Personal Data on behalf of Customer, the terms of this US Privacy Terms, which forms part of the DPA will apply and will supplement as appropriate the provisions of the DPA. For the avoidance of doubt, in the event RingCentral's processing of Customer Personal Data on behalf of Customer is not subject to US State Privacy Laws, then this US Privacy Terms will not apply.

Capitalized terms used but not defined in this US Privacy Terms shall have the same meanings as set out in the Agreement.

1. Definitions

- 1.1. **Agreement** shall mean and refer to the main written or electronic agreement between Customer and RingCentral for the provision of any of the RingCentral Services to the Customer.
- 1.2. **CPPA** shall mean and refer to the California Privacy Protection Agency, which is vested with the full administrative power, authority, and jurisdiction to implement and enforce the CCPA.
- 1.3. **CCPA** shall mean and refer to the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020, and any implementing regulations promulgated thereunder.
- 1.4. **Customer Personal Information** shall mean and refer to any Personal Information that RingCentral processes on behalf of Customer as a Service Provider under the Agreement.
- 1.5. **Personal Information** shall mean and refer to any information relating to an identified or identifiable person or individual and also includes personal data, as defined by applicable US State Privacy Laws.
- 1.6. **Sell** shall have the same meaning as set forth in the CCPA.
- 1.7. **Share** shall have the same meaning as set forth in the CCPA.
- 1.8. **Service Provider** shall mean and refer to a service provider or subcontractor, as defined by applicable US State Privacy Laws, that processes Customer Personal Information on Customer's behalf or on RingCentral's behalf, where RingCentral is a Service Provider to Customer, for the purposes of the Agreement.
- 1.9. **US State Privacy Laws** shall mean and refer to all United States data protection and privacy laws which may be applicable to RingCentral in the processing of Customer Personal Information as part of the performance of the Services provided to Customer under the Agreement.

2. Scope of US Privacy Terms

- 2.1. These US Privacy Terms will apply only to the extent that RingCentral processes Customer Personal Information on behalf of a Customer as a Service Provider under US State Privacy Laws, where such processing is described in Annex I of the DPA.

3. Roles and Responsibilities

- 3.1. **Purpose Limitation.** RingCentral shall process the Customer Personal Information for the purposes of the performance of the Services as described in the Agreement and the DPA, except where otherwise required or permitted by US State Privacy Laws. Such purposes include providing, monitoring, supporting, improving, and maintaining the Services, including through automated means such as artificial intelligence.
- 3.2. **CCPA.** For the purposes of Customer Personal Information subject to the CCPA, RingCentral will:
 - 3.2.1. Comply with the applicable CCPA obligations.
 - 3.2.2. Provide the same level of privacy protection as required by CCPA.
 - 3.2.3. Notify the Customer if it can no longer meet its CCPA obligations.
 - 3.2.4. Not Sell or Share Customer Personal Information.
 - 3.2.5. Not retain, use, or disclose Customer Personal Information for any other purpose other than as agreed upon in the Agreement, outside the direct business relationship between the Parties, or as permitted by CCPA.
 - 3.2.6. Not combine Customer Personal Information it receives from, or on behalf of, Customer with Personal Information it receives from, or on behalf of, another person, or collects from its own interaction with the End User, subject to the exceptions under CCPA, including that RingCentral may combine Customer Personal Information to perform any business purpose as defined in the California Consumer Privacy Act Regulations, California Code of Regulations, Title 11, Division 6, Chapter 1, sections 7000 et seq.
 - 3.2.7. Cooperate with Customer, upon Customer's reasonable notice, to determine reasonable and appropriate steps to stop and remediate unauthorized use of Customer Personal Information to the extent there is any unauthorized use of Customer Personal Information.

4. Service Providers

- 4.1. **Notification.** Where required by US State Privacy Laws, RingCentral will notify Customer before it engages another Service Provider. Where required by US State Privacy Laws, RingCentral will allow Customer thirty (30) calendar days to object to such engagement on reasonable grounds relating to the protection of Customer Personal Information.
- 4.2. **Agreements.** RingCentral shall impose data protection terms on such Service Providers that protect Customer Personal Information to an equivalent standard provided for by these US Privacy Terms.

5. Audits

- 5.1. Where required by US State Privacy Laws, RingCentral will cooperate with Customer to make available all information in RingCentral's possession to demonstrate compliance with its obligations under US State Privacy Laws as applicable. Additionally, both Parties acknowledge it is the Parties' intention ordinarily to rely on the provision of the security reports in Section 3.8 of the DPA to verify RingCentral's compliance with these US Privacy Terms and applicable US State Privacy Laws.

6. US Educational Institutions

- 6.1. **COPPA.** Information about usage of the Services in accordance with COPPA requirements is available on the Children's Privacy Notice and School/Parental Notification, located at <https://www.ringcentral.com/legal/childrens-privacy-notice-school-parental-notification.html>, and incorporated by reference. If applicable, Customer hereby agrees to obtain and provide, or cause a School Partner to obtain and provide, verifiable consent to RingCentral's collection, use, and disclosure of Personal Data in accordance with the Children's Privacy Notice and School/Parental Notification. If Customer is purchasing RingCentral for Education, pricing tiers are described more fully at <https://www.ringcentral.com/office/industry-solutions/education-cloud-phone-systems.html>.
- 6.2. **FERPA.** For the purposes of the Agreement, if Customer is an educational agency or institution subject to the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g (FERPA), RingCentral shall operate as a school official with legitimate educational interests in obtaining or accessing Personally Identifiable Information, including Education Records pertaining to students (as those terms are defined under FERPA). RingCentral shall only use or disclose such Personally Identifiable Information in accordance with the requirements of 34 C.F.R. § 99.33(a) (governing the use and redisclosure of Personally Identifiable Information from Education Records) as is reasonably necessary to provide the RingEX Services or for RingCentral to otherwise perform its obligations under the Agreement. Customer acknowledges RingCentral is under its direct control with respect to the use and maintenance of Education Records, and Customer agrees to be solely responsible for protection of Personally Identifiable Information from Educational Records.

7. Miscellaneous

- 7.1. Unless the above explicitly states otherwise the terms and conditions of the Agreement, shall apply to the US Privacy Terms. In case of any conflict between the terms of the Agreement, the terms of the RingCentral Security Addendum, the terms of the DPA, and the terms of these US Privacy Terms, the terms of these US Privacy Terms prevail with regard to Personal Information processing activities subject to US State Privacy Laws.
- 7.2. The governing law and forum that apply to the Agreement also apply to these US Privacy Terms.
- 7.3. Contact information for privacy inquiries: privacy@ringcentral.com



City Council Agenda Request December 16, 2025

Agenda Request No: VII.E.

Agenda of: City Council Meeting

Initiated by: Yomara Frias, Administrative Coordinator

Presented by: Steve Budny, Director of IT, Data, and Security

Responsible Department: Information Technology

Agenda Caption:

AGREEMENT WITH FUNCTION 4, LLC

Consideration of and action on approval of a five-year Lease-Purchase Agreement with Function 4, LLC for Sharp Multi-function Printers in the Amount of \$282,702.

Recommended Action:

Approval of a 5 year lease-purchase agreement with Function 4, LLC in the amount of \$56,540.40 per year for a total of \$282,702.00.

Executive Summary:

The contract with Xerox for multi-function printers and support for the City of Sugar Land has expired. Prior to the expiration, a Request for Offer (RFO) was solicited and several vendors submitted quotes. After evaluating each offer, Function4, a Sugar Land based company, was selected as the best overall choice relative to cost, quality, and support. Industry norms for high volume multi-function printers generally involve a lease agreement with a print services vendor. The agreement includes maintenance, support, advanced analytics, and other services. The overall value of the contract is less than the previous contract with Xerox and the number of printers has been reduced. Additional savings are expected by eliminating a majority of desktop printers currently in use across the City.

The Department of Information Technology is recommending a lease-purchase agreement with Function 4, LLC for 26 multi-function printers and print management services. Under the agreement, the City will make five annual lease-purchase payments. According to the payment schedule:

- **Annual Rental Payment:** \$56,540.40
- **Total Lease Payments Over Term:** \$282,702.00

Budget

Expenditure Required: \$56,540.40

Current Budget: \$56,540.40

Additional Funding: 0

Funding Source: Multiple Accounting Strings

Account Number (ORG-OBJ-Project): Multiple Accounting Strings

Attachments

1. Contract
2. Form 1295_Redacted

**GOVERNMENTAL RIDER
FOR PREPRINTED CONTRACTS
WITH THE CITY OF SUGAR LAND, TEXAS
(Rev. 8-13-24)**

By signing below, the parties agree to the terms of the Contract, which includes this Governmental Rider:

CITY OF SUGAR LAND

VENDOR: Function4, LLC.

By:

By: Bill Patsouras

Date:

Date: 11/21/2025

Title:

Title: Partner

Matter Number: 7980M

Approved as to Form:

DocuSigned by:

2141E29A4979414...

1. Application. This Governmental Rider applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Contract (Contract) of Function 4, LLC (Vendor), which is attached and described as follows:

Function 4, LLC Master Contract – Contract No. 500-50785318

2. Payment Provisions. The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code.

3. Multiyear Contracts. If the City's city council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution)

4. Liability and Indemnity. Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision.. (Section 5, Article XI, Texas Constitution)

5. Confidentiality. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law or regulation, or court or administrative decision or ruling, is invalid. (Chapter 552, Texas Government Code)

6. Tax Exemption. The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) and federal excise tax (Subtitle D of the Internal Revenue Code). Accordingly such taxes may not be added to any item under this Contract, provided that the City furnishes Vendor a properly completed Texas Sales and Use Tax Exemption Certification upon execution or in accordance with 34 Tex Admin Code § 3.287.

7. Records Retention. The City is subject to records retention requirements under Texas law. Any provision of the Vendor's attachment(s) that requires the City to destroy documents or give documents back to the Vendor or that otherwise conflicts with Texas law regarding retention of records is void.

8. Disclosure of Interested Persons for Council-Approved Contracts. Contracts that require City Council approval, such as contracts that exceed \$50,000, are subject to the requirements of Section 2252.908, Tex Gov't Code. Under the

Contract Rider

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Function4, LLC.
Sugar Land, TX United States

Certificate Number:
2025-1357981

Date Filed:
09/03/2025

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Sugar Land

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

NGPRINT 2025
Multi-Function Leases Printers

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



6 UNSWORN DECLARATION

My name is Christian Colasono, and my date of birth is [REDACTED].

My address is [REDACTED]
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Fort Bend County, State of TX, on the 3rd day of September, 2025.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)



City Council Agenda Request December 16, 2025

Agenda Request No: VII.F.

Agenda of: City Council Meeting

Initiated by: Michelle Carroll, Administrative Manager

Presented by: William Hajdik, Interim Director of Parks and Recreation

Responsible Department: Parks

Agenda Caption:

TRI-PARTY LICENSE AGREEMENT WITH SUGAR LAND LITTLE LEAGUE AND YOUTH SCOREBOARDS, LLC

Consideration of and action on the authorization of a Tri-Party License Agreement by and between the City of Sugar Land, Texas, Sugar Land Little League, and Youth Scoreboards, LLC for the installation, operation, and maintenance of three youth baseball/softball scoreboards located on City-owned park property.

Recommended Action:

Consideration of and action on the authorization of a Tri-Party License Agreement by and between the City of Sugar Land, Texas, Sugar Land Little League, and Youth Scoreboards, LLC for the installation, operation, and maintenance of three youth baseball/softball scoreboards located on City-owned park property.

Executive Summary:

Sugar Land Little League operates youth baseball programming on City-owned facilities at City Park which include Minor, Fehrle, and Baker Fields. While our current Athletic Field Policies state that our partnered Youth Sports Associations are responsible for the operation and upkeep of the scoreboards, the existing scoreboards at these facilities are aging, increasingly difficult to maintain, and in need of replacement to ensure safe and reliable operation during league play. Youth Scoreboards, LLC ("Vendor") approached the League in 2025 with a proposal to install and operate three new scoreboards and video boards at the facilities at no capital cost to the City or the League. Under the proposed Tri-Party License Agreement, the Vendor will own, install, and maintain the scoreboards in exchange for the right to sell advertising displayed on the boards.

The agreement establishes a cooperative framework among all three parties:

License and Use

- The City grants Vendor a limited, non-exclusive, revocable license to use designated

areas at each field for scoreboard installation and operation.

- The agreement conveys **no leasehold or property interest** to the Vendor.
- Vendor must obtain all permits, inspections, and approvals prior to installation.

Term

- Initial term of **ten (10) years**, with one optional ten-year renewal subject to City approval.
- The City may terminate for convenience after year five with 60 days' notice.

Operational Responsibilities

- Vendor will install, operate, maintain, and repair the scoreboards at its sole cost.
- Sugar Land Little League will be responsible for day-to-day operation (e.g., usage during games) and will pay the City an annual flat electrical reimbursement fee of **\$200 per scoreboard** (\$600 total).
- No new City maintenance costs are anticipated.

Advertising and Revenue

- Vendor has exclusive control over advertising on the scoreboards, including selecting clients and setting prices, but cannot display unlawful, inappropriate, or prohibited content
- Displaying an ad does not mean the City endorses it, and the City or League can require removal of any ad that violates the agreement.
- Vendor must also display community service announcements from the City or League at no cost.
- A minimum of 20% of annual net advertising revenue will be paid to the League.
- League revenue must be used solely for maintenance and improvement of the Facility. Excess funds are remitted to the City for park improvements.

Public Benefit

This agreement supports youth sports by providing modernized, reliable scoreboards with no cost to the City. It also generates revenue for facility improvements and delivers enhanced amenities to participants and spectators.

Insurance and Liability

Vendor must meet all City-required insurance standards, including commercial general liability, auto liability, workers' compensation, and employer's liability coverage with the City and League named as additional insureds. The agreement further includes comprehensive indemnification provisions protecting the City.

Next Steps

Upon Council approval, Vendor will finalize permitting with the City's Inspection and Parks Departments. Installation is anticipated during the offseason period of **November 1 – February 28** per agreement requirements to avoid impacting league play.

Staff recommends approval of this Tri-Party License Agreement to enhance the quality, safety, and experience of youth baseball facilities in Sugar Land.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. SignedTriPartyAgreementSLLLScoreboards

TRI-PARTY LICENSE AGREEMENT FOR OPERATION OF SCOREBOARDS ON CITY-OWNED PROPERTY

This non-exclusive License Agreement ("Agreement") is entered into by and between the **CITY OF SUGAR LAND**, a home-rule municipality located in Fort Bend County, Texas, **SUGAR LAND LITTLE LEAGUE** ("League"), a Texas nonprofit corporation, and **YOUTH SCOREBOARDS, LLC** ("Vendor"), an Oklahoma limited liability company, and is effective as of the latest date signed by all parties ("Effective Date").

RECITALS:

WHEREAS, the City owns and maintains public park property and baseball/softball facilities ("Facility") used by the League for youth sports programs; and

WHEREAS, Vendor desires to install and operate three (3) baseball/softball scoreboards and video boards ("Scoreboards") owned by Vendor for use at the Facility; and

WHEREAS, the City and League desire to grant Vendor a limited, revocable license to access and use specific portions of the Facility for the installation, operation, and maintenance of the Scoreboards, subject to the terms of this Agreement;

NOW THEREFORE, for the consideration and on the terms, provisions, and conditions hereinafter set forth, the City, League, and Vendor hereby agree as follows:

AGREEMENT:

1. License and Authority

- 1.1 **Grant of License.** The City and League grant Vendor a limited, non-exclusive, revocable license to access and use designated portions of the Facility, each approximately 20 feet by 20 feet as shown on Exhibit A ("Licensed Area"), solely for the installation, operation, and maintenance of the Scoreboards. This Agreement conveys no leasehold, easement, or other property interest.
- 1.2 **Authority.** The League acknowledges it has no authority to lease, convey, or encumber City property. This Agreement is effective only upon execution by the City.
- 1.3 **Compliance.** Vendor will obtain and maintain all required permits, approvals, and inspections before installation of the Scoreboards begins. All installation work and electrical connections will comply with applicable laws, building codes, and City standards.

2. Term and Termination

- 2.1 **Term.** The initial term of this Agreement is ten (10) years from the Effective Date unless earlier terminated under this Article. One (1) additional ten-year renewal may be granted only with the City's written consent. Together, the initial term and any renewal term,

including any extensions authorized under Section 3.4, are referred to collectively as "Term."

2.2 **Termination by City.** The City may terminate this Agreement for convenience after the first five (5) years of the Term upon sixty (60) days' written notice. The City may terminate this Agreement at any time for cause upon written notice if: (a) Vendor fails to comply with any material term of this Agreement and does not cure the default within 30 days after written notice; (b) the Scoreboards or associated activities pose a safety risk, create a public nuisance, or violate any law or ordinance; or (c) the Facility is permanently closed. The City will have no obligation to reimburse Vendor or the League for any costs, investments, or lost profits arising from such termination.

2.3 **Termination by League or Vendor.** The League or Vendor may terminate upon 180 days' written notice after Vendor's initial investment has been recovered, if either party determines that the arrangement is no longer economically beneficial. Decommissioning of the Scoreboards will occur only during the offseason period of November 1 through February 28. If the League terminates before Vendor recovers its initial investment of \$15,000 per Scoreboard, the League will reimburse Vendor \$5,000 for the decommissioning of all three (3) Scoreboards. The City will have no liability or responsibility for any payments, reimbursements, or other financial obligations between the League and Vendor under this section.

3. **Use and Operations**

3.1 **Permitted Use, Daily Operations and Costs**

(a) Vendor will use the Licensed Area solely for the installation, operation, and maintenance of the Scoreboards, and for any other use necessary or incidental to those activities.

(b) The League will be responsible for the day-to-day operation of the Scoreboards at its cost and will operate them in accordance with the manufacturer's instructions and recommendations.

(c) The League will be responsible for all electrical costs associated with operation of each Scoreboard. The Scoreboards will be connected to existing City electrical service, and the League will reimburse the City through a flat annual utility fee of Two Hundred Dollars (\$200.00) per Scoreboard, for a total annual payment of Six Hundred Dollars (\$600.00). The fee is due on or before January 31 of each year during the Term. The City and League may review this amount annually and adjust it by mutual written agreement if electrical rates or usage materially change.

3.2 **Repairs; Maintenance**

(a) Vendor will, at its cost, perform all maintenance and repairs needed to keep the Scoreboards in safe and good working condition, except as provided in subsection (b).

(b) The League will be responsible, at its cost, for repairs or replacements required because of the negligence or misuse of its officers, employees, agents, players, or participants.

(c) All maintenance and repairs will be performed in a manner that maintains the safety and appearance of the Facility.

3.3 Costs of Operation. In accordance with the provisions of this Agreement, the League and Vendor will be solely responsible for all costs associated with the installation, operation, maintenance, repair, and removal of the Scoreboards. The City will have no financial responsibility for any such costs.

3.4 Substantial Replacement. If Vendor performs a replacement, upgrade, or addition whose cost exceeds fifty percent (50%) of the original installation cost and obtains the City and League's written consent before doing so, the City and League may approve a single five-year extension of the Term.

4. Consideration

4.1 License Fee. Vendor will pay the City the total sum of Ten Dollars (\$10.00) as consideration for the license granted in this Agreement. Payment will be due within ten (10) days after the Effective Date.

4.2 Public Benefit. The parties acknowledge that installation and operation of the Scoreboards provides a public benefit by enhancing recreational amenities for City residents and generating revenue to support the Facility's maintenance and improvement.

5. Advertising and Revenue

5.1 Advertising Rights.

(a) Vendor will have the exclusive right to sell, display, and manage advertising content on the Scoreboards, and will determine advertising pricing and clients. Vendor will not display any advertisement that is unlawful, defamatory, obscene, or promotes the sale of illegal products or services. Advertisements for alcohol, tobacco, cannabis or marijuana-related products, adult entertainment, political campaigns, or religious advocacy are prohibited.

(b) Display of an advertisement on the Scoreboards does not constitute sponsorship, endorsement, or approval by the City of any advertiser, product, or service. The City or League may require removal of any advertisement that violates the terms of this Agreement.

(c) Vendor will display community service announcements as reasonably requested by the League or the City at no cost.

5.2 Revenue Allocation. Within ninety (90) days after the end of each calendar year during the Term, Vendor will deliver to the League an amount equal to twenty percent (20%) of the

net advertising revenue collected during the previous calendar year (the "Revenue Share Payment"). Operational costs may include, without limitation, the Scoreboards; freight, installation, warranties, maintenance, sales, administrative, and legal costs. Vendor will provide a detailed statement with each Revenue Share Payment showing gross advertising revenue and all items of cost deducted in arriving at the net advertising revenue.

- 5.3 Use of League Revenue. Revenue received by the League under Section 5.2 must be used solely for the maintenance, repair, or improvement of the Facility. The League may not use any portion of such funds for private benefit or for any purpose unrelated to the operation, maintenance, or improvement of the Facility. The League will submit an annual report to the City's Parks and Recreation Department summarizing the total revenue received under Section 5.2, the expenditures made from those funds, and the purposes for which the funds were used during the preceding year.
- 5.4 City Share of Surplus Revenue. If, in any calendar year, the League's revenue under Section 5.3 exceeds the amount reasonably necessary for the maintenance, repair, or improvement of the Facility, the League will remit the remaining balance to the City. All funds remitted to the City under this section will be used solely for the maintenance, repair, or improvement of park facilities.

6. Ownership Rights

- 6.1 Ownership of Scoreboards. The Scoreboards installed on the Licensed Area, and all related software, data, and equipment used in connection with their installation, operation, and maintenance, are and will remain the property of Vendor throughout the Term of this Agreement.
- 6.2 Surrender of Licensed Area upon Expiration or Termination. Upon expiration or termination of this Agreement, Vendor must remove the Scoreboards and all related equipment from the Facility and restore the Licensed Area to its prior condition. Removal and restoration must occur during the next offseason period (November 1 – February 28) unless the City and League provide written approval for earlier removal. In no event may removal and restoration occur later than thirty (30) days after the start of that offseason period unless the City and League approve an extension in writing.
- 6.3 Failure to Remove. If Vendor fails to remove the Scoreboards or restore the Licensed Area within the required period, the Scoreboards and related equipment will be deemed abandoned, and the League or City may remove or dispose of them at Vendor's expense.

7. Liability; Damage; Taxes

- 7.1 LIABILITY AND INDEMNIFICATION. IN RECOGNITION THAT THE FACILITY IS OWNED BY THE CITY, THE VENDOR AND LEAGUE HEREBY RELEASE THE CITY, AND THE CITY'S ELECTED OFFICIALS, RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, REPRESENTATIVES, AND ITS/THEIR SUCCESSORS AND ASSIGNS, IN BOTH THEIR INDIVIDUAL AND OFFICIAL CAPACITIES (COLLECTIVELY, THE "CITY-RELATED PARTIES") FROM, AND

WILL FULLY INDEMNIFY, DEFEND, AND HOLD THE CITY-RELATED PARTIES HARMLESS AGAINST, ANY AND ALL SUITS, ACTIONS, CLAIMS, LOSSES, DEMANDS, DAMAGES, LIABILITIES, COSTS, AND REASONABLE EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, THAT RELATE TO OR RESULT FROM ANY PARTY'S ACTIVITIES AND OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO: (1) INFRINGEMENT OR MISAPPROPRIATION OF ANY THIRD-PARTY'S COPYRIGHT, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHTS; (2) BODILY INJURY, INCLUDING DEATH; OR (3) PROPERTY DAMAGE; REGARDLESS OF THE SOLE, JOINT, OR CONCURRENT NEGLIGENCE, NEGLIGENCE PER SE, GROSS NEGLIGENCE, STRICT LIABILITY, REGULATORY OR STATUTORY LIABILITY, TORT THEORY, ACTS, OMISSIONS, FAULT, OR FAILURE TO ACT CAUSED BY THE CITY, THE LEAGUE, THE VENDOR, OR OTHERWISE.

7.2 Liability of League and Vendor: League and Vendor agree that each will be solely responsible for their own negligent acts or omissions or other tortious conduct during performance of this Agreement, without waiving any governmental immunities available to League under Texas law or other applicable laws, and without waiving any available defenses under Texas law or other applicable laws.

7.3 Reimbursement Between Parties. If League is required to pay any sum that is Vendor's responsibility or liability, Vendor will promptly reimburse Lessor for the payment and for reasonable expenses caused thereby. If Vendor is required to pay any sum that is League's responsibility or liability, League will promptly reimburse Vendor for the payment and for reasonable expenses caused thereby.

7.4 Property Damage. The League is responsible for the cost of repairing any damage to the Facility, improvements, or surrounding property that results from the negligence or misconduct of the League, its employees, participants, or invitees. Vendor is responsible for any damage to the Facility resulting from installation, maintenance, or operation of the Scoreboards.

7.5 Property Tax. Vendor is responsible for all taxes and assessments levied by any taxing authority and attributable to the Licensed Area or the Scoreboards during the Term, including personal property, ad valorem, or special taxes and assessments.

8. Insurance

8.1 Vendor Insurance.

(a) Vendor must maintain, at its own expense, the insurance coverage listed below during the Term of this Agreement and must ensure that all subcontractors maintain equivalent coverage. Neither City nor League assumes responsibility for any act or omission of Vendor's subcontractors.

1. Commercial General Liability – Minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate.
2. Automobile Liability – Covering owned, hired, and non-owned vehicles, with limits of \$1,000,000 combined single limit.
3. Workers' Compensation – Statutory coverage under the Texas Labor Code.
4. Employers' Liability – \$500,000 per employee per disease / \$500,000 per employee per accident / \$500,000 by disease aggregate.

(b) Policy Endorsements and Conditions

1. The City and the League must each be named as additional insureds on the General Liability and Automobile Liability policies, by endorsement only.
2. All liability and workers' compensation policies must include a waiver of subrogation in favor of the City and the League, by endorsement only.
3. Coverage must be primary and non-contributory with respect to any insurance carried by the City or the League.
4. Policies must provide 30 days' written notice to the City prior to cancellation, non-renewal, or material change.
5. Insurers must have an A.M. Best rating of A- or better and be authorized to do business in Texas.
6. Policies must include contractual liability coverage for Vendor's obligations under this Agreement and contain no cross-liability or insured-versus-insured exclusions.
7. Required limits may be satisfied by any combination of primary and umbrella coverage.
8. Certificates of insurance and copies of all required endorsements must be provided to the City before installation begins and kept current throughout the Term.

- 8.2. League Insurance. The League will maintain general liability insurance covering its operations and obligations under this Agreement, naming the City as an additional insured.

9. Miscellaneous Provisions

- 9.1 Entire Agreements and Amendments. This License Agreement sets forth all the understandings of the parties. No modifications of this License Agreement will be allowed without the written consent of all parties.
- 9.2 Unlawful Use. Vendor, League and their employees and agents must not use or knowingly allow any other person to use the Licensed Premises in violation of any federal, state, county, or local regulation, order, law, or ordinance applicable to the Licensed Premises.
- 9.3 Notices. Any notice required or permitted under this Agreement must be in writing. Any notice required by this Agreement will be deemed to be delivered upon three (3) calendar days after the date upon which such notice is deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the respective address:

To the City: Director of Parks & Recreation

City of Sugar Land
PO Box 110
Sugar Land, Texas 77487

To League: 225 Matlaga Way
2039
Sugar Land TX
77478

To Vendor: Youth Scoreboards LLC.
913 N. Broadway
Oklahoma City, OK 73102
Email: jphillips@youthscoreboards.com

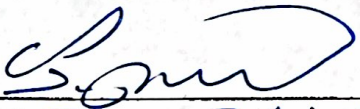
Other notices may be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means. Any address for notice may be changed by written notice delivered as provided herein.

- 9.4 Assignment, Transfer, and Sublicense. The license granted herein is personal to Vendor. Vendor may not sell, assign, or transfer this License Agreement or sublicense any portion of the Licensed Premises to any other person or entity.
- 9.5 No Third Party Beneficiaries. No person or entity shall be a third-party beneficiary to this License Agreement or shall have any right or cause of action hereunder.
- 9.6 Subject to Appropriations/Statutory Limitations. Any obligation or liability of the City arising in any way from this License Agreement is subject to, limited by, and contingent upon the appropriation and availability of funds, as well as the damage limits and notice requirements provided for in state law, including the Tort Claims Act.
- 9.7 Governing Law. This License Agreement will be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are to be performed, and exclusive venue will lie, in Fort Bend County, Texas.
- 9.8 Severability. In case any one (1) or more of the provisions contained in this License Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, that provision will not affect any other provision hereunder.
- 9.9 Survival. The provisions of this License Agreement relating to indemnification will survive any termination or expiration of this License Agreement. Additionally, any provisions of this License Agreement which require performance subsequent to the termination or expiration of this License Agreement will also survive such termination or expiration.
- 9.10 Captions. The captions contained in this License Agreement are inserted for convenience only and are not intended to be part of this License Agreement. Such captions will not affect or be utilized in the construction or interpretation of this License Agreement.

CITY OF SUGAR LAND, TEXAS

SUGAR LAND LITTLE LEAGUE

By: _____
Name: Michael W. Goodrum
Title: City Manager
Date: _____

By: 
Name: Jason Batchelor
Title: President
Date: 11-17-25

YOUTH SCOREBOARDS, LLC

By: 
Name: Jon Phillip
Title: CEO
Date: 11-14-25

ATTEST:

Linda Mendenhall, City Clerk

APPROVED AS TO FORM:



Exhibit A

Minor, Fehrle & Baker Fields





City Council Agenda Request December 16, 2025

Agenda Request No: VII.G.

Agenda of: City Council Meeting

Initiated by: Michelle Carroll, Administrative Manager

Presented by: William Hajdik, Interim Director of Parks and Recreation

Responsible Department: Parks

Agenda Caption:

TRI-PARTY LICENSE AGREEMENT WITH FIRST COLONY LITTLE LEAGUE AND YOUTH SCOREBOARDS, LLC

Consideration of and action on the authorization of a Tri-Party License Agreement by and between the City of Sugar Land, Texas, First Colony Little League, and Youth Scoreboards, LLC for the installation, operation, and maintenance of five youth baseball/softball scoreboards located on City-owned park property.

Recommended Action:

Consideration of and action on the authorization of a Tri-Party License Agreement by and between the City of Sugar Land, Texas, First Colony Little League, and Youth Scoreboards, LLC for the installation, operation, and maintenance of five youth baseball/softball scoreboards located on City-owned park property.

Executive Summary:

First Colony Little League operates youth baseball programming on City-owned facilities at First Colony Park which include Fields 1, 2, 3, 4, and 5. While our current Athletic Field Policies state that our partnered Youth Sports Associations are responsible for the operation and upkeep of the scoreboards, the existing scoreboards at these facilities are aging, increasingly difficult to maintain, and in need of replacement to ensure safe and reliable operation during league play. Youth Scoreboards, LLC ("Vendor") approached the League in 2025 with a proposal to install and operate three new scoreboards and video boards at the facilities at no capital cost to the City or the League. Under the proposed Tri-Party License Agreement, the Vendor will own, install, and maintain the scoreboards in exchange for the right to sell advertising displayed on the boards.

The agreement establishes a cooperative framework among all three parties:

License and Use

- The City grants Vendor a limited, non-exclusive, revocable license to use designated

areas at each field for scoreboard installation and operation.

- The agreement conveys **no leasehold or property interest** to the Vendor.
- Vendor must obtain all permits, inspections, and approvals prior to installation.

Term

- Initial term of **ten (10) years**, with one optional ten-year renewal subject to City approval.
- The City may terminate for convenience after year five with 60 days' notice.

Operational Responsibilities

- Vendor will install, operate, maintain, and repair the scoreboards at its sole cost.
- First Colony Little League will be responsible for day-to-day operation (e.g., usage during games) and will pay the City an annual flat electrical reimbursement fee of **\$200 per scoreboard** (\$1000 total).
- No new City maintenance costs are anticipated.

Advertising and Revenue

- Vendor has exclusive control over advertising on the scoreboards, including selecting clients and setting prices, but cannot display unlawful, inappropriate, or prohibited content.
- Displaying an ad does not mean the City endorses it, and the City or League can require removal of any ad that violates the agreement.
- Vendor must also display community service announcements from the City or League at no cost.
- A minimum of 20% of annual net advertising revenue will be paid to the League.
- League revenue must be used solely for maintenance and improvement of the Facility. Excess funds are remitted to the City for park improvements.

Public Benefit

This agreement supports youth sports by providing modernized, reliable scoreboards with no cost to the City. It also generates revenue for facility improvements and delivers enhanced amenities to participants and spectators.

Insurance and Liability

Vendor must meet all City-required insurance standards, including commercial general liability, auto liability, workers' compensation, and employer's liability coverage with the City and League named as additional insureds. The agreement further includes comprehensive indemnification provisions protecting the City.

Next Steps

Upon Council approval, Vendor will finalize permitting with the City's Inspection and Parks Departments. Installation is anticipated during the offseason period of **November 1 – February 28** per agreement requirements to avoid impacting league play.

Staff recommends approval of this Tri-Party License Agreement to enhance the quality, safety, and experience of youth baseball facilities in Sugar Land.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. 1.0 Tri-Party License Agreement for Scoreboard Operation_First Colony Little League_v2_YSB+FCLL Signed

**TRI-PARTY LICENSE AGREEMENT
FOR OPERATION OF SCOREBOARDS ON CITY-OWNED PROPERTY**

This non-exclusive License Agreement ("Agreement") is entered into by and between the **CITY OF SUGAR LAND**, a home-rule municipality located in Fort Bend County, Texas, **FIRST COLONY LITTLE LEAGUE** ("League"), a Texas nonprofit corporation, and **YOUTH SCOREBOARDS, LLC** ("Vendor"), an Oklahoma limited liability company, and is effective as of the latest date signed by all parties ("Effective Date").

RECITALS:

WHEREAS, the City owns public park property and baseball/softball facilities at First Colony Park ("Facility") used by the League for youth sports programs; and

WHEREAS, Vendor desires to install and operate five (5) baseball/softball scoreboards and video boards ("Scoreboards") owned by Vendor for use at the Facility; and

WHEREAS, the City and League desire to grant Vendor a limited, revocable license to access and use specific portions of the Facility for the installation, operation, and maintenance of the Scoreboards, subject to the terms of this Agreement;

NOW THEREFORE, for the consideration and on the terms, provisions, and conditions hereinafter set forth, the City, League, and Vendor hereby agree as follows:

AGREEMENT:

1. License and Authority

- 1.1 Grant of License. The City grants Vendor a limited, non-exclusive, revocable license to access and use designated portions of the Facility, each approximately 20 feet by 20 feet as shown on Exhibit A ("Licensed Area"), solely for the installation, operation, and maintenance of the Scoreboards. This Agreement conveys no leasehold, easement, or other property interest.
- 1.2 Authority. The League acknowledges it has no authority to lease, convey, or encumber City property. This Agreement is effective only upon execution by the City.
- 1.3 Compliance. Vendor will obtain and maintain all required permits, approvals, and inspections before installation of the Scoreboards begins. All installation work and electrical connections will comply with applicable laws, building codes, and City standards.

2. Term and Termination

- 2.1 Term. The initial term of this Agreement is ten (10) years from the Effective Date unless earlier terminated under this Article. One (1) additional ten-year renewal may be granted only with the City's written consent. Together, the initial term and any renewal term,

including any extensions authorized under Section 3.4, are referred to collectively as "Term."

- 2.2 Termination by City. The City may terminate this Agreement for convenience after the first five (5) years of the Term upon sixty (60) days' written notice. The City may terminate this Agreement at any time for cause upon written notice if: (a) Vendor fails to comply with any material term of this Agreement and does not cure the default within 30 days after written notice; (b) the Scoreboards or associated activities pose a safety risk, create a public nuisance, or violate any law or ordinance; or (c) the Facility is permanently closed. The City will have no obligation to reimburse Vendor or the League for any costs, investments, or lost profits arising from such termination.
- 2.3 Termination by League or Vendor. The League or Vendor may terminate upon 180 days' written notice after Vendor's initial investment has been recovered, if either party determines that the arrangement is no longer economically beneficial. Decommissioning of the Scoreboards will occur only during the offseason period of November 1 through February 28. If the League terminates before Vendor recovers its initial investment of \$15,000 per Scoreboard, the League will reimburse Vendor \$5,000 for the decommissioning of all five (5) Scoreboards. The City will have no liability or responsibility for any payments, reimbursements, or other financial obligations between the League and Vendor under this section.

3. Use and Operations

3.1 Permitted Use; Daily Operations and Costs

- (a) Vendor will use the Licensed Area solely for the installation, operation, and maintenance of the Scoreboards, and for any other use necessary or incidental to those activities.
- (b) The League will be responsible for the day-to-day operation of the Scoreboards at its cost and will operate them in accordance with the manufacturer's instructions and recommendations.
- (c) The League will be responsible for all electrical costs associated with operation of each Scoreboard. The Scoreboards will be connected to existing City electrical service, and the League will reimburse the City through a flat annual utility fee of Two Hundred Dollars (\$200.00) per Scoreboard, for a total annual payment of One Thousand Dollars (\$1,000.00). The fee is due on or before January 31 of each year during the Term. The City and League may review this amount annually and adjust it by mutual written agreement if electrical rates or usage materially change.

3.2 Repairs; Maintenance

- (a) Vendor will, at its cost, perform all maintenance and repairs needed to keep the Scoreboards in safe and good working condition, except as provided in subsection (b).

(b) The League will be responsible, at its cost, for repairs or replacements required because of the negligence or misuse of its officers, employees, agents, players, or participants.

(c) All maintenance and repairs will be performed in a manner that maintains the safety and appearance of the Facility.

3.3 Costs of Operation. In accordance with the provisions of this Agreement, the League and Vendor will be solely responsible for all costs associated with the installation, operation, maintenance, repair, and removal of the Scoreboards. The City will have no financial responsibility for any such costs.

3.4 Substantial Replacement. If Vendor performs a replacement, upgrade, or addition whose cost exceeds fifty percent (50%) of the original installation cost and obtains the City and League's written consent before doing so, the City and League may approve a single five-year extension of the Term.

4. Consideration

4.1 License Fee. Vendor will pay the City the total sum of Ten Dollars (\$10.00) as consideration for the license granted in this Agreement. Payment will be due within ten (10) days after the Effective Date.

4.2 Public Benefit. The parties acknowledge that installation and operation of the Scoreboards provides a public benefit by enhancing recreational amenities for City residents and generating revenue to support the Facility's maintenance and improvement.

5. Advertising and Revenue

5.1 Advertising Rights.

(a) Vendor will have the exclusive right to sell, display, and manage advertising content on the Scoreboards, and will determine advertising pricing and clients. Vendor will not display any advertisement that is unlawful, defamatory, obscene, or promotes the sale of illegal products or services. Advertisements for alcohol, tobacco, cannabis or marijuana-related products, adult entertainment, political campaigns, or religious advocacy are prohibited.

(b) Display of an advertisement on the Scoreboards does not constitute sponsorship, endorsement, or approval by the City of any advertiser, product, or service. The City or League may require removal of any advertisement that violates the terms of this Agreement.

(c) Vendor will display community service announcements as reasonably requested by the League or the City at no cost.

5.2 Revenue Allocation. Within ninety (90) days after the end of each calendar year during the Term, Vendor will deliver to the League an amount equal to twenty percent (20%) of the

net advertising revenue collected during the previous calendar year (the "Revenue Share Payment"). Operational costs may include, without limitation, the Scoreboards, freight, installation, warranties, maintenance, sales, administrative, and legal costs. Vendor will provide a detailed statement with each Revenue Share Payment showing gross advertising revenue and all items of cost deducted in arriving at the net advertising revenue.

- 5.3 Use of League Revenue. Revenue received by the League under Section 5.2 must be used solely for the maintenance, repair, or improvement of the Facility. The League may not use any portion of such funds for private benefit or for any purpose unrelated to the operation, maintenance, or improvement of the Facility. The League will submit an annual report to the City's Parks and Recreation Department summarizing the total revenue received under Section 5.2, the expenditures made from those funds, and the purposes for which the funds were used during the preceding year.
- 5.4 City Share of Surplus Revenue. If, in any calendar year, the League's revenue under Section 5.3 exceeds the amount reasonably necessary for the maintenance, repair, or improvement of the Facility, the League will remit the remaining balance to the City. All funds remitted to the City under this section will be used solely for the maintenance, repair, or improvement of park facilities.

6. Ownership Rights

- 6.1 Ownership of Scoreboards. The Scoreboards installed on the Licensed Area, and all related software, data, and equipment used in connection with their installation, operation, and maintenance, are and will remain the property of Vendor throughout the Term of this Agreement.
- 6.2 Surrender of Licensed Area upon Expiration or Termination. Upon expiration or termination of this Agreement, Vendor must remove the Scoreboards and all related equipment from the Facility and restore the Licensed Area to its prior condition. Removal and restoration must occur during the next offseason period (November 1 – February 28) unless the City and League provide written approval for earlier removal. In no event may removal and restoration occur later than thirty (30) days after the start of that offseason period unless the City and League approve an extension in writing.
- 6.3 Failure to Remove. If Vendor fails to remove the Scoreboards or restore the Licensed Area within the required period, the Scoreboards and related equipment will be deemed abandoned, and the League or City may remove or dispose of them at Vendor's expense.

7. Liability; Damage; Taxes

- 7.1 LIABILITY AND INDEMNIFICATION. IN RECOGNITION THAT THE FACILITY IS OWNED BY THE CITY, THE VENDOR AND LEAGUE HEREBY RELEASE THE CITY, AND THE CITY'S ELECTED OFFICIALS, RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, REPRESENTATIVES, AND ITS/THEIR SUCCESSORS AND ASSIGNS, IN BOTH THEIR INDIVIDUAL AND OFFICIAL CAPACITIES (COLLECTIVELY, THE "CITY-RELATED PARTIES") FROM, AND

WILL FULLY INDEMNIFY, DEFEND, AND HOLD THE CITY-RELATED PARTIES HARMLESS AGAINST, ANY AND ALL SUITS, ACTIONS, CLAIMS, LOSSES, DEMANDS, DAMAGES, LIABILITIES, COSTS, AND REASONABLE EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, THAT RELATE TO OR RESULT FROM ANY PARTY'S ACTIVITIES AND OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO: (1) INFRINGEMENT OR MISAPPROPRIATION OF ANY THIRD-PARTY'S COPYRIGHT, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHTS; (2) BODILY INJURY, INCLUDING DEATH; OR (3) PROPERTY DAMAGE; REGARDLESS OF THE SOLE, JOINT, OR CONCURRENT NEGLIGENCE, NEGLIGENCE PER SE, GROSS NEGLIGENCE, STRICT LIABILITY, REGULATORY OR STATUTORY LIABILITY, TORT THEORY, ACTS, OMISSIONS, FAULT, OR FAILURE TO ACT CAUSED BY THE CITY, THE LEAGUE, THE VENDOR, OR OTHERWISE.

- 7.2 Liability of League and Vendor: League and Vendor agree that each will be solely responsible for their own negligent acts or omissions or other tortious conduct during performance of this Agreement, without waiving any governmental immunities available to League under Texas law or other applicable laws, and without waiving any available defenses under Texas law or other applicable laws.
- 7.3 Reimbursement Between Parties: If League is required to pay any sum that is Vendor's responsibility or liability, Vendor will promptly reimburse Lessor for the payment and for reasonable expenses caused thereby. If Vendor is required to pay any sum that is League's responsibility or liability, League will promptly reimburse Vendor for the payment and for reasonable expenses caused thereby.
- 7.4 Property Damage: The League is responsible for the cost of repairing any damage to the Facility, improvements, or surrounding property that results from the negligence or misconduct of the League, its employees, participants, or invitees. Vendor is responsible for any damage to the Facility resulting from installation, maintenance, or operation of the Scoreboards.
- 7.5 Property Tax: Vendor is responsible for all taxes and assessments levied by any taxing authority and attributable to the Licensed Area or the Scoreboards during the Term, including personal property, ad valorem, or special taxes and assessments

8. Insurance

8.1 Vendor Insurance.

- (a) Vendor must maintain, at its own expense, the insurance coverage listed below during the Term of this Agreement and must ensure that all subcontractors maintain equivalent coverage. Neither City nor League assumes responsibility for any act or omission of Vendor's subcontractors.

1. Commercial General Liability – Minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate.
 2. Automobile Liability – Covering owned, hired, and non-owned vehicles, with limits of \$1,000,000 combined single limit.
 3. Workers' Compensation – Statutory coverage under the Texas Labor Code.
 4. Employers' Liability – \$500,000 per employee per disease / \$500,000 per employee per accident / \$500,000 by disease aggregate.
- (b) Policy Endorsements and Conditions
1. The City and the League must each be named as additional insureds on the General Liability and Automobile Liability policies, by endorsement only.
 2. All liability and workers' compensation policies must include a waiver of subrogation in favor of the City and the League, by endorsement only.
 3. Coverage must be primary and non-contributory with respect to any insurance carried by the City or the League.
 4. Policies must provide 30 days' written notice to the City prior to cancellation, non-renewal, or material change.
 5. Insurers must have an A.M. Best rating of A- or better and be authorized to do business in Texas.
 6. Policies must include contractual liability coverage for Vendor's obligations under this Agreement and contain no cross-liability or insured-versus-insured exclusions.
 7. Required limits may be satisfied by any combination of primary and umbrella coverage.
 8. Certificates of insurance and copies of all required endorsements must be provided to the City before installation begins and kept current throughout the Term.
- 8.2 League Insurance. The League will maintain general liability insurance covering its operations and obligations under this Agreement, naming the City as an additional insured.

9. Miscellaneous Provisions

- 9.1 Entire Agreements and Amendments. This License Agreement sets forth all the understandings of the parties. No modifications of this License Agreement will be allowed without the written consent of all parties.
- 9.2 Unlawful Use. Vendor, League and their employees and agents must not use or knowingly allow any other person to use the Licensed Premises in violation of any federal, state, county, or local regulation, order, law, or ordinance applicable to the Licensed Premises.
- 9.3 Notices. Any notice required or permitted under this Agreement must be in writing. Any notice required by this Agreement will be deemed to be delivered upon three (3) calendar days after the date upon which such notice is deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the respective address:

To the City: Director of Parks & Recreation
City of Sugar Land
PO Box 110

Sugar Land, Texas 77487

To League: First Colony Little League
PO Box 17565
Sugar Land TX 77496
Email: harrington@fell.net

To Vendor: Youth Scoreboards LLC
913 N. Broadway
Oklahoma City, OK 73102
Email: jphillips@youthscoreboards.com

Other notices may be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means. Any address for notice may be changed by written notice delivered as provided herein.

- 9.4 Assignment, Transfer, and Sublicense. The license granted herein is personal to Vendor. Vendor may not sell, assign, or transfer this License Agreement or sublicense any portion of the Licensed Premises to any other person or entity.
- 9.5 No Third Party Beneficiaries. No person or entity shall be a third-party beneficiary to this License Agreement or shall have any right or cause of action hereunder.
- 9.6 Subject to Appropriations/Statutory Limitations. Any obligation or liability of the City arising in any way from this License Agreement is subject to, limited by, and contingent upon the appropriation and availability of funds, as well as the damage limits and notice requirements provided for in state law, including the Tort Claims Act.
- 9.7 Governing Law. This License Agreement will be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are to be performed, and exclusive venue will lie, in Fort Bend County, Texas.
- 9.8 Severability. In case any one (1) or more of the provisions contained in this License Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, that provision will not affect any other provision hereunder.
- 9.9 Survival. The provisions of this License Agreement relating to indemnification will survive any termination or expiration of this License Agreement. Additionally, any provisions of this License Agreement which require performance subsequent to the termination or expiration of this License Agreement will also survive such termination or expiration.
- 9.10 Captions. The captions contained in this License Agreement are inserted for convenience only and are not intended to be part of this License Agreement. Such captions will not affect or be utilized in the construction or interpretation of this License Agreement.

CITY OF SUGAR LAND, TEXAS

FIRST COLONY LITTLE LEAGUE

By: _____
Name: Michael W. Goodrum
Title: City Manager
Date: _____

By: Chris Harrington
Name: Chris Harrington
Title: President
Date: 12-2-25

YOUTH SCOREBOARDS, LLC

By: [Signature]
Name: Jon Phillips
Title: CEO
Date: 12-2-25

ATTEST:

Linda Mendenhall, City Clerk

APPROVED AS TO FORM:

[Signature]

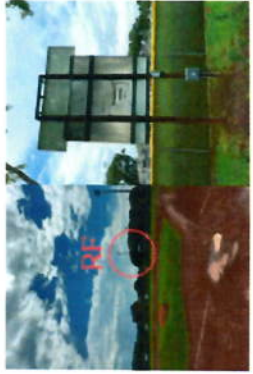
Exhibit A



Field 1



Field 2



Field 4



Field 3



Field 5





City Council Agenda Request December 16, 2025

Agenda Request No: VII.H.

Agenda of: City Council Meeting

Initiated by: Ashley Newsome, Deputy City Clerk

Presented by: Carol McCutcheon, Mayor

Responsible Department: Admin

Agenda Caption:

MUNICIPAL COURT JUDGE COMPENSATION

Consideration of and action on authorization of the Municipal Court Judge Year 2026 salary, in the amount of \$137,500, effective January 3, 2026.

Recommended Action:

Set the Municipal Court Judge's FY26 base salary at \$137,500, effective January 3, 2026, based on the Judge's FY25 performance evaluation.

Executive Summary:

In October, staff began the FY25 performance evaluation process for the Municipal Court Judge. Feedback from the Judge's peer group was gathered and compiled, as well as the Court's performance metrics for the year were incorporated into the final assessment to support a well-rounded evaluation.

Based on the FY25 performance results, the recommendation is to set the Municipal Court Judge's FY26 base salary at \$137,500, effective January 3, 2026.

Budget

Expenditure Required: n/a

Current Budget: n/a

Additional Funding: n/a

Funding Source: n/a

Account Number (ORG-OBJ-Project): n/a

Attachments

None



City Council Agenda Request December 16, 2025

Agenda Request No: VII.I.

Agenda of: City Council Meeting

Initiated by: Nicole Fontenette, Public Meeting Coordinator

Presented by: Carol McCutcheon, Mayor

Responsible Department: Admin

Agenda Caption:

TAX INCREMENT REINVESTMENT ZONE NO. 3 APPOINTMENTS

Consideration of and action on the appointment of Jim Vonderhaar, Sanjay Singhal, and Chris Barnett as members for terms expiring December 31, 2027, to the Tax Increment Reinvestment Zone Number Three.

Recommended Action:

Consideration and action on appointment of members to Tax Increment Reinvestment Zone Number Three.

Executive Summary:

Consideration and action on appointment of members to Tax Increment Reinvestment Zone Number Three.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

None



City Council Agenda Request December 16, 2025

Agenda Request No: VII.J.

Agenda of: City Council Meeting

Initiated by: Nicole Fontenette, Public Meeting Coordinator

Presented by: Carol McCutcheon, Mayor

Responsible Department: Admin

Agenda Caption:

TAX INCREMENT REINVESTMENT ZONE NO. 4 APPOINTMENTS

Consideration of and action on the appointment of Rick Miller, Bridget Yeung, and Jennifer Raymond as members for terms expiring December 31, 2027, to the Tax Increment Reinvestment Zone Number Four.

Recommended Action:

Consideration and action on appointment of members to Tax Increment Reinvestment Zone Number Four.

Executive Summary:

Consideration and action on appointment of members to Tax Increment Reinvestment Zone Number Four.

Budget

Expenditure Required: n/a

Current Budget: n/a

Additional Funding: n/a

Funding Source: n/a

Account Number (ORG-OBJ-Project): n/a

Attachments

None



City Council Agenda Request December 16, 2025

Agenda Request No: VII.K.

Agenda of: City Council Meeting

Initiated by: Nicole Guevara, Assistant Director of Neighborhood Services

Presented by: Nicole Guevara, Assistant Director of Neighborhood Services

Responsible Department: Public Works

Agenda Caption:

SECOND CONSIDERATION: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE 2397:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 4 OF THE LAND DEVELOPMENT CODE BY AMENDING SIGN REGULATIONS RELATED TO POLITICAL SIGNS.

Recommended Action:

Consider and approve the second reading of Ordinance No. 2397 amending Chapter 4, Article I - Sign Regulations In General

Executive Summary:

Staff presented updates to Chapter 2 of the Development Code during a City Council meeting on December 2, 2025.

Ordinance No. 2397 outlines the following:

- Definitions for a Type I and Type II political sign
- Timeframe requirements for Type II political signs
 - 90 days before an election
 - 5 days following an election

Public Works presents Ordinance No. 2397 for consideration and approval.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. Ordinance 2397

ORDINANCE NO. 2397

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 4 OF THE LAND DEVELOPMENT CODE BY AMENDING SIGN REGULATIONS RELATED TO POLITICAL SIGNS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

Section 1. That Chapter 4, Article 1 of the Land Development Code is revised by amending Section 4-3 by adding the following definitions:

Effective area means the surface area of a sign face or panel, but does not include the supporting structure of a sign.

Political Sign Type 1 means a sign that contains primarily a political message and is located on private real property with the consent of the property owner. Private real property does not include real property subject to an easement or other encumbrance that allows the City to use the property for a public purpose.

Political Sign Type 2 means a sign that advertises a candidate or measure for an election and is located on private real property with the consent of the property owner. Private real property does not include real property subject to an easement or other encumbrance that allows the City to use the property for a public purpose.

Section 2. That Chapter 4, Article 1 of the Land Development Code is revised by amending Section 4-4 (13) to read as follows:

Sec. 4-4. - Exemptions.

13. *Political signs Type 1 and Type 2.*

a. May not:

- 1) Have an Effective Area greater than 36 square feet;
- 2) Be more than 8 feet high;
- 3) Be Illuminated or Electronic; or
- 4) Have any moving element.

b. Time Limitations:

- 1) Political signs Type 1 have no time limitations.
- 2) Political signs Type 2 may not be placed earlier than the 90th calendar day before the first day of early voting and must be removed no later than the 5th calendar day after the scheduled election date.

Section 3. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 4. That the provisions of this ordinance are severable and the invalidity of any part of this ordinance will not affect the validity of the remainder of the ordinance.

APPROVED on _____.

ADOPTED on _____.

Carol K. McCutheon, Mayor

ATTEST:

Linda Mendenhall, City Clerk



City Council Agenda Request December 16, 2025

Agenda Request No: VII.L.

Agenda of: City Council Meeting

Initiated by: Nicole Guevara, Assistant Director of Neighborhood Services

Presented by: Nicole Guevara, Assistant Director of Neighborhood Services

Responsible Department: Public Works

Agenda Caption:

SECOND CONSIDERATION: Consideration of an action on **CITY OF SUGAR LAND ORDINANCE NO. 2396:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 5 RELATED TO STOPPING, STANDING, AND PARKING OF VEHICLES; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

Recommended Action:

Consider and approve the second reading of Ordinance No. 2396 amending Chapter 5, Article IV - Traffic

Executive Summary:

Unrestricted overnight parking can lead to abandoned or stored vehicles occupying customer spaces, obstructing deliveries, and creating visibility and safety concerns for employees and visitors. Staff reviewed ordinance modifications with City Council during the December 2, 2025 meeting.

Ordinance No. 2396 ensures that commercial centers remain clean, safe, and accessible, supports local business operations, and prevents long-term vehicle storage in areas not designed for it by doing the following:

- Prohibiting overnight parking between the hours of 10 pm to 6 am
- Holds both the operator/owner of the commercial motor vehicle as well as the commercial property owner (under certain circumstances)
- Authorizes Code Enforcement to conduct enforcement activities

Following the workshop, additional modifications were identified during internal discussions. With the City soon opening two electrical charging stations sites, one at the Sugar Land Airport

and another at T.E. Harman Center, staff wanted to ensure customers did not utilize the covered parking area as long-term parking. Ordinance No. 2396 prohibits a vehicle from being parked in a space designated for the charging of an electric vehicle while not actively charging.

Public Works recommends approval of Ordinance No. 2396

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. Ordinance_Parking Amendments

ORDINANCE NO. 2396

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING PROVISIONS IN CHAPTER 5 RELATED TO STOPPING, STANDING, AND PARKING OF VEHICLES; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

WHEREAS, Section 542.202 of the Texas Transportation Code provides that a municipality may, in the reasonable exercise of its police power, regulate the stopping, standing, and parking of vehicles on streets under its jurisdiction; and

WHEREAS, Section 601.001 of the Texas Local Government Code authorizes a municipality to regulate and enforce restrictions on private property and may enforce such regulations in the same manner as ordinances regulating parking in public no-parking zones; and

WHEREAS, the City Council finds it necessary to amend the City's ordinances relating to stopping, standing, and parking of vehicles to address enforcement authority, commercial vehicle parking, and access to designated electric-vehicle charging spaces; and

WHEREAS, the City Council finds that these amendments are in the best interest of the public health, safety, and welfare; NOW, THEREFORE;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

Section 1. That Section 5-51 of Chapter 5, Article IV (Traffic) is amended to read as follows:

Sec. 5-51. – Parking enforcement personnel.

- (a) The chief of police may assign trained civilian volunteers and civilian employees as parking enforcement personnel. Parking enforcement personnel may enforce all traffic laws of the city and of the state relating to stopping, standing, or parking by the issuance of a parking citation.
- (b) Code enforcement personnel may issue notices of violation to enforce all ordinances of the city relating to standing, stopping, and parking, except for violations involving parking in a designated fire lane or parking space reserved for persons with disabilities.
- (c) Airport operations personnel may issue a notice of violation to any person who stops, stands, or parks a motor vehicle at the airport in violation of section 5-86(b) (area designated for the charging of electric vehicles) of this code.

Section 2. That Sections 5-85 through 5-90 of Chapter 5, Article IV (Traffic) are amended to read as follows:

5-85. – Overnight parking of commercial vehicles.

- (a) It is unlawful for any person to stop, stand, or park a commercial motor vehicle, trailer, or semitrailer on the premises of a commercial property between the hours of 10:00 p.m. and 6:00 a.m.
- (b) It is unlawful for the owner, operator, or manager of a commercial property to allow a person to park a commercial motor vehicle, trailer, or semitrailer in violation of subsection (a).
- (c) For the purposes of this section, the following definitions apply:
 - (1) “Commercial motor vehicle” is motor vehicle that:
 - a. Has three or more axles and is designed and maintained primarily for the transportation of property; or
 - b. is designed for the transportation of fifteen or more passengers.
 - (2) “Commercial property” means real property that is not residential property and is not property owned or leased by the federal government, state government or any political subdivision thereof.
 - (3) “Motor vehicle” means a vehicle that is self-propelled.
 - (4) “Semitrailer” means a vehicle without motive power that is designed, or used with a motor vehicle, so that some of its weight and the weight of its load rests on or is carried by the motor vehicle.
 - (5) “Trailer” means a vehicle without motive power that is designed or used to carry property or passengers on its own structure exclusively.
- (d) Each day that a commercial vehicle, trailer, or semitrailer remains in violation of this section constitutes a separate offense.
- (e) It is an affirmative defense to prosecution that the owner, operator, or manager of the commercial property:
 - (1) Has posted conspicuous signage at each driveway entrance prohibiting commercial vehicle parking; and
 - (2) Has taken reasonable steps to prevent or address unauthorized parking; or
 - (3) Is in the business of vehicle storage; or

- (4) Is in the business of providing sleeping accommodations for consideration including hotels, motels, tourist homes, tourist courts or rooming houses but not including hospitals, nursing homes, or dormitories.
- (f) It is an affirmative defense to prosecution that the owner or operator of the commercial motor vehicle, trailer or semitrailer:
 - (1) was making a same-day delivery or pick up to a business within the commercial property;
 - (2) is the owner of the commercial property on which the violation occurred; or
 - (3) stopped, stood, or parked the commercial motor vehicle, trailer or semitrailer on a property owned by a company in the business of vehicle storage.

Sec. 5-86. – Parking; enforcement.

- (a) Unauthorized use of or the blocking of access to a parking space or area designated and established exclusively for use by transport vehicles for disabled persons, which is located either on property owned or controlled by the city or on private property and is identified in the manner provided by law, is unlawful and will be punished as provided by law.
- (b) Unauthorized use of or the blocking of access to a parking space or area designated and established exclusively for the charging of electric vehicles, which is located either on property owned or controlled by the city or on private property, is unlawful. For purposes of this section, “unauthorized use” includes parking a vehicle in an electric vehicle charging space while not actively charging.

Sec. 5-87. – Parking prohibited in certain places.

It is unlawful for a person to stop or park any vehicle upon a street in the city in such a manner or under such conditions as to leave available less than 12 feet of the width of the roadway for free movement of vehicular traffic; except that a driver may stop temporarily during the actual loading or unloading of passengers or merchandise; and except that a driver may stop or park a vehicle when necessary to avoid conflict with other traffic or when necessary in obedience to the directions of a police officer or official traffic-control device.

Sec. 5-88. – Owner and operator responsible for illegal parking.

It is unlawful for any person, having registered in his name or owning or operating or in charge of any vehicle, knowingly to allow or suffer or permit the vehicle to stop or be parked in any street in the city in violation of any of the provisions of this section or other ordinances of the city regulating the stopping or parking of vehicles.

Sec. 5-89. – Presumption.

In a prosecution for an offense of stopping, standing or parking a motor vehicle, commercial motor vehicle, trailer or semitrailer, it is presumed that the registered owner of the vehicle is the person who stopped, stood, or parked the vehicle at the time and place the offense occurred.

Sec. 5-90. – When removal is required.

- (a) *Removal.* The police department may remove a vehicle from the streets, alleys, sidewalks and public ways of the city any time when, in the opinion of one of its peace officers, such vehicle constitutes a hazard or interferes with a normal function of the city, or by reason of any catastrophe, emergency or unusual circumstances, the safety of the vehicle is imperiled.
- (b) *Notice of removal.* Whenever an officer removes a vehicle from a street as authorized herein and the officer knows or is able to ascertain the name and address of the owner thereof, such officer will give or cause to be given notice in writing to such owner of the fact of such removal and the reasons therefor and of the place to which such vehicle has been removed.

Whenever an officer removes a vehicle from a street as provided herein and does not know and is not able to ascertain the name of the owner, or for any other reason is unable to give the notice to the owner as hereinbefore provided, and in the event the vehicle is not returned to the owner within a period of three days, then the officer will send a written report of such removal by mail to the State Department of Highways and Public Transportation in Austin, Texas as required by law, and file a copy of such notice with the proprietor of any garage in which the vehicle may be placed. Such notice will include a complete description of the vehicle; the date, time and place from which removed; the reasons for such removal; and the name of the garage or place where the vehicle is stored.

Section 3. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 4. That the provisions of this ordinance are severable and the invalidity of any part of this ordinance will not affect the validity of the remainder of the ordinance.

APPROVED on first consideration on _____, 2025.

ADOPTED upon second consideration on _____, 2025.

Carol K. McCutcheon, Mayor

ATTEST:

Linda Mendenhall, City Clerk

APPROVED AS TO FORM:

A handwritten signature in cursive script, appearing to read "Angela Mann".



City Council Agenda Request December 16, 2025

Agenda Request No: VIII.A.

Agenda of: City Council Meeting

Initiated by: Nicole Guevara, Assistant Director of Neighborhood Services

Presented by: Nicole Guevara, Assistant Director of Neighborhood Services, Joshua Doyle, Chief Building Official, James Serrano, Assistant Fire Chief, Mike Kugler, Assistant Fire Marshal

Responsible Department: Public Works

Agenda Caption:

PUBLIC HEARING 5:30 P.M.: Receive and hear all persons interested in an ordinance amending Chapter 7 (Building Regulations) of the Sugar Land Development Code by adopting the 2024 International Codes and the 2023 National Electrical Code, with local amendments, and repealing all ordinances or parts of ordinances in conflict herewith.

FIRST CONSIDERATION: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2395:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 7 (BUILDING REGULATIONS) OF THE SUGAR LAND DEVELOPMENT CODE BY ADOPTING THE 2024 INTERNATIONAL CODES AND THE 2023 NATIONAL ELECTRICAL CODE; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

Recommended Action:

Discuss and approve Ordinance No. 2395 adopting the 2024 International Codes and the 2023 National Electrical Code

Executive Summary:

This item is scheduled for a Public Hearing and First Reading for the approval of Ordinance No. 2395, which adopts the 2024 editions of the International Code Council (ICC) family of model codes along with the 2023 National Electrical Code (NEC), including local amendments for administration and enforcement, to ensure our local regulations remain aligned with the most current national standards for safety, sustainability, and resiliency. These codes provide comprehensive updates across multiple disciplines:

- International Residential Code (IRC 2024): Enhances safety and livability standards for one- and two-family homes and townhouses.
- International Building Code (IBC 2024): Updates requirements for structural integrity,

accessibility, and fire/life safety in commercial and multifamily construction.

- International Energy Conservation Code (IECC 2024): Improves building energy efficiency, reducing costs for residents and businesses while supporting sustainability goals.
- International Fire Code (IFC 2024): Strengthens fire prevention, hazardous materials management, and emergency planning.
- International Fuel Gas Code (IFGC 2024): Provides up-to-date safety standards for natural gas and propane systems.
- International Swimming Pool and Spa Code (ISPSC 2024): Enhances safety for residential and public pools and spas.
- International Mechanical Code (IMC 2024): Updates standards for heating, ventilation, and air conditioning systems.
- International Plumbing Code (IPC 2024): Modernizes water supply, distribution, and sanitation requirements.
- International Property Maintenance Code (IPMC 2024): Establishes minimum standards for existing structures and property conditions.
- National Electrical Code (NEC 2023): Ensures electrical installations meet the latest safety and technology standards.

By adopting these updated codes with local amendments, the City strengthens protections for public health and safety, ensures consistency with regional and state practices, promotes energy efficiency, and supports resilient, future-ready development. This proactive approach helps safeguard residents, businesses, and first responders while fostering responsible growth.

Planning and Development Services, Fire, and Public Works recommend approval of Ordinance No. 2395.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. Dev Code Redlines_Adoption of 2024 International Codes
2. Ordinance 2395_Dev Code Amendments_Adoption of 2024 International Codes

ARTICLE II. - BUILDINGS

Sec. 7-14. - Code Adopted.

Except as amended in this Article, the International Building Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-14.1. - Appendix Adopted.

Except as amended in this Article, Appendix K of the International Building Code, ~~2021~~ 2024 edition, is adopted.

Sec. 7-15. - Code Deletions.

The following parts of the International Building Code are deleted:

~~Paragraph 105.1.1~~

~~Paragraph 105.1.2~~

Section 113

Subsection 114.2

Subsection 114.3

Subsection 116.3

Subsection 116.4

Subsections 1102.1- ~~1112.5.2~~ 1112.6

Subsection 1507.8

Subsection 1507.9

Subsection 1612.3

Sec. 7-16. - Code Amendments.

The following sections of the International Building Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1 Title. These regulations shall be known as the Building Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the building official.

Subsection ~~104.3~~ 104.6 is amended to read as follows:

~~104.3.~~ 104.6 *Notices and orders.* The building official may issue necessary notices or orders to ensure compliance with this code.

Subsection 105.1 is amended to read as follows:

105.1. Required. It shall be unlawful for any owner, owner's authorized agent, person, firm, or corporation to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or erect, install, enlarge, alter, repair, remove, convert, or replace any electrical, gas, mechanical, or plumbing system regulated by this code, or cause any such work to be performed, without obtaining the required permit prior to commencing such work. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner of the property caused the construction, enlargement, alteration, repair, movement, demolition, or change of the occupancy of the building or structure, or the erection, installation, enlargement, alteration, repair, removal, conversion, or replacement of any electrical, gas, mechanical, or plumbing system regulated by this code, or caused the same to be done, on the property.

Subsection 105.2 is amended to read as follows:

105.2 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of the city. Permits shall not be required for the following:

Building:

1. Oil derricks.
2. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
3. Temporary motion picture, television and theater stage sets and scenery.
4. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches (610 mm) deep, are not greater than 5,000 gallons (18,925 L) and are installed entirely above ground.
5. Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.
6. Swings and other playground equipment accessory to detached one- and two-family dwellings.
7. Non-fixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1,753 mm) in height.
8. Solar pergolas.

Electrical:

Repairs and maintenance: Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.

Radio and television transmitting stations: The provisions of this code shall not apply to electrical equipment used for radio and television transmissions, but do apply to equipment and wiring for a power supply and the installations of towers and antennas.

Temporary testing systems: A permit shall not be required for the installation of any temporary system required for the testing or servicing of electrical equipment or apparatus.

Gas:

1. Portable heating appliance.
2. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.

Mechanical:

1. Portable heating appliance.
2. Portable ventilation equipment.
3. Portable cooling unit.
4. Steam, hot or chilled water piping within any heating or cooling equipment regulated by this code.
5. Replacement of any part that does not alter its approval or make it unsafe.
6. Portable evaporative cooler.
7. Self-contained refrigeration system containing 10 pounds (4.54 kg) or less of refrigerant and actuated by motors of 1 horsepower (0.75 KW) or less.

Plumbing:

1. The stopping of leaks in drains, water, soil, waste or vent pipe, provided, however, that if any concealed trap, drain pipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.
2. The clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.

Section 105 is amended by adding Subsection 105.8 to read as follows:

105.8. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Subsection 114.1 is amended to read as follows:

114.1. Unlawful acts. It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, enlarge, repair, move, remove, demolish, occupy, or use any building, structure, or equipment regulated by this code, or cause the same to be done, in conflict with or in violation of any of the provisions of this code. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner caused the erection, construction, extension, enlargement, alteration, repair, movement, demolition, occupancy, or use of the building, structure, or equipment, or caused the same to be done, on the property. It is presumed that any building, structure, or equipment present on the property is being used by the record owner or occupant of the property.

Subsection 1101.1 is amended to read as follows:

1101.1. Scope. Buildings and facilities shall be designed and constructed to be accessible in accordance with Chapter 469 of the Texas Government Code, the Texas Architectural Barriers Act, and the Texas Accessibility Standards.

Subsection 1612.3 is amended to read as follows:

1612.3 Establishment of flood hazard areas. To establish flood hazard areas, the City Council shall adopt a flood hazard map(s) and supporting data. The flood hazard map(s) shall include, at a minimum, areas of special flood hazard as set forth in section 8-12 of the Development Code. The flood hazard map(s) and supporting data adopted pursuant to section 8-12 of the Development Code are adopted and declared to be part of this section

Subsection K110.1 is amended to read as follows:

K110.1. Authority to condemn electrical systems. Wherever the building official determines that any electrical system, or portion thereof, regulated by this code has become hazardous to life, health or property, the building official may order in writing that such electrical systems either be removed or restored to a safe condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain a defective electrical system or equipment after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

ARTICLE II-A. - EXISTING BUILDING CODE

Sec. 7-17. - Code Adopted.

Except as amended in this Article, the International Existing Building Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-18. - Code Deletions.

The following sections of the International Existing Building Code are deleted:

Section 112

Subsection 113.2

Subsection 113.4

Subsection 115.3

Subsection 115.4

Subsection 117.2

Sec. 7-19. - Code Amendments.

The following sections of the International Existing Building Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Existing Building Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Subsection 104.3 is amended to read as follows:

104.3. Notices and orders. The code official may issue necessary notices or orders to ensure compliance with this code.

Section 105 is amended by adding Subsection 105.8 to read as follows:

105.8. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Subsection 113.1 is amended to read as follows:

113.1 Unlawful acts. It shall be unlawful for any person, firm or corporation to repair, alter, extend, add, move, remove, demolish, change the occupancy, or use any building or

structure regulated by this code or cause same to be done, in conflict with or in violation of any of the provisions of this code. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner caused the repair, alteration, extension, addition, movement, removal, demolition, change of occupancy, or use of the building or structure, or caused the same to be done, on the property. It is presumed that any building or structure present on the property is being used by the record owner or occupant of the property.

Sec. 7-20. - Reserved.

ARTICLE III. - ELECTRICAL

Sec. 7-21. - Code Adopted.

Except as amended in this Article, the National Electrical Code, ~~2020~~ 2023 edition, as published by the National Fire Protection Association, is adopted.

Sec. 7-22. - Code Amendments.

The following parts of ~~2020~~ 2023 National Electrical Code are amended:

Subsection 230.30 is amended to read as follows:

230.30. Installation.

- (A) All direct buried cables and conductors shall be installed in an approved conduit or raceway.
- (B) Insulation. Underground service conductors shall be insulated for the applied voltage.

Exception: A grounded conductor shall be permitted to be uninsulated as follows:
 - (1) Bare copper used in a raceway
 - (2) Bare copper for direct burial where bare copper is approved for the soil conditions
 - (3) Bare copper for direct burial without regard to soil conditions where part of a cable assembly identified for underground use
 - (4) Aluminum or copper-clad aluminum without individual insulation or covering where part of a cable assembly identified for underground use in a raceway or for direct burial

- (C) Wiring Methods. Underground service conductors shall be installed in accordance with the applicable requirements of this Code covering the type of wiring method used and shall be limited to the following methods:
 - (1) RMC conduit
 - (2) IMC conduit
 - (3) Type NUCC conduit
 - (4) HDPE conduit
 - (5) PVC conduit
 - (6) RTRC conduit
 - (7) Type IGS cable
 - (8) Type USE conductors or cables
 - (9) Type MV or Type MC cable identified for direct burial applications
 - (10) Type MI cable where suitably protected against physical damage and corrosive conditions
 - (11) Type TC-ER cable where identified for service entrance use and direct burial applications

Subsection 230.42 is amended to read as follows:

230.43. Wiring Methods for 1000 Volts, Nominal, or Less.

(A) Service-entrance conductors shall be installed in accordance with the applicable requirements of this Code covering the type of wiring method used and shall be limited to the following methods:

(1) Open wiring on insulators

- (2) Type IGS cable
- (3) Rigid metal conduit (RMC)
- (4) Intermediate metal conduit (IMC)
- (5) Electrical metallic tubing (EMT)
- (6) Electrical nonmetallic tubing
- (7) Service-entrance cables
- (8) Wireways
- (9) Busways
- (10) Auxiliary gutters
- (11) Rigid polyvinyl chloride conduit (PVC)
- (12) Cablebus
- (13) Type MC cable
- (14) Mineral-insulated, metal-sheathed cable, Type MI
- (15) Flexible metal conduit (FMC) not over 1.8 m (6 ft) long or liquidtight flexible metal conduit (LFMC) not over 1.8 m (6 ft) long between a raceway, or between a raceway and service equipment, with a supply-side bonding jumper routed with the flexible metal conduit (FMC) or the liquidtight flexible metal conduit (LFMC) according to 250.102(A), (B), (C), and (E)
- (16) Liquidtight flexible nonmetallic conduit (LFNC)
- (17) High density polyethylene conduit (HDPE)
- (18) Nonmetallic underground conduit with conductors (NUCC)
- (19) Reinforced thermosetting resin conduit (RTRC)
- (20) Type TC-ER cable where identified for use as service entrance conductors
- (21) Flexible bus systems

(B) Commercial Service Riser Raceways on Utility Poles and Structures. Where service-entrance conductors of 1000 volts, nominal, or less are installed in a raceway that is above grade and fastened to a utility-owned pole or structure and the installation is not under the exclusive control of an electric utility as described in 90.2(D)(5), the raceway shall be rigid metal conduit (RMC) in accordance with Article 344. The use of polyvinyl chloride (PVC) conduit (Schedule 40 or Schedule 80) for this riser is prohibited.

1. The RMC shall be raintight and continuous from all points above finished grade to the service head or weatherhead.
2. The RMC shall be securely fastened to the pole or structure in accordance with 344.30 and supported to prevent damage.
3. Bonding and grounding shall comply with 250.92 and 250.94, and shall comply with the Utility providers standards (Center Point).
4. Raceway fittings and bushings shall be listed and installed in accordance with 344.42.

Informational Note: Coordination with the serving electric utility may be required for attachment methods and clearances. Installations under the utility's exclusive control are outside the scope of the NEC per 90.2(D)(5).

Paragraph 300.5(D) is amended to read as follows:

- (D) Protection from Damage.* Direct buried conductors and cables shall be installed in an approved conduit or raceway.

Table 300.5 is amended to read as follows:

Table 300.5
Minimum Cover Requirements, 0 to 1000 Volts, Burial in Inches

LOCATION OF WIRING METHOD OR CIRCUIT	TYPE OF WIRING METHOD OR CIRCUIT				
	Column 1 Direct Burial Cables or Conductors	Column 2 Rigid Metal Conduit or Intermediate Metal Conduit	Column 3 Nonmetallic Raceways Listed for Direct Burial Without Concrete Encasement or Other Approved Raceways	Column 4 Residential Branch Circuits Rated 120 Volts or Less With GFCI protection and Maximum Overcurrent Protection of 20 Amperes	Column 5 Circuits for Control of Irrigation and Landscape Lighting Limited to Not More Than 30 Volts and Installed with Type UF or in Other Identified Cable or Raceway
All locations not specified below	24 ^c	6	18	12	6 ^{a, b}
In trench below 2-inch-thick concrete or equivalent	18 ^c	6	12	6	6
Under a building	0 (In raceway only or Type MC identified for direct burial)	0	0	0 (In raceway only or Type MC identified for direct burial)	0 (In raceway only or Type MC identified for direct burial)
Under minimum of 4-inch-thick concrete exterior slab with no vehicular traffic and the slab extending not less than 6 inches beyond the underground installation	18 ^c	4	4	6 (Direct burial) 4 (In raceway)	6 (Direct burial) 4 (In raceway)
Under streets, highways, roads, alleys, driveways and parking lots	24 ^c	24	24	24	24
One- and two-family dwelling driveways and outdoor parking areas, and used only for dwelling-related purposes	18 ^c	18	18	12	18
In solid rock where covered by minimum of 2 inches concrete extending down to rock	2 (In raceway only)	2	2	2 (In raceway only)	2 (In raceway only)

a. A lesser depth shall be permitted where specified in the installation instructions of a listed low-voltage lighting system.

b. A depth of 6 inches shall be permitted for pool, spa, and fountain lighting that is installed in a nonmetallic raceway, limited to not more than 30 volts and part of a listed low-voltage lighting system.

c. Direct buried cables or conductors shall be installed in an approved conduit or raceway.

Notes:

1. Cover is defined as the shortest distance in inches measured between a point on the top surface of any direct-buried conductor, cable, conduit or other raceway and the top surface of finished grade, concrete, or similar cover.

2. Raceways approved for burial only where encased concrete shall require concrete envelope not less than 2 inches thick.

3. Lesser depths shall be permitted where cables and conductors rise for terminations or splices or where access is otherwise required.

4. Where one of the wiring method types listed in Columns 1 through 3 is combined with one of the circuit types in Columns 4 and 5, the shallower depth of burial shall be permitted.

5. Where solid rock prevents compliance with the cover depths specified in this table, the wiring shall be installed in metal or nonmetallic raceway permitted for direct burial. The raceways shall be covered by a minimum of 2 inches of concrete extending down to the rock.

Subsection 351.12 is amended to read as follows:

352.12. Uses Not Permitted.

PVC conduit shall not be used under the conditions specified in 352.12(A) through (F).

(A) Hazardous (Classified) Locations. In any hazardous (classified) location, except as permitted by other articles of this Code.

(B) Support of Luminaires. For the support of luminaires or other equipment not described in 352.10(I).

(C) Physical Damage. Where subject to physical damage, except as permitted in 352.10(K).

(D) Ambient Temperatures. Where subject to ambient temperatures in excess of 50°C (122°F) unless listed otherwise.

(E) Theaters and Similar Locations. In theaters and similar locations, except as provided in 518.4 and 520.5.

(F) Service Riser on Utility Poles. PVC conduit, including Schedule 80, shall not be used as the above-ground service riser raceway where fastened to a utility-owned pole or structure.

Secs. 7-23-7-25. - Reserved.

ARTICLE IV. – GAS

Sec. 7-26. - Code Adopted.

Except as amended in this Article, the International Fuel Gas Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-27. - Code Deletions.

The following section of the International Fuel Gas Code is deleted:

Section 112

~~Section 113~~

~~Section 114~~

Subsection 113.2

Subsection 113.3

Subsection 113.4

Subsection 113.5

~~Subsection 115.2~~

~~Subsection 115.3~~

~~Subsection 115.4~~

~~Subsection 115.5~~

Sec. 7-28. - Code Amendments.

The following sections of the International Fuel Gas Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Fuel Gas Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Section 104.6 is amended to read as follows:

104.6. Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code.

Section ~~106~~ 105 is amended by adding Subsection ~~106.6~~ 105.6 to read as follows:

~~106.6.~~ 105.6. Insurance Required. As a condition to the issuance of the permit, the

contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Paragraph ~~115.6.1~~ 113.6.1 is amended to read as follows:

~~115.6.1.~~ 113.6.1. *Authority to condemn installations.* Whenever the code official determines that any installation, or portion thereof, regulated by this code has become hazardous to life, health or property, he or she may order in writing that such installations either be removed or restored to a safe condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain a defective installation after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph ~~115.6.3~~ 113.6.3 is amended to read as follows:

~~115.6.3.~~ 113.6.3. *Connection after order to disconnect.* A person shall not make energy source connections to installations regulated by this code that have been disconnected or ordered to be disconnected by the code official, or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such installations. Where an installation is maintained in violation of this code, the code official may institute appropriate action to prevent, restrain, correct or abate the violation.

Subsection 406.4 is amended to read as follows:

406.4. Test pressure measurement. Test pressure shall be measured with a manometer or with a pressure-measuring device designed and calibrated to read, record or indicate a pressure loss caused by leakage during the pressure test period. Spring type test gauges are not permitted. The source of pressure shall be isolated before the pressure tests are made. Mechanical gauges used to measure test pressures shall have a range such that the highest end of the scale is not greater than five times the test pressure.

Secs. 7-29, 7-30. - Reserved.

ARTICLE V. - MECHANICAL

Sec. 7-31. - Code Adopted.

Except as amended in this Article, the International Mechanical Code, ~~2021~~ 2024 edition, as published by the International Code Council is adopted.

Sec. 7-32. - Code Deletions.

The following sections of the International Mechanical Code are deleted:

Section 112

Section 113

~~Section 114~~

Subsection 114.2

Subsection 114.3

Subsection 114.4

Subsection 114.5

~~Subsection 115.2~~

~~Subsection 115.3~~

~~Subsection 115.4~~

~~Subsection 115.5~~

Sec. 7-33. - Code Amendments.

The following section of the International Mechanical Code is amended as follows:

Subsection 101.1 is amended to read as follows:

101.1 Title. These regulations shall be known as the Mechanical Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Subsection 104.6 is amended to read as follows:

104.6. Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code.

Section ~~106~~ 105 is amended by adding Subsection ~~106.5~~ 105.5 to read as follows:

~~106.5.~~ 105.5. *Insurance Required.* As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Paragraph ~~115.6.1~~ 114.6.1 is amended to read as follows:

~~115.6.1.~~ 114.6.1. *Authority to condemn mechanical systems.* Where the code official determines that any mechanical system, or portion thereof, regulated by this code has become hazardous to life, health, property, or has become insanitary, the code official may order in writing that such system either be removed or restored to a safe condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain a defective mechanical system after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph ~~115.6.3~~ 114.6.3 is amended to read as follows:

~~115.6.3~~ 114.6.3. *Connection after order to disconnect.* A person shall not make energy source connections to mechanical systems regulated by this code that have been disconnected or ordered to be disconnected by the code official, or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such mechanical systems. Where a mechanical system is maintained in violation of this code, the code official may institute appropriate action to prevent, restrain, correct or abate the violation.

Subparagraph 506.3.2.5 is amended to read as follows:

506.3.2.5 Grease duct test. Prior to the use or concealment of any portion of a grease duct system, a leakage test shall be performed. Ducts shall be considered to be concealed where installed in shafts or covered by coatings or wraps that prevent the ductwork from being visually inspected on all sides. The permit holder shall be responsible for providing the necessary equipment and performing the grease duct leakage test. A duct leakage test, in accordance with this section, shall be performed for the entire duct system, including the hood-to-duct connection. The duct work may be tested in sections, provided that every joint is tested.

To determine the tightness of the grease duct construction, a smoke test shall be made in accordance with the following conditions and requirements:

1. The test shall be performed in the presence of the building inspector.
2. The grease duct shall be filled with a thick penetrating smoke produced by one or more smoke machines, or smoke bombs. The test shall be applied for a length of time sufficient to permit the inspection of the grease duct.
3. If the test shows any evidence of leakage or other defects, such defects shall be corrected in accordance with the requirements of this chapter, and the test shall be repeated until there is no visible smoke observed.

Secs. 7-34, 7-35. Reserved.

ARTICLE VI. – PLUMBING

Sec. 7-36. - Code Adopted.

Except as amended in this Article, the International Plumbing Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted. In the instance that any provision of the International Plumbing Code, as adopted, is less restrictive than that of State or Federal laws or regulations, the State or Federal law or regulation controls.

Sec. 7-37. - Code Deletions.

The following sections of the International Plumbing Code are deleted:

Section 112

Section 113

~~Section 114~~

Subsection 114.2

Subsection 114.3

Subsection 114.4

Subsection 114.5

~~Subsection 115.2~~

~~Subsection 115.3~~

~~Subsection 115.4~~

~~Subsection 115.5~~

Sec. 7-38. - Code Amendments.

The following sections of the International Plumbing Code are amended as follows:

Section 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the International Plumbing Code of the City of Sugar Land, hereinafter referred to as "this code".

Subsection 103.1 is amended to read as follows:

103.1 Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Section 104.6 is amended to read as follows:

104.6. Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code.

Section ~~406~~ 105 is amended by adding Subsection ~~406-6~~ 105.6 to read as follows:

~~406-6.~~ 105.6. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Paragraph ~~415-6.1~~ 114.6.1 is amended to read as follows:

~~415-6.1.~~ 114.6.1. Authority to condemn equipment. Where the code official determines that any plumbing, or portion thereof, regulated by this code has become hazardous to life, health or property or has become unsanitary, the code official may order in writing that such plumbing either be removed or restored to a safe or sanitary condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain defective plumbing after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph ~~415-6.3~~ 114.6.3 is amended to read as follows:

~~415-6.3.~~ 114.6.3. Connection after order to disconnect. A person shall not make connections from any energy, fuel, power supply or water distribution system or supply energy, fuel or water to any equipment regulated by this code that has been disconnected or ordered to be disconnected by the code official or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such equipment. Where any plumbing is maintained in violation of this code, the code official may institute any appropriate action to prevent, restrain, correct or abate the violation.

Paragraph 305.4.1 is amended to read as follows:

305.4.1. Sewer depth. Building sewers that connect to private sewage disposal systems shall be installed not less than 12 inches (mm) below finished grade at the point of septic tank connection. Building sewers shall be installed not less than 12 inches (mm) below grade.

Paragraph 504.7.2 is amended to read as follows:

504.7.2. Pan drain termination. The pan drain shall extend full size and terminate over a suitably located indirect waste receptor or floor drain or extend to the exterior of the building and terminate not less than 6 inches (152 mm) and not more than 24 inches (610 mm) above the adjacent ground surface. Where a pan drain was not previously installed, a pan drain shall not be required for a replacement water heater installation if a water leak detection device with an audible alarm is installed inside the pan.

Paragraph 605.2.1 is amended to read as follows:

605.2.1. Lead content of drinking water pipe and fittings. The use of pipes and pipe fittings that contain more than 0.25% lead or solders and flux that contain more than 0.2% lead is prohibited for installation or repair of any public water supply and for installation or repair of any plumbing in a residential or nonresidential facility providing water for human consumption and connected to a public drinking water supply system. This requirement may be waived for lead joints that are necessary for repairs to cast iron pipe.

Paragraph 705.10.2 is amended to read as follows:

705.10.2. *Solvent cementing.* Joint surfaces shall be clean and free from moisture. A purple primer that conforms to ASTM F656 shall be applied. Solvent cement not purple in color and conforming to ASTM D2564, CSA B137.3, CSA B181.2 or CSA B182.1 shall be applied to all joint surfaces. The joint shall be made while the cement is wet and shall be in accordance with ASTM D2855. Solvent-cement joints shall be permitted above or below ground.

Paragraph 903.1.1 is amended to read as follows:

903.1.1 Roof extension unprotected. Open vent pipes that extend through a roof shall be terminated not less than 6 inches (mm) above the roof.

Secs. 7-39, 7-40. - Reserved.

ARTICLE VII. - PROPERTY MAINTENANCE

Sec. 7-41. - Code and Appendix Adopted.

Except as amended in this Article, the International Property Maintenance Code, ~~2021~~ 2024 edition, and Appendix A of said code, as published by the International Code Council, are adopted.

Sec. 7-42. - Code Deletions.

The following sections of the International Property Maintenance Code are deleted:

Section 106

~~Section 107~~

Subsection 107.2

Subsection 107.3

Subsection 107.4

Subsection 107.5

~~Section 108~~

Section 109

~~Subsection 109.2~~

~~Subsection 109.3~~

~~Subsection 109.4~~

~~Subsection 109.5~~

Section 110

Section 111

~~Section 112~~

~~Section 113~~

Sec. 7-43. - Code Amendments.

The following sections of the International Property Maintenance Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1 Title. These regulations shall be known as the Property Maintenance Code of the City of Sugar Land, hereinafter referred to as "this code".

Subsection 103.1 is amended to read as follows:

103.1. Enforcement Authority. The official in charge of the implementation, administration, and enforcement of this Code will be known as the code official.

Subsection 105.5 is amended to read as follows:

105.5 Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code.

Subsection 105.6 is amended to read as follows:

105.6. Official records. The code official shall keep official records as required by subsections 105.6.1 through 105.6.5. Such official records shall be retained in accordance with the City's adopted records retention and disposition schedules, as issued and amended by the Texas State Library and Archives Commission, and in compliance with the Local Government Records Act.

Section 202 definition of Inoperable motor vehicle is amended to read as follows:

Junked motor vehicle. A motor vehicle that is self-propelled and displays an expired license plate or does not display a license plate; and is wrecked, dismantled or partially dismantled, or discarded or is inoperable and has remained inoperable for more than seventy-two consecutive hours, if the vehicle is on public property or for thirty consecutive days, if the vehicle is on private property. A junked motor vehicle may also be an aircraft that does not have lawfully printed on the aircraft an unexpired federal aircraft identification number registered under Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47. A junked motor vehicle may also be a watercraft that does not have lawfully on board an unexpired certificate number and is not a watercraft described by V.T.C.A. § 31.055, Parks and Wildlife Code.

Subsection 302.4 is amended to read as follows:

Subsection 302.4. Weeds. Premises and exterior property shall be maintained free from weed or plant growth in excess of 9 inches except as provided for in other regulations. Noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs provided; however, this term shall not include cultivated flowers and garden.

Subsection 302.8 is amended to read as follows:

302.8 Junked motor vehicle. Except as provided for in other regulations, no junked motor vehicle shall be parked, kept, or stored on any premises. Painting of vehicles is prohibited unless conducted inside an approved spray booth.

Exception: A vehicle of any type is permitted to undergo major overhaul, including body work, provided that such work is performed inside a structure or similarly enclosed area

designed and approved for such purposes. The activity must be compliant with zoning regulations.

Subsection 304.14 is amended to read as follows:

304.14. Insect screens. During the period from January 1st to December 31st, every door, window and other outside opening required for ventilation of habitable rooms shall be supplied with approved tightly fitting screens of minimum 16 mesh per inch (16 mesh per 25 mm), and every screen door used for insect control shall have a self-closing device in good working condition.

Subsection 602.3 is amended to read as follows:

602.3 Heat Supply. Every owner and operator of a building who rents, leases or lets one or more dwelling units or sleeping units on terms, either expressed or implied, to furnish heat to the occupants thereof shall supply heat during the period from November to March to maintain a minimum temperature of 68°F (20°C) in all habitable rooms, bathrooms, and toilet rooms.

Subsection 602.4 is amended to read as follows:

602.4 Occupiable work spaces. Indoor occupiable work spaces shall be supplied with heat during the period from November to March to maintain a minimum temperature of 65°F (18°C) during the period the spaces are occupied.

Paragraph 704.6.1 is amended to read as follows:

704.6.1 Where Required. Existing Group I-1 and R occupancies shall be provided with single-station smoke alarms in accordance with Sections 704.6.1.1 through 704.6.1.4. Interconnection and power sources shall be in accordance with Sections 704.6.2 and 704.6.3.

Exception: Where smoke detectors connected to a fire alarm system have been installed as a substitute for smoke alarms.

Appendix A is amended to read as follows:

A101.1 General. Windows and doors shall be boarded in an approved manner to prevent entry by unauthorized persons and shall be painted with exterior grade paint to correspond to the color of the existing structure.

A101.2 Maintenance. Boarding materials shall be maintained in good condition. Any peeling, flaking and/or chipped paint shall be eliminated and the surfaces repainted.

A103.1 Boarding installation. The boarding installation shall be in accordance with Figures A103.1(1) and A103.1(2) and sections A103.2 through A103.5.

Exception: Alternative methods of installation may be used upon prior approval from the City of Sugar Land.

Secs. 7-44, 7-45. - Reserved.

ARTICLE VIII. - RESIDENTIAL BUILDING CODE

Sec. 7-46. - Code Adopted.

Except as amended in this Article, the International Residential Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-47. - Code Deletions.

The following sections of the International Residential Code are deleted.

Section R112
Subsection R113.2
Subsection R113.3
Section R309
~~Section R313~~
Subsection R905.7
Subsection R905.8
Section P2904

Sec. 7-48. - Code Amendments.

The following parts of the International Residential Code are amended:

Subsection R101.1 is amended to read as follows:

R101.1. Title. These regulations shall be known as the Residential Code for One and Two Family Dwellings of the City of Sugar Land, and shall be cited as such and will be referred to hereinafter as "this code."

Subsection R103.1 is amended to read as follows:

R103.1 Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the building official.

Subsection ~~R104.3~~ R104.6 is amended to read as follows:

~~*R104.3*~~ *R104.6* *Notices and orders.* The building official may issue necessary notices or orders to ensure compliance with this code.

Subsection R105.1 is amended to read as follows:

R105.1. Required. It shall be unlawful for any owner, owner's authorized agent, person, firm, or corporation to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or erect, install, enlarge, alter, repair, remove, convert, or replace any electrical, gas, mechanical, or plumbing system regulated by this code, or cause any such work to be performed, without obtaining the required permit prior to commencing such work. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner of the property caused the construction, enlargement, alteration, repair, movement, demolition, or change of the occupancy of the building or structure, or the erection, installation, enlargement, alteration, repair, removal, conversion, or replacement of any electrical, gas, mechanical, or plumbing system regulated by this code, or caused the same to be done, on the property.

Subsection R105.2 is amended to read as follows:

R105.2 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of the city. Permits shall not be required for the following:

Building:

1. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
2. Prefabricated swimming pools that are less than 24 inches (610 mm) deep.
3. Swings and other playground equipment.
4. Decks not exceeding 200 square feet (18.58 m²) in area, that are not more than 30 inches (762 mm) above grade at any point, are not attached to a dwelling do not serve the exit door required by Section R311.4.
5. Solar pergolas.

Electrical:

1. Listed cord-and-plug connected temporary decorative lighting.
2. Reinstallation of attachment plug receptacles but not the outlets therefor.
3. Replacement of branch circuit overcurrent devices of the required capacity in the same location.
4. Electrical wiring, devices, appliances, apparatus or equipment operating at less than 25 volts and not capable of supplying more than 50 watts of energy.
5. Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.

Gas:

1. Portable heating, cooking or clothes drying appliances.
2. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.
3. Portable-fuel-cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

Mechanical:

1. Portable heating appliances.
2. Portable ventilation appliances.
3. Portable cooling units.
4. Steam, hot- or chilled-water piping within any heating or cooling equipment regulated by this code.
5. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.
6. Portable evaporative coolers.
7. Self-contained refrigeration systems containing 10 pounds (4.54 kg) or less of refrigerant or that are actuated by motors of 1 horsepower (746 W) or less.
8. Portable-fuel-cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

Plumbing:

1. The stopping of leaks in drains, water, soil, waste or vent pipe; provided, however, that if any concealed trap, drainpipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.
2. The clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.

Section R105 is amended by adding Subsection R105.10 to read as follows:

R105.10. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Subsection R113.1 is amended to read as follows:

R113.1. Unlawful acts. It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, enlarge, repair, move, remove, demolish, occupy, or use any building, structure, or equipment regulated by this code, or cause the same to be done, in conflict with or in violation of any of the provisions of this code. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner caused the erection, construction, extension, enlargement, alteration, repair, movement, demolition, occupancy, or use of the building, structure, or equipment, or caused the same to be done, on the property. It is presumed that any building, structure, or equipment present on the property is being used by the record owner or occupant of the property.

Subsection R302.2 is amended to read as follows:

R302.2. Townhouses. Common walls separating townhouses shall be assigned a fire-resistance rating in accordance with Section R302.2. The common wall shared by two townhouses shall be constructed without plumbing or mechanical equipment, ducts or vents in the cavity of the common wall. The wall shall be rated for fire exposure from both sides and shall extend on and be tight against exterior walls and the underside of the roof sheathing. Electrical installations shall be in accordance with Chapters 34 through 43. Penetrations of the membrane of common walls for electrical outlet boxes shall be in accordance with Section R302.4.

Exception: Where a fire sprinkler system in accordance with NFPA 13D is required, the common wall shall not be less than 2-hour fire resistance rated wall assembly tested in accordance with ASM or UL.

Paragraph ~~R315.2.2~~ R311.2.2 is amended to read as follows:

~~R315.2.2~~ R311.2.2 Alterations, repairs and additions. Where alterations, repairs or additions requiring a permit occur, the individual dwelling unit shall be equipped with carbon monoxide alarms located as required for new dwellings.

Exceptions:

1. Work involving the exterior surfaces of dwellings, such as the replacement of roofing or siding, or the addition or replacement of windows or doors, or the addition of a porch or deck.
2. Installation, alteration or repairs of plumbing systems that are not fuel fired.
3. Installation, alteration or repairs of mechanical systems that are not fuel fired.

Subsection G2417.4 is amended to read as follows:

G2417.4(406.4) Test pressure measurement. Test pressure shall be measured with a manometer or with a pressure-measuring device designed and calibrated to read, record, or indicate a pressure loss caused by leakage during the pressure test period. Spring type test gauges are not permitted. The source of pressure shall be isolated before the pressure tests are made. Mechanical gauges used to measure test pressures shall have a range such that the highest end of the scale is not greater than five times the test pressure.

Paragraph P2603.5.1 is amended to read as follows:

P2603.5.1 Sewer depth. Building sewers that connect to private sewage disposal systems shall be not less than 12 inches (mm) below finished grade at the point of septic tank connection. Building sewers shall be not less than 12 inches (mm) below grade.

Paragraph ~~P2801.6.1~~ **P2801.5.1** is amended to read as follows:

P2801.6.1 P2801.5.1. Pan size and drain. The pan shall be not less than 11/2 inches (38 mm) deep and shall be of sufficient size and shape to receive dripping or condensate from the tank or water heater. The pan shall be drained by an indirect waste pipe of not less than 3/4-inch (19 mm) diameter. Piping for safety pan drains shall be of those materials indicated in Table P2906.5.

Where a pan drain was not previously installed, a pan drain shall not be required for a replacement water heater installation if a water leak detection device with an audible alarm is installed inside the pan.

Section E3803 is amended by amending Table E3803.1 to read as follows:

TABLE E3803.1 (Table 300.5)
MINIMUM COVER REQUIREMENTS, BURIAL IN INCHES a, b, c, d, e,

LOCATION OF WIRING METHOD OR CIRCUIT	TYPE OF WIRING METHOD OR CIRCUIT				
	1 Direct Burial Cables or Conductors	2 Rigid Metal Conduit or Intermediate Metal Conduit	3 Nonmetallic Raceways Listed for Direct Burial Without Concrete Encasement or Other Approved Raceways	4 Residential Branch Circuits Rated 120 Volts or Less With GFCI protection and Maximum Overcurrent Protection of 20 Amperes	5 Circuits for Control of Irrigation and Landscape Lighting Limited to Not More Than 30 Volts and Installed with Type UF or in Other Identified Cable or Raceway
All locations not specified below	24 ^h	6	18	12	6 ^{f, g}
In trench below 2-inch-thick concrete or equivalent	18 ^h	6	12	6	6
Under a building	0 (In raceway only or Type MC identified for direct burial)	0	0	0 (In raceway only or Type MC identified for direct burial)	0 (In raceway only or Type MC identified for direct burial)
Under minimum of 4-inch-thick concrete exterior slab with no vehicular traffic and the slab extending not less than 6 inches beyond the	18 ^h	4	4	6 (Direct burial) 4 (In raceway)	6 (Direct burial) 4 (In raceway)

underground installation					
Under streets, highways, roads, alleys, driveways and parking lots	24 ^h	24	24	24	24
One- and two-family dwelling driveways and outdoor parking areas, and used only for dwelling-related purposes	18 ^h	18	18	12	18
In solid rock where covered by minimum of 2 inches concrete extending down to rock	2 (In raceway only)	2	2	2 (In raceway only)	2 (In raceway only)

For SI: 1 inch = 25.4 mm.

- a. Raceways approved for burial only where encased concrete shall require concrete envelope not less than 2 inches thick.
- b. Lesser depths shall be permitted where cables and conductors rise for terminations or splices or where access is otherwise required.
- c. Where one of the wiring method types listed in columns 1 to 3 is combined with one of the circuit types in columns 4 and 5, the shallower depth of burial shall be permitted.
- d. Where solid rock prevents compliance with the cover depths specified in this table, the wiring shall be installed in metal or nonmetallic raceway permitted for direct burial. The raceways shall be covered by a minimum of 2 inches of concrete extending down to the rock.
- e. Cover is defined as the shortest distance in inches (millimeters) measured between a point on the top surface of any direct-buried conductor, cable, conduit or other raceway and the top surface of finished grade, concrete, or similar cover.
- f. A lesser depth shall be permitted where specified in the installation instructions of a listed low-voltage lighting system.
- g. A depth of 6 inches shall be permitted for pool, spa, and fountain lighting that is installed in a nonmetallic raceway, limited to not more than 30 volts and part of a listed low-voltage lighting system.
- h. Direct buried cables and conductors shall be installed in an approved conduit or raceway.

Secs. 7-49, 7-50. - Reserved.

ARTICLE VIII-A. - SWIMMING POOL AND SPA CODE

Sec. 7-51. - Code Adopted.

Except as amended in this Article, the International Swimming Pool and Spa Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-52. - Code Amendments.

The following sections of the International Swimming Pool and Spa Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Swimming Pool and Spa Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement Authority. The official in charge of the implementation, administration, and enforcement of this Code will be known as the code official.

Paragraph 113.6.1 is amended to read as follows:

~~113.4.1.~~ 113.6.1. *Authority to condemn a system.* Where the code official determines that any system, or portion thereof, regulated by this code has become hazardous to life, health or property or has become insanitary, the code official may order in writing that such system either be removed or restored to a safe or sanitary condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain a defective system after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph 113.6.3 is amended to read as follows:

113.6.3. Connection after order to disconnect. A person shall not make connections from any energy, fuel, power supply or water distribution system, or supply energy, fuel or water to any equipment regulated by this code that has been disconnected or ordered to be disconnected by the code official or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such equipment. When any system is maintained in violation of this code, the code official may institute any appropriate action to prevent, restrain, correct or abate the violation.

Sec. 7-53. - Code Deletions.

The following sections of the International Swimming Pool and Spa Code are deleted:

~~Section 111~~

Section 112

Subsection 113.2

Subsection 113.3

Subsection 113.4

Subsection 113.5

Secs. 7-54, 7-55. - Reserved.

ARTICLE IX. – FIRE PREVENTION

Sec. 7-56. - Reserved.

Sec. 7-57. - Code Adopted.

Except as amended in this Article, the International Fire Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-57.1. - Appendix Adopted.

Except as amended in this Article, Appendix B, C, and D of the International Fire Code, ~~2021~~ 2024 edition, are adopted.

Sec. 7-57.2. Reserved.

Sec. 7-58. - Code Amendments.

The following sections of the International Fire Code are amended:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Fire Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. General. The department of fire prevention is established within the city under the direction of the fire marshal, hereafter referred to in this code as the fire code official. The function of the department shall be the implementation, administration and enforcement of the provisions of this code.

Paragraph 105.3.5 is amended to read as follows:

105.3.5. Posting the permit. Issued permits shall be maintained in printed paper form on the premises designated therein at all times and shall be readily available for inspection by the fire code official.

Subsection 105.5 is amended to read as follows:

105.5. Required operational permits. The fire code official is authorized to issue operational permits for the operations set forth in Sections 105.5.2 through 105.5.59.

Paragraph ~~105.5.53~~ 105.5.58 is added to read as follows:

~~105.5.53.~~ 105.5.58. Places of Custodial Care. An operational permit is required for Group R-3 and R-4 Occupancies that provide custodial care. Occupancies include care facilities, congregate care, congregate living facilities, alcohol and drug centers, assisted living facilities, group homes, ~~and~~ halfway houses, and community homes for persons with disabilities.

Paragraph 105.5.59 is added to read as follows:

105.5.59. Kitchen suppression systems. An operational permit is required for any automatic fire-extinguishing system protecting cooking appliances in commercial food service

operations.

Paragraph ~~105.6.25~~ 105.6.26 is added to read as follows:

~~105.6.25~~ 105.6.26. Electronic Access Control Device. A construction permit is required for the installation of or modification to electronic access control device or related equipment. Maintenance performed in accordance with this code is not considered to be a modification and does not require a construction permit.

Subsection 106.4 is amended to read as follows:

106.4. ~~Retention of~~ Construction documents on site. One set of of approved construction documents, in printed paper form, shall be kept at the job site at all times while work is in progress and shall be available for all required inspections~~retained by the fire code official for a period of not less than 180 days from the date of completion of the permitted work, or as required by state or local laws. One hard paper copy of approved construction documents shall be returned to the applicant.~~ The ~~size of the~~ documents shall be of sufficient size and clarity to reflect relative to the scope ~~and size~~ of the work. ~~The hard copy must remain present at the construction throughout the duration of the authorized work, and shall be readily accessible to the fire code official to allow~~ for verification and inspection ~~by the fire code official.~~

Subsection ~~112.4~~ 113.4 is amended to read as follows:

~~112.4~~ 113.4 Violation penalties. Persons who knowingly violate a provision of this code or fail to comply with any of the requirements thereof or who erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under the provisions of this code, shall be guilty of a misdemeanor and will be punished as authorized in section 1-9 of the Development Code, as amended therein and thereafter.

Section 202 is amended by adding a definition for “electronic access control device” to read as follows:

ELECTRONIC ACCESS CONTROL DEVICE. An electronic or computer-based device, including a telephone entry system, that allows access or controls egress in any occupancy classification.

Subsection 307.2 is amended to read as follows:

307.2. *Permit required.* A permit must be obtained from the fire code official in accordance with Section 105.5 prior to kindling a fire for recognized silvicultural or range wildlife management practices, prevention or control of disease or pests, bonfire, recreational fire or controlled burning as allowed by the Texas Commission on Environmental Quality.

Subsection 307.6 is added to read as follows:

307.6. *Rubbish burning.* The burning of rubbish shall be prohibited. For the purposes of this section, rubbish includes plastic, rubber, and other materials defined as rubbish in section 202 of this code.

~~Subparagraph 308.1.6.3~~ Paragraph 308.1.7 is amended to read as follows:

~~308.1.6.3~~ 308.1.7. Sky lanterns. Sky lanterns are prohibited.

The Exceptions to Paragraph 503.1.1 is amended by adding Subparagraphs (1.4) and (1.5) to

read as follows:

(1.4) Group U and other accessory use buildings, five hundred (500) square feet or less, may be located more than fifty (50) feet but not more than five hundred (500) feet from an access roadway, provided the code official determines that the conditions are such that firefighting operations will not be obstructed.

(1.5) The width of access roadways accessing one- and two-family dwellings, which are located more than one hundred fifty (150) feet but less than five hundred (500) feet from a public street, shall not be less than twelve (12) feet wide.

Subsection 503.3 is amended to read as follows:

503.3. Marking. Where required by the fire code official, approved signs or other approved notices shall be provided for fire apparatus access road to identify such roads or prohibit the obstruction thereof. Signs or notices shall be maintained in a clean and legible condition at all times and be replaced or repaired when necessary to provide adequate visibility. Fire lane markings shall be in accordance with Appendix D of this chapter. It is unlawful for any person to occupy, continue to occupy, or make use of any building until the requirements for fire lane markings applicable to the real property where the building is located have been met.

Subsection 503.4 is amended to read as follows:

503.4. Obstruction of fire apparatus access roads. Fire apparatus access roads shall not be obstructed in any manner. The minimum widths and clearances established in Paragraphs 503.2.1 and 503.2.2 shall be maintained at all times. For any unattended motor vehicle that is stopped or parked in a fire apparatus access road, it is presumed that the registered owner of the vehicle is the person who stopped or parked the vehicle at the time and place the offense occurred.

Paragraph 603.5.2 is amended by deleting the enumerated exceptions, to read as follows:

603.5.2. Application and use. Relocatable power taps and current taps shall be directly connected to a permanently installed receptacle.

Subsection 903.2 is amended to read as follows:

903.2. Where required. Approved automatic fire sprinkler systems shall be provided in new buildings and structures and in existing buildings and structures in the locations listed below and where otherwise described in this code.

1. All new buildings where the fire area exceeds five thousand (5,000) square feet. For the purposes of this provision, a fire wall does not delineate a separate building.
2. In existing buildings, if any addition results in a gross fire area of more than five thousand (5,000) square feet or raises the building height beyond two stories. For the purposes of this provision, the addition of a fire wall does not delineate a separate building nor does it eliminate the requirement for fire sprinkler protection.
3. In existing buildings where the fire area exceeds five thousand (5,000) square feet, when thirty (30) percent or more of the building undergoes renovation in one or more phases. The addition of a fire wall does not delineate a separate building nor does it eliminate the requirement for fire sprinkler protection.

Subparagraphs 903.2.1.1 through 903.2.1.4 are amended to read as follows:

903.2.1.1. Group A-1. An automatic sprinkler system shall be provided throughout stories

containing Group A-1 occupancies and throughout all stories from the Group A-1 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than one story in height.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.
4. The fire area contains a multiple-theater complex.

903.2.1.2. Group A-2. An automatic sprinkler system shall be provided throughout stories containing Group A-2 occupancies and throughout all stories from the Group A-2 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than one story in height.
2. The fire area has an occupant load of 100 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

903.2.1.3. Group A-3. An automatic sprinkler system shall be provided throughout stories containing Group A-3 occupancies and throughout all stories from the Group A-3 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than two stories in height.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

903.2.1.4. Group A-4. An automatic sprinkler system shall be provided throughout stories containing Group A-4 occupancies and throughout all stories from the Group A-4 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than two stories in height.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

Paragraph 903.2.4 is amended to read as follows:

903.2.4. Group F-1. An automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where the fire area exceeds 5,000 square feet (464.5 m²).

Paragraph 903.2.7 is amended to read as follows:

903.2.7. Group M. An automatic sprinkler system shall be provided throughout buildings containing a Group M occupancy where the Group M fire area exceeds 5,000 square feet (464.5 m²).

Paragraph 903.2.9 is amended to read as follows:

903.2.9. Group S-1. An automatic sprinkler system shall be provided throughout all buildings containing a Group S-1 occupancy where the fire area exceeds 5,000 square feet (464.5 m²).

Subparagraph 903.2.9.1 is amended to read as follows:

903.2.9.1. Repair garages. An automatic sprinkler system shall be provided throughout all buildings used as repair garages where the fire area exceeds 5,000 square feet (464.5 m²), in accordance with Section 406.8 of the Building Code.

Paragraph 903.2.10 is amended to read as follows:

903.2.10. Group S-2 enclosed parking garages. An automatic sprinkler system shall be provided throughout buildings classified as enclosed parking garages in accordance with Section 406.6 of the Building Code when any of the following conditions exist:

1. Where the fire area of the enclosed parking garage, subject to Section 406.6 of the Building Code, exceeds 5,000 square feet (464.5 m²).
2. Where the enclosed parking garage is located beneath and/or attached to other occupancy groups.
3. Where the open parking garage, subject to Section 406.5 of the Building Code, exceeds 48,000 square feet (4460m²).

Subparagraph 903.2.11.3 is amended to read as follows:

903.2.11.3. Buildings 35 feet or more in height. An automatic sprinkler system shall be installed throughout buildings that have one or more stories located 35 feet (10668 mm) or more above the lowest level of fire department vehicle access, measured to the finished floor.

Clause 903.3.1.2.3 is amended to read as follows:

903.3.1.2.3 Attics. Attic protection shall be provided as follows:

1. Attics that are used or intended for living purposes or storage shall be protected by an automatic sprinkler system.
2. Where fuel-fired equipment is installed in an unsprinklered attic, not fewer than one quick-response intermediate temperature sprinkler shall be installed above the equipment.
3. Where located in a building of Type III, Type IV or Type V construction designed in accordance with Section 510.2 or 510.4 of the International Building Code, attics not required by Item 1 to have sprinklers shall comply with one of the following if the roof assembly is located more than 55 feet (16 764 mm) above the lowest level of fire department vehicle access needed to meet the provisions in Section 503:
 - 3.1. Provide automatic sprinkler system protection.
 - 3.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.
 - ~~3.2. Construct the attic using noncombustible materials.~~
 - ~~3.3. Construct the attic using fire-retardant-treated wood complying with Section 2303.2 of the International Building Code.~~
 - ~~3.4. Fill the attic with noncombustible insulation.~~

~~The height of the roof assembly shall be determined by measuring the distance from the lowest required fire vehicle access road surface adjacent to the building to the eave of the highest pitched roof, the intersection of the highest roof to the~~

~~exterior wall, or the top of the highest parapet, whichever yields the greatest distance. For the purpose of this measurement, required fire vehicle access roads shall include only those roads that are necessary for compliance with Section 503.~~

4. Groups R-3 and R-4, Condition 2 occupancy attics not required by Item 1 to have sprinklers shall comply with one of the following:
 - 4.1. Provide automatic sprinkler system protection.
 - 4.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.
 - ~~4.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.~~
 - ~~4.3. Construct the attic using noncombustible materials.~~
 - ~~4.4. Construct the attic using fire-retardant-treated wood complying with Section 2303.2 of the International Building Code.~~
 - ~~4.5. Fill the attic with noncombustible insulation.~~
5. Group R-2 occupancy attics not required by Item 1 to have sprinklers shall comply with one of the following:
 - 5.1. Provide automatic sprinkler system protection.
 - 5.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.

Paragraph ~~903.4.2~~ 903.4.3 is amended to read as follows:

903.4.2 903.4.3. Alarms. Approved audible devices shall be connected to every automatic sprinkler system. Such sprinkler water flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. An electric/water bell shall be provided on the exterior of the building, in an approved location. When water flow supervision is provided, alarm devices shall be located within the interior of the building to provide an internal evacuation signal throughout the building in all common areas and areas accessible to the public. Group R-1, R-2 and condominiums shall be provided with an alarm signal device in each unit to provide an internal evacuation signal separate and distinct from the security system. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

Paragraph 904.15 is amended to read as follows:

904.15. Domestic cooking facilities. Cooktops and ranges installed in the following occupancies shall be in accordance with section 904.15.1.

1. In Group I-1 occupancies where domestic cooking facilities are installed in accordance with Section 420.9 of the International Building Code.
2. In Group I-2 occupancies where domestic cooking facilities are installed in accordance with Section 407.2.7 of the International Building Code.
3. In Group R-2 occupancies where domestic cooking facilities are installed in accordance with Section 420.11 of the International Building Code.
4. In Group R-3 and R-4 occupancies where domestic cooking operations are conducted for the residents.

Subsection 5608.1 is amended to add Paragraph 5608.1.1 to read as follows:

5608.1.1. Fireworks. The possession, manufacture, storage, sale, handling and use of fireworks are prohibited within the city limits of Sugar Land, Texas. It shall be unlawful for any person to manufacture or sell fireworks within the City of Sugar Land corporate limits. Except as herein provided, it shall be unlawful for any person to assemble, possess, store,

transport, receive, keep, sell, offer or have in his or her possession with the intent to sell, use, discharge, ignite, detonate, fire or otherwise put in action any fireworks of any description.

Exception: The use of approved fireworks for display as permitted in Section 5608.

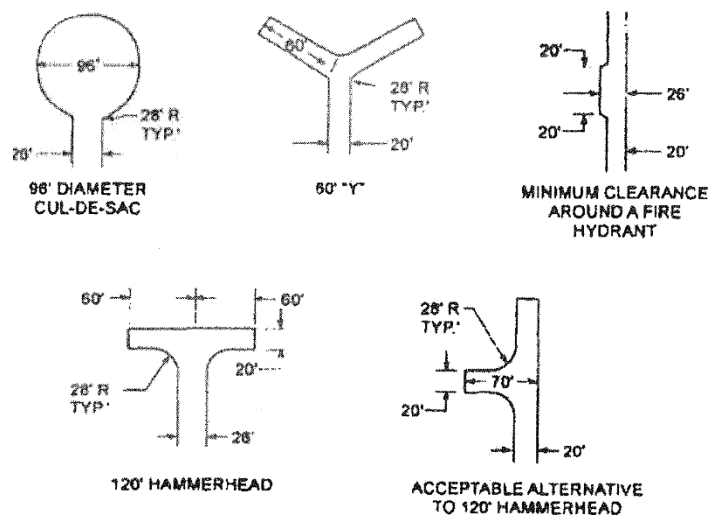
Subsection 5608.2 is amended to read as follows:

5608.2. Permit application. Prior to issuing permits for fireworks display, plans for the display, inspections of the display site and demonstrations of the display operations shall be approved and all applicable state and federal permits shall have been obtained. The applicant for the display shall, at the time of making application, furnish proof that he or she carries compensation insurance for his employees as provided for by laws of this state and he or she shall file with the code official, for approval, a certificate of insurance evidencing the carrying of public liability insurance, including bodily injury liability, in limits of not less than one hundred thousand dollars (\$100,000.00) for each person and one million dollars (\$1,000,000.00) for each accident, issued by an insurance company authorized to conduct business in this state for the benefit of the person named therein as insured as evidence of ability to respond in damages in at least the above amounts. For each display of fireworks under this section, standby personnel and equipment from the Sugar Land Fire Department shall be required. The number of personnel and equipment to be in attendance shall be determined by the Fire Marshal. The expense of such personnel and equipment at the display shall be paid in advance by the applicant prior to the issuance of the permit. The fee charged for each standby fire engine and crew shall be as specified in the appropriate fee schedule of the City of Sugar Land. Fees for other required personnel shall be based on actual cost.

Subsections D103.1, D103.5, D103.6, and D107.1 of Appendix D are amended to read as follows:

D103.1 Access road width with a hydrant. Where a fire hydrant is located on a fire apparatus access road, the minimum road width shall be 24 feet, exclusive of shoulders.

Figure D103.1 Dead-End Fire Apparatus Access Road Turnaround



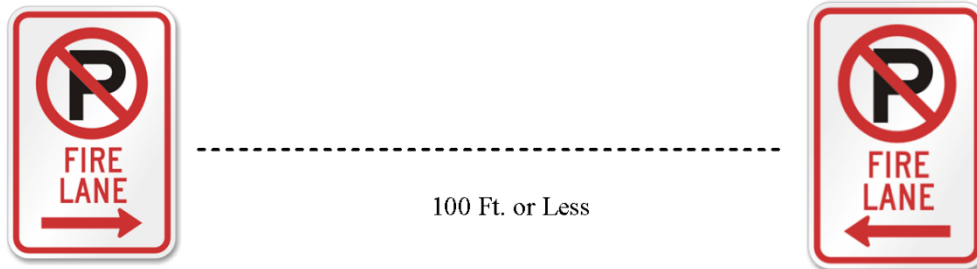
D103.6 Signs. Where required by the fire code official, fire apparatus access roads shall be marked in one of the following manners:

1. CURB PAINTING - Curbs along fire lanes shall be painted red with white letters stating "FIRE LANE TOW AWAY ZONE" and/or "FIRE LANE NO PARKING" painted at intervals not exceeding every 50' feet. The letters shall not be less than four inches tall.
2. FLAT SURFACE (NO CURB) - A red six (6) inch stripe, with markings indicated in Paragraph 1 above, shall be placed along the outer edges of the pavement along the fire lane.
3. Free standing signs placed along the fire lane. The design and placement of signs shall be in accordance with figure D 103.6. Signs shall have a minimum dimension of 12 inches wide by 18 inches high and have red letters on a white reflective background. Signs shall be posted on one or both sides of the fire apparatus road as required by Paragraphs D103.6.1 or D103.6.2.

Figure D103.6
Fire Lane Marking Standard Signage

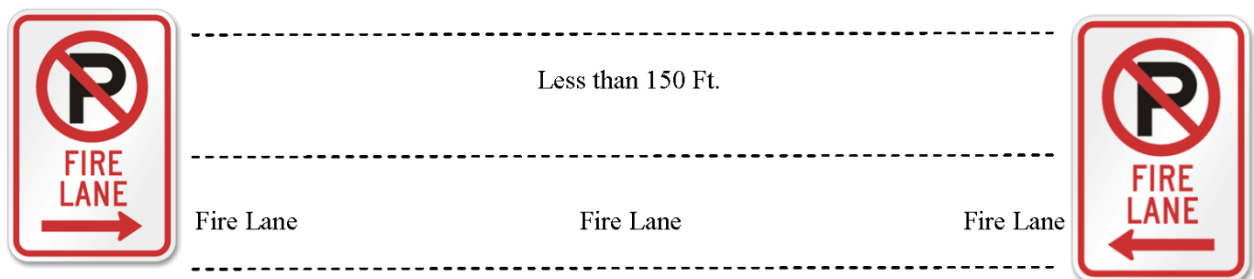
1. One hundred (100) foot separation, or less, between zone extremity.

One sign at each extremity, with single arrow indicator pointing in direction of zone.



2. Between one hundred (100) feet, but less than one hundred fifty (150) feet.

Between zone extremity, one sign at each extremity, with single arrow indicator pointing in direction of zone.



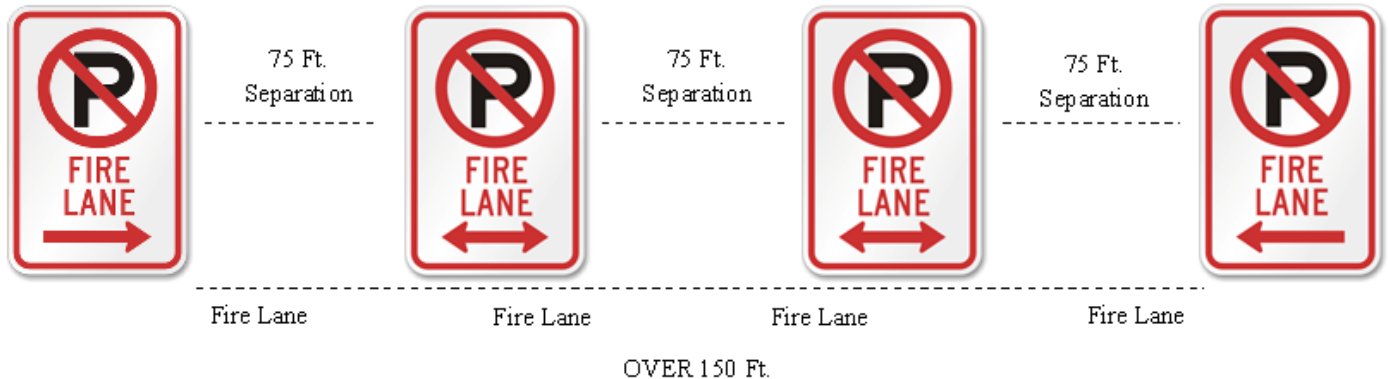
3. One hundred fifty (150) foot separation between zone extremity.

One sign at each extremity, with single arrow indicator pointing in direction of zone, with one additional sign with double arrow indicator pointing in both directions of zone, located at seventy-five (75) foot point within the zone.



4. Over one hundred and fifty (150) feet between zone extremities.

One sign at each extremity with single arrow indicator pointing in the direction of zone, with additional signs, with double arrow indicator pointing in both directions of zone, located at each seventy-five (75) foot interval between extremity signs.



5. Sign placement intervals may exceed the requirement of 1, 2, 3, and 4 above if approved by the Fire Official.

6. Signs



Left Extremity Arrow Indicator

Center Arrow Indicator
Pointing in Direction
Regulation in Effect

Right Extremity Arrow Indicator

7. Signs

Sign, border, lettering, background

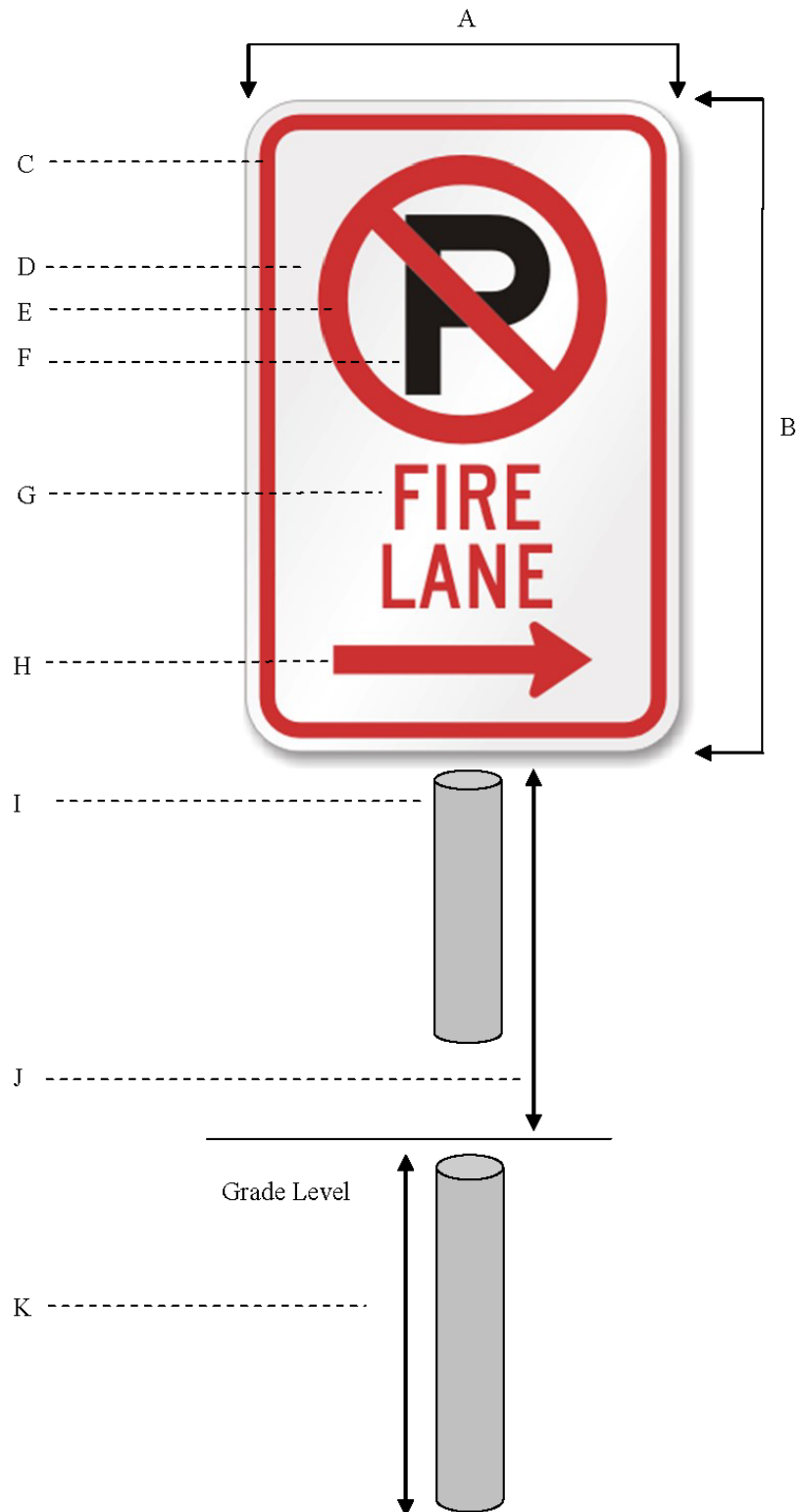
Instruction indicator is required to be reflectorized

Sign material - .080 Aluminum

- A. Sign width – 12"
- B. Sign length – 18"
- C. Outside border – Red
Min. 1/2" wide
- D. Background – White
- E. Circle/Slash – Red
Min. 8" diameter
- F. Letter P – Black
Min. 5" tall, 1" wide
- G. Wording – Red
Min. 1.75" high, 1/16" wide
- H. Arrow Indicators – Solid Red
- I. Sign post – 3/8" Galvanized Tubular
- J. Sign Height from grade Level, seven feet (7')
- K. Sign post set min. of eighteen inches (18") below grade in well packed or concrete foundation

Signs shall be securely fastened to post at the upper and lower center positions of sign face

*Drawing is not to scale



D107.1 One- or two-family dwelling residential developments. Developments of one- or two- family dwellings where the number of dwelling units exceeds 75 shall be provided with separate and approved fire apparatus access roads and shall meet the requirements of Section D104.3.

Exceptions:

1. Where there are more than 75 dwelling units on a single public or private fire apparatus access road and all dwelling units are equipped throughout with an approved automatic sprinkler system in accordance with Subparagraphs 903.3.1.1, 903.3.1.2 or 903.3.1.3 of the International Fire Code, access from two directions shall not be required.
2. The number of dwelling units on a single fire apparatus access road shall not be increased unless fire apparatus access roads will connect with future development, as determined by the fire code official.

Secs. 7-59—7-59.4. - Reserved.

ARTICLE IX-A. - ENERGY

Sec. 7-59.5. - Code Adopted.

Except as amended in this Article, the International Energy Conservation Code, ~~2021~~ 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-59.6. - Code Deletions.

The following sections of the International Energy Conservation Code are deleted:

Section C109

~~Section C110~~

~~Section R109~~

~~Section R110~~

Section R404.2

Section R404.3

Sec. 7-59.7. - Code Amendments.

The following sections of the International Energy Conservation Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the International Energy Conservation Code of the City of Sugar Land, hereinafter referred to as "this code."

Paragraph ~~C102.1.2~~ C104.1.2 is added to read as follows:

~~C102.1.2~~ C104.1.2. *Alternative compliance.* A building certified by a national, state, or local accredited energy efficiency program and determined by the Energy Systems Laboratory to be in compliance with the energy efficiency requirements of this section may, at the option of the code official, be considered in compliance. The United States Environmental Protection Agency's Energy Star Program certification of energy code equivalency shall be considered in compliance.

Paragraph ~~R102.1.2~~ R104.1.2 is added to read as follows:

~~R102.1.2~~ R104.1. *Alternative compliance.* A building certified by a national, state, or local accredited energy efficiency program and determined by the Energy Systems Laboratory to be in compliance with the energy efficiency requirements of this section may, at the option of the code official, be considered in compliance. The United States Environmental Protection Agency's Energy Star Program certification of energy code equivalency shall be considered in compliance. Regardless of the program or the path to compliance, each 1- and 2-family dwelling shall be tested for air and duct leakage as prescribed in Section R402.4.1.2 and R403.3.3 respectively.

Subsection R405.2 is amended by amending Table R405.2 to read as follows:

**TABLE R405.2
REQUIREMENTS FOR TOTAL BUILDING PERFORMANCE**

SECTION^a	TITLE
General	
R401.2.5	Additional energy efficiency
R401.3	Certificate
Building Thermal Envelope	
R402.1.1	Vapor retarder
R402.2.3	Eave baffle
R402.2.4.1	Access hatches and doors
R402.2.10.1	Crawl space wall insulation installations
R402.4.1.1	Installation
R402.4.1.2	Testing
R402.5	Maximum fenestration U-factor and SHGC
Mechanical	
R403.1	Controls
R403.3, including R403.3.1, except Sections R403.3.2, R403.3.3 and R403.3.6	Ducts
R403.4	Mechanical system piping insulation
R403.5.1	Heated water circulation and temperature maintenance systems
R403.5.3	Drain water heat recovery units
R403.6	Mechanical ventilation
R403.7	Equipment sizing and efficiency rating
R403.8	Systems serving multiple dwelling units
R403.9	Snow melt and ice systems
R403.10	Energy consumption of pools and spas
R403.11	Portable spas
R403.12	Residential pools and permanent residential spas
Electrical Power and Lighting Systems	
R404.1	Lighting equipment

a. —Reference to a code section includes all the relative subsections except as indicated in the table.

**TABLE R405.2
REQUIREMENTS FOR SIMULATED BUILDING PERFORMANCE**

<u>SECTION^a</u>	<u>TITLE</u>
<u>General</u>	
<u>R401.3</u>	<u>Certificate</u>
<u>Building Thermal Envelope</u>	
<u>R402.1.1</u>	<u>Vapor retarder</u>
<u>R402.1.6</u>	<u>Rooms containing fuel-burning appliances</u>

<u>R402.2.3</u>	<u>Attic knee wall</u>
<u>R402.2.4</u>	<u>Eave baffle</u>
<u>R402.2.5.1</u>	<u>Access hatches and door insulation installation and retention</u>
<u>R402.2.10</u>	<u>Slab-on-grade floors</u>
<u>R402.2.11</u>	<u>Crawl space walls</u>
<u>R402.5.1.1</u>	<u>Installation</u>
<u>R402.5.1.2</u>	<u>Air leakage testing</u>
<u>R402.5.1.3</u>	<u>Maximum air leakage rate</u>
<u>R402.5.2</u>	<u>Fireplaces</u>
<u>R402.5.3</u>	<u>Fenestration air leakage</u>
<u>R402.5.4</u>	<u>Recessed lighting</u>
<u>R402.5.5</u>	<u>Air-sealed electrical and communication outlet boxes</u>
<u>R402.6</u>	<u>Maximum fenestration U-factor and SHGC</u>
<u>Mechanical</u>	
<u>R403.1</u>	<u>Controls</u>
<u>R403.2</u>	<u>Hot water boiler temperature reset</u>
<u>R403.3</u>	<u>Duct systems</u>
<u>R403.4</u>	<u>Mechanical system piping insulation</u>
<u>R403.5</u>	<u>Service hot water systems</u>
<u>R403.6</u>	<u>Mechanical ventilation</u>
<u>R403.7 , except Section R403.7.1</u>	<u>Equipment sizing and efficiency rating</u>
<u>R403.8</u>	<u>Systems serving multiple dwelling units</u>
<u>R403.9.2</u>	<u>Snow melt and ice system controls</u>
<u>R403.10</u>	<u>Energy consumption of pools and spas</u>
<u>R403.11</u>	<u>Portable spas</u>
<u>R403.12</u>	<u>Residential pools and permanent residential spas</u>
<u>R403.13</u>	<u>Gas fireplaces</u>
<u>Electrical Power and Lighting Systems</u>	
<u>R404.1</u>	<u>Lighting equipment</u>

a. Reference to a code section includes all the relative subsections except as indicated in the table.

Subsection 406.2 is amended by amending Table R406.2 to read as follows:

**TABLE R406.2
REQUIREMENTS FOR ENERGY RATING INDEX**

SECTION^a	TITLE
General	
R401.2.5	Additional efficiency packages
R401.3	Certificate
Building Thermal Envelope	
R402.1.1	Vapor retarder
R402.2.3	Eave baffle
R402.2.4.1	Access hatches and doors
R402.2.10.1	Crawl space wall insulation installation
R402.4.1.1	Installation
R402.4.1.2	Testing
Mechanical	
R403.1	Controls
R403.3 except Sections R403.3.2, R403.3.3 and R403.3.6	Ducts
R403.4	Mechanical system piping insulation
R403.5.1	Heated water calculation and temperature maintenance systems
R403.5.3	Drain water heat recovery units
R403.6	Mechanical ventilation
R403.7	Equipment sizing and efficiency rating
R403.8	Systems serving multiple dwelling units
R403.9	Snow melt and ice systems
R403.10	Energy consumption of pools and spas
R403.11	Portable spas
R403.12	Residential pools and permanent residential spas
Electrical Power and Lighting Systems	
R404.1	Lighting equipment
R406.3	Building thermal envelope

a. —Reference to a code section includes all of the relative subsections except as indicated in the table.

**TABLE R406.2
REQUIREMENTS FOR ENERGY RATING INDEX**

<u>SECTION^a</u>	<u>TITLE</u>
<u>General</u>	
<u>R401.3</u>	<u>Certificate</u>
<u>Building thermal envelope</u>	
<u>R402.1.1</u>	<u>Vapor retarder</u>

R402.1.6	Rooms containing fuel-burning appliances
R402.2.4	Eave baffle
R402.2.5.1	Access hatches and door insulation installation and retention
R402.2.10	Slab-on-grade floors
R402.2.11	Crawl space walls
R402.5.1.1	Installation
R402.5.1.2	Air leakage testing
R402.5.1.3	Maximum air leakage rate
R402.5.2	Fireplaces
R402.5.3	Fenestration air leakage
R402.5.4	Recessed lighting
R402.5.5	Air-sealed electrical and communication outlet boxes
R406.3	Building thermal envelope
Mechanical	
R403.1	Controls
R403.2	Hot water boiler temperature reset
R403.3	Duct systems
R403.4	Mechanical system piping insulation
R403.5	Service hot water systems
R403.6	Mechanical ventilation
R403.7, except Section R403.7.1	Equipment sizing and efficiency rating
R403.8	Systems serving multiple dwelling units
R403.9.2	Snow melt and ice system controls
R403.10	Energy consumption of pools and spas
R403.11	Portable spas
R403.12	Residential pools and permanent residential spas
R403.13	Gas fireplaces
Electrical power and lighting systems	
R404.1	Lighting equipment

[a. Reference to a code section includes all of the relative subsections except as indicated in the table.](#)

Paragraph ~~R402.4.6~~ [R402.5.5](#) is amended to read as follows:

*~~R402.4.6~~ [R402.5.5](#). **Electrical and communication outlet boxes (air-sealed boxes).** Electrical and communication outlet boxes installed in the building thermal envelope shall be sealed to limit air*

leakage between conditioned and unconditioned spaces.

ORDINANCE NO. 2395

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 7 (BUILDING REGULATIONS) OF THE SUGAR LAND DEVELOPMENT CODE BY ADOPTING THE 2024 INTERNATIONAL CODES AND THE 2023 NATIONAL ELECTRICAL CODE; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.

WHEREAS, the Building Code Official, Code Compliance Administrator, and the Fire Marshal recommend that the 2024 International Codes and the 2023 National Electrical Code, with amendments specific to the City of Sugar Land, be adopted; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That Article II (Buildings), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-14. - Code Adopted.

Except as amended in this Article, the International Building Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-14.1. - Appendix Adopted.

Except as amended in this Article, Appendix K of the International Building Code, 2024 edition, is adopted.

Sec. 7-15. - Code Deletions.

The following parts of the International Building Code are deleted:

Section 113

Subsection 114.2

Subsection 114.3

Subsection 116.3

Subsection 116.4

Subsections 1102.1-1112.6

Subsection 1507.8

Subsection 1507.9

Subsection 1612.3

Sec. 7-16. - Code Amendments.

The following sections of the International Building Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1 Title. These regulations shall be known as the Building Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the building official.

Subsection 104.6 is amended to read as follows:

104.6. Notices and orders. The building official may issue necessary notices or orders to ensure compliance with this code.

Subsection 105.1 is amended to read as follows:

105.1. Required. It shall be unlawful for any owner, owner's authorized agent, person, firm, or corporation to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or erect, install, enlarge, alter, repair, remove, convert, or replace any electrical, gas, mechanical, or plumbing system regulated by this code, or cause any such work to be performed, without obtaining the required permit prior to commencing such work. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner of the property caused the construction, enlargement, alteration, repair, movement, demolition, or change of occupancy of the building or structure, or the erection, installation, enlargement, alteration, repair, removal, conversion, or replacement of any electrical, gas, mechanical, or plumbing system regulated by this code, or caused the same to be done, on the property.

Subsection 105.2 is amended to read as follows:

105.2. Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of the city. Permits shall not be required for the following:

Building:

1. Oil derricks.

2. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
3. Temporary motion picture, television and theater stage sets and scenery.
4. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches (610 mm) deep, are not greater than 5,000 gallons (18,925 L) and are installed entirely above ground.
5. Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.
6. Swings and other playground equipment accessory to detached one- and two-family dwellings.
7. Non-fixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1,753 mm) in height.
8. Solar pergolas.

Electrical:

Repairs and maintenance: Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.

Radio and television transmitting stations: The provisions of this code shall not apply to electrical equipment used for radio and television transmissions, but do apply to equipment and wiring for a power supply and the installations of towers and antennas.

Temporary testing systems: A permit shall not be required for the installation of any temporary system required for the testing or servicing of electrical equipment or apparatus.

Gas:

1. Portable heating appliance.
2. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.

Mechanical:

1. Portable heating appliance.
2. Portable ventilation equipment.
3. Portable cooling unit.
4. Steam, hot or chilled water piping within any heating or cooling equipment regulated by this code.
5. Replacement of any part that does not alter its approval or make it unsafe.
6. Portable evaporative cooler.
7. Self-contained refrigeration system containing 10 pounds (4.54 kg) or less of refrigerant and actuated by motors of 1 horsepower (0.75 KW) or less.

Plumbing:

1. The stopping of leaks in drains, water, soil, waste or vent pipe, provided, however, that if any concealed trap, drain pipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work

shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.

2. The clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.

Section 105 is amended by adding Subsection 105.8 to read as follows:

105.8. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Subsection 114.1 is amended to read as follows:

114.1. Unlawful acts. It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, enlarge, repair, move, remove, demolish, occupy, or use any building, structure, or equipment regulated by this code, or cause the same to be done, in conflict with or in violation of any of the provisions of this code. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner caused the erection, construction, extension, enlargement, alteration, repair, movement, demolition, occupancy, or use of the building, structure, or equipment, or caused the same to be done, on the property. It is presumed that any building, structure, or equipment present on the property is being used by the record owner or occupant of the property.

Subsection 1101.1 is amended to read as follows:

1101.1. Scope. Buildings and facilities shall be designed and constructed to be accessible in accordance with Chapter 469 of the Texas Government Code, the Texas Architectural Barriers Act, and the Texas Accessibility Standards.

Subsection 1612.3 is amended to read as follows:

1612.3 Establishment of flood hazard areas. To establish flood hazard areas, the City Council shall adopt a flood hazard map(s) and supporting data. The flood hazard map(s) shall include, at a minimum, areas of special flood hazard as set forth in section 8-12 of the Development Code. The flood hazard map(s) and supporting data adopted pursuant to section 8-12 of the Development Code are adopted and declared to be part of this section.

Subsection K110.1 is amended to read as follows:

K110.1. Authority to condemn electrical systems. Wherever the building official determines that any electrical system, or portion thereof, regulated by this code has become hazardous to life, health or property, the building official may order in writing that such electrical systems either be removed or restored to a safe condition. A time limit for compliance with such

order may be specified in the written notice. A person shall not use or maintain a defective electrical system or equipment after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Section 3. That Article II-A (Existing Building Code), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-17. - Code Adopted.

Except as amended in this Article, the International Existing Building Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-18. - Code Deletions.

The following sections of the International Existing Building Code are deleted:

Section 112

Subsection 113.2

Subsection 113.4

Subsection 115.3

Subsection 115.4

Subsection 117.2

Sec. 7-19. - Code Amendments.

The following sections of the International Existing Building Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Existing Building Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Subsection 104.3 is amended to read as follows:

104.3. Notices and orders. The code official may issue necessary notices or orders to ensure compliance with this code.

Section 105 is amended by adding Subsection 105.8 to read as follows:

105.8. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Subsection 113.1 is amended to read as follows:

113.1 Unlawful acts. It shall be unlawful for any person, firm or corporation to repair, alter, extend, add, move, remove, demolish, change the occupancy, or use any building or structure regulated by this code or cause same to be done, in conflict with or in violation of any of the provisions of this code. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner caused the repair, alteration, extension, addition, movement, removal, demolition, change of occupancy, or use of the building or structure, or caused the same to be done, on the property. It is presumed that any building or structure present on the property is being used by the record owner or occupant of the property.

Sec. 7-20. - Reserved.

Section 4. That Article III (Electrical), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-21. - Code Adopted.

Except as amended in this Article, the National Electrical Code, 2023 edition, as published by the National Fire Protection Association, is adopted.

Sec. 7-22. - Code Amendments.

The following parts of 2023 National Electrical Code are amended:

Subsection 230.30 is amended to read as follows:

230.30. Installation.

(A) All direct buried cables and conductors shall be installed in an approved conduit or raceway.

(B) Insulation. Underground service conductors shall be insulated for the applied voltage.

Exception: A grounded conductor shall be permitted to be uninsulated as follows:

(1) Bare copper used in a raceway

(2) Bare copper for direct burial where bare copper is approved for the soil conditions

- (3) Bare copper for direct burial without regard to soil conditions where part of a cable assembly identified for underground use
- (4) Aluminum or copper-clad aluminum without individual insulation or covering where part of a cable assembly identified for underground use in a raceway or for direct burial
- (C) Wiring Methods. Underground service conductors shall be installed in accordance with the applicable requirements of this Code covering the type of wiring method used and shall be limited to the following methods:
 - (1) RMC conduit
 - (2) IMC conduit
 - (3) Type NUCC conduit
 - (4) HDPE conduit
 - (5) PVC conduit
 - (6) RTRC conduit
 - (7) Type IGS cable
 - (8) Type USE conductors or cables
 - (9) Type MV or Type MC cable identified for direct burial applications
 - (10) Type MI cable where suitably protected against physical damage and corrosive conditions
 - (11) Type TC-ER cable where identified for service entrance use and direct burial applications

Subsection 230.42 is amended to read as follows:

230.43. Wiring Methods for 1000 Volts, Nominal, or Less.

- (A) Service-entrance conductors shall be installed in accordance with the applicable requirements of this Code covering the type of wiring method used and shall be limited to the following methods:
- (1) Open wiring on insulators
 - (2) Type IGS cable
 - (3) Rigid metal conduit (RMC)
 - (4) Intermediate metal conduit (IMC)
 - (5) Electrical metallic tubing (EMT)
 - (6) Electrical nonmetallic tubing
 - (7) Service-entrance cables
 - (8) Wireways
 - (9) Busways
 - (10) Auxiliary gutters
 - (11) Rigid polyvinyl chloride conduit (PVC)
 - (12) Cablebus
 - (13) Type MC cable
 - (14) Mineral-insulated, metal-sheathed cable, Type MI
 - (15) Flexible metal conduit (FMC) not over 1.8 m (6 ft) long or liquidtight flexible metal conduit (LFMC) not over 1.8 m (6 ft) long between a raceway, or between a raceway and

service equipment, with a supply-side bonding jumper routed with the flexible metal conduit (FMC) or the liquidtight flexible metal conduit (LFMC) according to 250.102(A), (B), (C), and (E)

(16) Liquidtight flexible nonmetallic conduit (LFNC)

(17) High density polyethylene conduit (HDPE)

(18) Nonmetallic underground conduit with conductors (NUCC)

(19) Reinforced thermosetting resin conduit (RTRC)

(20) Type TC-ER cable where identified for use as service entrance conductors

(21) Flexible bus systems

(B) Commercial Service Riser Raceways on Utility Poles and Structures. Where service-entrance conductors of 1000 volts, nominal, or less are installed in a raceway that is above grade and fastened to a utility-owned pole or structure and the installation is not under the exclusive control of an electric utility as described in 90.2(D)(5), the raceway shall be rigid metal conduit (RMC) in accordance with Article 344. The use of polyvinyl chloride (PVC) conduit (Schedule 40 or Schedule 80) for this riser is prohibited.

1. The RMC shall be raintight and continuous from all points above finished grade to the service head or weatherhead.
2. The RMC shall be securely fastened to the pole or structure in accordance with 344.30 and supported to prevent damage.
3. Bonding and grounding shall comply with 250.92 and 250.94, and shall comply with the Utility providers standards (Center Point).
4. Raceway fittings and bushings shall be listed and installed in accordance with 344.42.

Informational Note: Coordination with the serving electric utility may be required for attachment methods and clearances. Installations under the utility's exclusive control are outside the scope of the NEC per 90.2(D)(5).

Paragraph 300.5(D) is amended to read as follows:

(D) Protection from Damage. Direct buried conductors and cables shall be installed in an approved conduit or raceway.

Table 300.5 is amended to read as follows:

Table 300.5
Minimum Cover Requirements, 0 to 1000 Volts, Burial in Inches

LOCATION OF WIRING METHOD OR CIRCUIT	TYPE OF WIRING METHOD OR CIRCUIT				
	Column 1 Direct Burial Cables or Conductors	Column 2 Rigid Metal Conduit or Intermediate Metal Conduit	Column 3 Nonmetallic Raceways Listed for Direct Burial Without Concrete Encasement or Other Approved Raceways	Column 4 Residential Branch Circuits Rated 120 Volts or Less With GFCI protection and Maximum Overcurrent Protection of 20 Amperes	Column 5 Circuits for Control of Irrigation and Landscape Lighting Limited to Not More Than 30 Volts and Installed with Type UF or in Other Identified Cable or Raceway
All locations not specified below	24 ^c	6	18	12	6 ^{a, b}

In trench below 2-inch-thick concrete or equivalent	18"	6	12	6	6
Under a building	0 (In raceway only or Type MC identified for direct burial)	0	0	0 (In raceway only or Type MC identified for direct burial)	0 (In raceway only or Type MC identified for direct burial)
Under minimum of 4-inch-thick concrete exterior slab with no vehicular traffic and the slab extending not less than 6 inches beyond the underground installation	18"	4	4	6 (Direct burial) 4 (In raceway)	6 (Direct burial) 4 (In raceway)
Under streets, highways, roads, alleys, driveways and parking lots	24"	24	24	24	24
One- and two-family dwelling driveways and outdoor parking areas, and used only for dwelling-related purposes	18"	18	18	12	18
In solid rock where covered by minimum of 2 inches concrete extending down to rock	2 (In raceway only)	2	2	2 (In raceway only)	2 (In raceway only)

- a. A lesser depth shall be permitted where specified in the installation instructions of a listed low-voltage lighting system.
 - b. A depth of 6 inches shall be permitted for pool, spa, and fountain lighting that is installed in a nonmetallic raceway, limited to not more than 30 volts and part of a listed low-voltage lighting system.
 - c. Direct buried cables or conductors shall be installed in an approved conduit or raceway.
- Notes:
1. Cover is defined as the shortest distance in inches measured between a point on the top surface of any direct-buried conductor, cable, conduit or other raceway and the top surface of finished grade, concrete, or similar cover.
 2. Raceways approved for burial only where encased concrete shall require concrete envelope not less than 2 inches thick.
 3. Lesser depths shall be permitted where cables and conductors rise for terminations or splices or where access is otherwise required.
 4. Where one of the wiring method types listed in Columns 1 through 3 is combined with one of the circuit types in Columns 4 and 5, the shallower depth of burial shall be permitted.
 5. Where solid rock prevents compliance with the cover depths specified in this table, the wiring shall be installed in metal or nonmetallic raceway permitted for direct burial. The raceways shall be covered by a minimum of 2 inches of concrete extending down to the rock.

Subsection 351.12 is amended to read as follows:

352.12. Uses Not Permitted. PVC conduit shall not be used under the conditions specified in 352.12(A) through (F).

- (A) Hazardous (Classified) Locations. In any hazardous (classified) location, except as permitted by other articles of this Code.
- (B) Support of Luminaires. For the support of luminaires or other equipment not described in 352.10(I).
- (C) Physical Damage. Where subject to physical damage, except as permitted in 352.10(K).
- (D) Ambient Temperatures. Where subject to ambient temperatures in excess of 50°C (122°F) unless listed otherwise.
- (E) Theaters and Similar Locations. In theaters and similar locations, except as provided in 518.4 and 520.5.
- (F) Service Riser on Utility Poles. PVC conduit, including Schedule 80, shall not be used as the above-ground service riser raceway where fastened to a utility-owned pole or structure.

Sec. 7-23–7-25. - Reserved.

Section 5. That Article IV (Gas), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-26. - Code Adopted.

Except as amended in this Article, the International Fuel Gas Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-27. - Code Deletions.

The following section of the International Fuel Gas Code is deleted:

Section 112

Subsection 113.2

Subsection 113.3

Subsection 113.4

Subsection 113.5

Sec. 7-28. - Code Amendments.

The following sections of the International Fuel Gas Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Fuel Gas Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Section 104.6 is amended to read as follows:

104.6. Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code.

Section 105 is amended by adding Subsection 105.6 to read as follows:

105.6. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Paragraph 113.6.1 is amended to read as follows:

113.6.1. Authority to condemn installations. Whenever the code official determines that any installation, or portion thereof, regulated by this code has become hazardous to life, health or property, he or she may order in writing that such installations either be removed or restored to a safe condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain a defective installation after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph 113.6.3 is amended to read as follows:

113.6.3. Connection after order to disconnect. A person shall not make energy source connections to installations regulated by this code that have been disconnected or ordered to be disconnected by the code official, or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such installations. Where an installation is maintained in violation of this code, the code official may institute appropriate action to prevent, restrain, correct or abate the violation.

Subsection 406.4 is amended to read as follows:

406.4. Test pressure measurement. Test pressure shall be measured with a manometer or with a pressure-measuring device designed and calibrated to read, record or indicate a pressure loss caused by leakage during the pressure test period. Spring type test gauges are not permitted. The source of pressure shall be isolated before the pressure tests are made. Mechanical gauges used to measure test pressures shall have a range such that the highest end of the scale is not greater than five times the test pressure.

Secs. 7-29, 7-30. - Reserved.

Section 6. That Article V (Mechanical), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-31. - Code Adopted.

Except as amended in this Article, the International Mechanical Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-32. - Code Deletions.

The following sections of the International Mechanical Code are deleted:

Section 112

Section 113

Subsection 114.2

Subsection 114.3

Subsection 114.4

Subsection 114.5

Sec. 7-33. - Code Amendments.

The following section of the International Mechanical Code is amended as follows:

Subsection 101.1 is amended to read as follows:

101.1 Title. These regulations shall be known as the Mechanical Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Subsection 104.6 is amended to read as follows:

104.6. Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code

Section 105 is amended by adding Subsection 105.5 to read as follows:

105.5. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Paragraph 114.6.1 is amended to read as follows:

114.6.1. Authority to condemn mechanical systems. Where the code official determines that any mechanical system, or portion thereof, regulated by this code has become hazardous to life, health, property, or has become insanitary, the code official may order in writing that such

system either be removed or restored to a safe condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain a defective mechanical system after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph 114.6.3 is amended to read as follows:

114.6.3 Connection after order to disconnect. A person shall not make energy source connections to mechanical systems regulated by this code that have been disconnected or ordered to be disconnected by the code official, or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such mechanical systems. Where a mechanical system is maintained in violation of this code, the code official may institute appropriate action to prevent, restrain, correct or abate the violation.

Subparagraph 506.3.2.5 is amended to read as follows:

506.3.2.5. Grease duct test. Prior to the use or concealment of any portion of a grease duct system, a leakage test shall be performed. Ducts shall be considered to be concealed where installed in shafts or covered by coatings or wraps that prevent the ductwork from being visually inspected on all sides. The permit holder shall be responsible for providing the necessary equipment and performing the grease duct leakage test. A duct leakage test, in accordance with this section, shall be performed for the entire duct system, including the hood-to-duct connection. The duct work may be tested in sections, provided that every joint is tested.

To determine the tightness of the grease duct construction, a smoke test shall be made in accordance with the following conditions and requirements:

1. The test shall be performed in the presence of the building inspector.
2. The grease duct shall be filled with a thick penetrating smoke produced by one or more smoke machines, or smoke bombs. The test shall be applied for a length of time sufficient to permit the inspection of the grease duct.
3. If the test shows any evidence of leakage or other defects, such defects shall be corrected in accordance with the requirements of this chapter, and the test shall be repeated until there is no visible smoke observed.

Secs. 7-34, 7-35. - Reserved.

Section 7. That Article VI (Plumbing), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-36. - Code Adopted.

Except as amended in this Article, the International Plumbing Code, 2024 edition, as published by the International Code Council, is adopted. In the instance that any provision of the International Plumbing Code, as adopted, is less restrictive than that of State or Federal laws or regulations, the State or Federal law or regulation controls.

Sec. 7-37. - Code Deletions.

The following sections of the International Plumbing Code are deleted:

Section 112

Section 113

Subsection 114.2

Subsection 114.3

Subsection 114.4

Subsection 114.5

Sec. 7-38. - Code Amendments.

The following sections of the International Plumbing Code are amended as follows:

Section 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the International Plumbing Code of the City of Sugar Land, hereinafter referred to as "this code".

Subsection 103.1 is amended to read as follows:

103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the code official.

Section 104.6 is amended to read as follows:

104.6. Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code.

Section 105 is amended by adding Subsection 105.6 to read as follows:

105.6. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Paragraph 114.6.1 is amended to read as follows:

114.6.1. Authority to condemn equipment. Where the code official determines that any plumbing, or portion thereof, regulated by this code has become hazardous to life, health or property or has become unsanitary, the code official may order in writing that such plumbing either be removed or restored to a safe or sanitary condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain defective plumbing after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph 114.6.3 is amended to read as follows:

114.6.3. Connection after order to disconnect. A person shall not make connections from any energy, fuel, power supply or water distribution system or supply energy, fuel or water to any equipment regulated by this code that has been disconnected or ordered to be disconnected by the code official or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such equipment. Where any plumbing is maintained in violation of this code, the code official may institute any appropriate action to prevent, restrain, correct or abate the violation.

Paragraph 305.4.1 is amended to read as follows:

305.4.1. Sewer depth. Building sewers that connect to private sewage disposal systems shall be installed not less than 12 inches (mm) below finished grade at the point of septic tank connection. Building sewers shall be installed not less than 12 inches (mm) below grade.

Paragraph 504.7.2 is amended to read as follows:

504.7.2. Pan drain termination. The pan drain shall extend full size and terminate over a suitably located indirect waste receptor or floor drain or extend to the exterior of the building and terminate not less than 6 inches (152 mm) and not more than 24 inches (610 mm) above the adjacent ground surface. Where a pan drain was not previously installed, a pan drain shall not be required for a replacement water heater installation if a water leak detection device with an audible alarm is installed inside the pan.

Paragraph 605.2.1 is amended to read as follows:

605.2.1. Lead content of drinking water pipe and fittings. The use of pipes and pipe fittings that contain more than 0.25% lead or solders and flux that contain more than 0.2% lead is prohibited for installation or repair of any public water supply and for installation or repair of any plumbing in a residential or nonresidential facility providing water for human consumption and connected to a public drinking water supply system. This requirement may be waived for lead joints that are necessary for repairs to cast iron pipe.

Subsection 705.10.2 is amended by deleting the enumerated exception, to read as follows:

705.10.2. Solvent cementing. Joint surfaces shall be clean and free from moisture. A purple primer that conforms to ASTM F656 shall be applied. Solvent cement not purple in color and

conforming to ASTM D2564, CSA B137.3, CSA B181.2 or CSA B182.1 shall be applied to all joint surfaces. The joint shall be made while the cement is wet and shall be in accordance with ASTM D2855. Solvent-cement joints shall be permitted above or below ground.

Paragraph 903.1.1 is amended to read as follows:

903.1.1 Roof extension unprotected. Open vent pipes that extend through a roof shall be terminated not less than 6 inches (mm) above the roof.

Secs. 7-39, 7-40. - Reserved.

Section 7. That Article VII (Property Maintenance), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-41. - Code and Appendix Adopted.

Except as amended in this Article, the International Property Maintenance Code, 2024 edition, and Appendix A of said code, as published by the International Code Council, are adopted.

Sec. 7-42. - Code Deletions.

The following sections of the International Property Maintenance Code are deleted:

Section 106

Subsection 107.2

Subsection 107.3

Subsection 107.4

Subsection 107.5

Section 109

Section 110

Section 111

Sec. 7-43. - Code Amendments.

The following sections of the International Property Maintenance Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Property Maintenance Code of the City of Sugar Land, hereinafter referred to as "this code".

Subsection 103.1 is amended to read as follows:

103.1. Enforcement Authority. The official in charge of the implementation, administration, and enforcement of this Code will be known as the code official.

Subsection 105.5 is amended to read as follows:

105.5. Notices and orders. The code official may issue all necessary notices or orders to ensure compliance with this code.

Subsection 105.6 is amended to read as follows:

105.6. Official records. The code official shall keep official records as required by subsections 105.6.1 through 105.6.5. Such official records shall be retained in accordance with the City's adopted records retention and disposition schedules, as issued and amended by the Texas State Library and Archives Commission, and in compliance with the Local Government Records Act.

Section 202 definition of Inoperable motor vehicle is amended to read as follows:

Junked motor vehicle. A motor vehicle that is self-propelled and displays an expired license plate or does not display a license plate; and is wrecked, dismantled or partially dismantled, or discarded or inoperable and has remained inoperable for more than seventy-two consecutive hours, if the vehicle is on public property or [for] thirty consecutive days, if the vehicle is on private property. A junked motor vehicle may also be an aircraft that does not have lawfully printed on the aircraft an unexpired federal aircraft identification number registered under Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47. A junked motor vehicle may also be a watercraft that does not have lawfully on board an unexpired certificate number and is not a watercraft described by V.T.C.A. § 31.055, Parks and Wildlife Code.

Subsection 302.4 is amended to read as follows:

Subsection 302.4. Weeds. Premises and exterior property shall be maintained free from weed or plant growth in excess of 9 inches except as provided for in other regulations. Noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs provided; however, this term shall not include cultivated flowers and garden.

Subsection 302.8 is amended to read as follows:

302.8. Junked motor vehicle. Except as provided for in other regulations, no junked motor vehicle shall be parked, kept, or stored on any premises. Painting of vehicles is prohibited unless conducted inside an approved spray booth.

Exception: A vehicle of any type is permitted to undergo major overhaul, including body work, provided that such work is performed inside a structure or similarly enclosed area designed and approved for such purposes. The activity must be compliant with zoning regulations.

Subsection 304.14 is amended to read as follows:

304.14. Insect screens. During the period from January 1st to December 31st, every door, window and other outside opening required for ventilation of habitable rooms shall be supplied with approved tightly fitting screens of minimum 16 mesh per inch (16 mesh per 25 mm), and every screen door used for insect control shall have a self-closing device in good working condition.

Subsection 602.3 is amended to read as follows:

602.3. Heat Supply. Every owner and operator of a building who rents, leases or lets one or more dwelling units or sleeping units on terms, either expressed or implied, to furnish heat to the occupants thereof shall supply heat during the period from November to March to maintain a minimum temperature of 68°F (20°C) in all habitable rooms, bathrooms, and toilet rooms.

Subsection 602.4 is amended to read as follows:

602.4. Occupiable work spaces. Indoor occupiable work spaces shall be supplied with heat during the period from November to March to maintain a minimum temperature of 65°F (18°C) during the period the spaces are occupied.

Paragraph 704.6.1 is amended to read as follows:

704.6.1. Where Required. Existing Group I-1 and R occupancies shall be provided with single-station smoke alarms in accordance with Sections 704.6.1.1 through 704.6.1.4. Interconnection and power sources shall be in accordance with Sections 704.6.2 and 704.6.3.

Exception: Where smoke detectors connected to a fire alarm system have been installed as a substitute for smoke alarms.

Appendix A is amended to read as follows:

A101.1 General. Windows and doors shall be boarded in an approved manner to prevent entry by unauthorized persons and shall be painted with exterior grade paint to correspond to the color of the existing structure.

A101.2 Maintenance. Boarding materials shall be maintained in good condition. Any peeling, flaking and/or chipped paint shall be eliminated and the surfaces repainted.

A103.1 Boarding installation. The boarding installation shall be in accordance with Figures A103.1(1) and A103.1(2) and sections A103.2 through A103.5.

Exception: Alternative methods of installation may be used upon prior approval from the City of Sugar Land.

Secs. 7-44, 7-45. - Reserved.

Section 8. That Article VIII (Residential Building Code), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-46. - Code Adopted.

Except as amended in this Article, the International Residential Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-47. - Code Deletions.

The following sections of the International Residential Code are deleted.

Section R112

Subsection R113.2

Subsection R113.3

Section R309

Subsection R905.7

Subsection R905.8

Section P2904

Sec. 7-48. - Code Amendments.

The following parts of the International Residential Code are amended:

Subsection R101.1 is amended to read as follows:

R101.1. Title. These regulations shall be known as the Residential Code for One and Two Family Dwellings of the City of Sugar Land, and shall be cited as such and will be referred to hereinafter as "this code."

Subsection R103.1 is amended to read as follows:

R103.1. Enforcement authority. The official in charge of the implementation, administration, and enforcement of this code will be known as the building official.

Subsection R104.6 is amended to read as follows:

R104.6 Notices and orders. The building official may issue necessary notices or orders to ensure compliance with this code.

Subsection R105.1 is amended to read as follows:

R105.1. Required. It shall be unlawful for any owner, owner's authorized agent, person, firm, or corporation to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or erect, install, enlarge, alter, repair, remove, convert, or replace any electrical, gas, mechanical, or plumbing system regulated by this code, or cause any such work to be performed, without obtaining the required permit prior to commencing such work. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner of the property caused the construction, enlargement, alteration, repair, movement, demolition, or change of occupancy of the building or structure, or the erection, installation, enlargement, alteration, repair, removal, conversion, or replacement of any electrical, gas, mechanical, or plumbing system regulated by this code, or caused the same to be done, on the property.

Subsection R105.2 is amended to read as follows:

R105.2. Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of the city. Permits shall not be required for the following:

Building:

1. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
2. Prefabricated swimming pools that are less than 24 inches (610 mm) deep.
3. Swings and other playground equipment.
4. Decks not exceeding 200 square feet (18.58 m²) in area, that are not more than 30 inches (762 mm) above grade at any point, are not attached to a dwelling do not serve the exit door required by Section R311.4.
5. Solar pergolas.

Electrical:

1. Listed cord-and-plug connected temporary decorative lighting.
2. Reinstallation of attachment plug receptacles but not the outlets therefor.
3. Replacement of branch circuit overcurrent devices of the required capacity in the same location.
4. Electrical wiring, devices, appliances, apparatus or equipment operating at less than 25 volts and not capable of supplying more than 50 watts of energy.
5. Minor repair work, including the replacement of lamps or the connection of approved portable electrical equipment to approved permanently installed receptacles.

Gas:

1. Portable heating, cooking or clothes drying appliances.
2. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.
3. Portable-fuel-cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

Mechanical:

1. Portable heating appliances.
2. Portable ventilation appliances.
3. Portable cooling units.
4. Steam, hot- or chilled-water piping within any heating or cooling equipment regulated by this code.
5. Replacement of any minor part that does not alter approval of equipment or make such equipment unsafe.
6. Portable evaporative coolers.
7. Self-contained refrigeration systems containing 10 pounds (4.54 kg) or less of refrigerant or that are actuated by motors of 1 horsepower (746 W) or less.
8. Portable-fuel-cell appliances that are not connected to a fixed piping system and are not interconnected to a power grid.

Plumbing:

1. The stopping of leaks in drains, water, soil, waste or vent pipe; provided, however, that if any concealed trap, drainpipe, water, soil, waste or vent pipe becomes defective and it becomes necessary to remove and replace the same with new material, such work shall be considered as new work and a permit shall be obtained and inspection made as provided in this code.
2. The clearing of stoppages or the repairing of leaks in pipes, valves or fixtures and the removal and reinstallation of water closets, provided such repairs do not involve or require the replacement or rearrangement of valves, pipes or fixtures.

Section R105 is amended by adding Subsection R105.10 to read as follows:

R105.10. Insurance Required. As a condition to the issuance of the permit, the contractor shall certify that the contractor has: Workers' Compensation insurance as required by law; general liability insurance of at least \$100,000.00 for any one accident for property damage and \$300,000.00 for any one person for injuries or death; and \$5,000.00 for medical expenses for any one person.

Subsection R113.1 is amended to read as follows:

R113.1. Unlawful acts. It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, enlarge, repair, move, remove, demolish, occupy, or use any building, structure, or equipment regulated by this code, or cause the same to be done, in conflict with or in violation of any of the provisions of this code. Each day the violation exists will constitute a separate and distinct violation. It is presumed that the record owner caused the erection,

construction, extension, enlargement, alteration, repair, movement, demolition, occupancy, or use of the building, structure, or equipment, or caused the same to be done, on the property. It is presumed that any building, structure, or equipment present on the property is being used by the record owner or occupant of the property.

Subsection R302.2 is amended to read as follows:

R302.2. Townhouses. Common walls separating townhouses shall be assigned a fire-resistance rating in accordance with Section R302.2. The common wall shared by two townhouses shall be constructed without plumbing or mechanical equipment, ducts or vents in the cavity of the common wall. The wall shall be rated for fire exposure from both sides and shall extend on and be tight against exterior walls and the underside of the roof sheathing. Electrical installations shall be in accordance with Chapters 34 through 43. Penetrations of the membrane of common walls for electrical outlet boxes shall be in accordance with Section R302.4.

Exception: Where a fire sprinkler system in accordance with NFPA 13D is required, the common wall shall not be less than 2-hour fire resistance rated wall assembly tested in accordance with ASM or UL.

Paragraph R311.2.2 is amended to read as follows:

R311.2.2. Alterations, repairs and additions. Where alterations, repairs or additions requiring a permit occur, the individual dwelling unit shall be equipped with carbon monoxide alarms located as required for new dwellings.

Exceptions:

1. Work involving the exterior surfaces of dwellings, such as the replacement of roofing or siding, or the addition or replacement of windows or doors, or the addition of a porch or deck.
2. Installation, alteration or repairs of plumbing systems that are not fuel fired.
3. Installation, alteration or repairs of mechanical systems that are not fuel fired.

Subsection G2417.4 is amended to read as follows:

G2417.4(406.4). Test pressure measurement. Test pressure shall be measured with a manometer or with a pressure-measuring device designed and calibrated to read, record, or indicate a pressure loss caused by leakage during the pressure test period. Spring type test gauges are not permitted. The source of pressure shall be isolated before the pressure tests are made. Mechanical gauges used to measure test pressures shall have a range such that the highest end of the scale is not greater than five times the test pressure.

Paragraph P2603.5.1 is amended to read as follows:

P2603.5.1 Sewer depth. Building sewers that connect to private sewage disposal systems shall be not less than 12 inches (mm) below finished grade at the point of septic tank connection. Building sewers shall be not less than 12 inches (mm) below grade.

Paragraph P2801.5.1 is amended to read as follows:

P2801.5.1 Pan size and drain. The pan shall be not less than 1 1/2 inches (38 mm) deep and shall be of sufficient size and shape to receive dripping or condensate from the tank or water heater. The pan shall be drained by an indirect waste pipe of not less than 3/4-inch (19 mm) diameter. Piping for safety pan drains shall be of those materials indicated in Table P2906.5.

Where a pan drain was not previously installed, a pan drain shall not be required for a replacement water heater installation if a water leak detection device with an audible alarm is installed inside the pan.

Section E3803 is amended by amending Table E3803.1 to read as follows:

TABLE E3803.1 (Table 300.5)
MINIMUM COVER REQUIREMENTS, BURIAL IN INCHES a, b, c, d, e,

LOCATION OF WIRING METHOD OR CIRCUIT	TYPE OF WIRING METHOD OR CIRCUIT				
	1 Direct Burial Cables or Conductors	2 Rigid Metal Conduit or Intermediate Metal Conduit	3 Nonmetallic Raceways Listed for Direct Burial Without Concrete Encasement or Other Approved Raceways	4 Residential Branch Circuits Rated 120 Volts or Less With GFCI protection and Maximum Overcurrent Protection of 20 Amperes	5 Circuits for Control of Irrigation and Landscape Lighting Limited to Not More Than 30 Volts and Installed with Type UF or in Other Identified Cable or Raceway
All locations not specified below	24 ^b	6	18	12	6 ^{f, g}
In trench below 2-inch-thick concrete or equivalent	18 ^b	6	12	6	6
Under a building	0 (In raceway only or Type MC identified for direct burial)	0	0	0 (In raceway only or Type MC identified for direct burial)	0 (In raceway only or Type MC identified for direct burial)
Under minimum of 4-inch-thick concrete exterior slab with no vehicular traffic and the slab extending not less than 6 inches beyond the underground installation	18 ^b	4	4	6 (Direct burial) 4 (In raceway)	6 (Direct burial) 4 (In raceway)
Under streets, highways, roads, alleys, driveways and parking lots	24 ^b	24	24	24	24
One- and two-family dwelling driveways and outdoor parking areas, and used only for dwelling-related purposes	18 ^b	18	18	12	18
In solid rock where covered by minimum of 2 inches concrete extending down to rock	2 (In raceway only)	2	2	2 (In raceway only)	2 (In raceway only)

For SI: 1 inch = 25.4 mm.

- a. Raceways approved for burial only where encased concrete shall require concrete envelope not less than 2 inches thick.
- b. Lesser depths shall be permitted where cables and conductors rise for terminations or splices or where access is otherwise required.
- c. Where one of the wiring method types listed in columns 1 to 3 is combined with one of the circuit types in columns 4 and 5, the shallower depth of burial shall be permitted.
- d. Where solid rock prevents compliance with the cover depths specified in this table, the wiring shall be installed in metal or nonmetallic raceway permitted for direct burial. The raceways shall be covered by a minimum of 2 inches of concrete extending down to the rock.
- e. Cover is defined as the shortest distance in inches (millimeters) measured between a point on the top surface of any direct-buried conductor, cable, conduit or other raceway and the top surface of finished grade, concrete, or similar cover.
- f. A lesser depth shall be permitted where specified in the installation instructions of a listed low-voltage lighting system.
- g. A depth of 6 inches shall be permitted for pool, spa, and fountain lighting that is installed in a nonmetallic raceway, limited to not more than 30 volts and part of a listed low-voltage lighting system.
- h. Direct buried cables and conductors shall be installed in an approved conduit or raceway.

Secs. 7-49, 7-50. - Reserved.

Section 9. That Article VIII-A (Swimming Pool and Spa Code), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-51. - Code Adopted.

Except as amended in this Article, the International Swimming Pool and Spa Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-52. - Code Amendments.

The following sections of the International Swimming Pool and Spa Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Swimming Pool and Spa Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1 Enforcement Authority. The official in charge of the implementation, administration, and enforcement of this Code will be known as the code official.

Paragraph 113.6.1 is amended to read as follows:

113.6.1. Authority to condemn a system. Where the code official determines that any system, or portion thereof, regulated by this code has become hazardous to life, health or property or has become insanitary, the code official may order in writing that such system either be removed or restored to a safe or sanitary condition. A time limit for compliance with such order may be specified in the written notice. A person shall not use or maintain a defective system after receiving such notice. In cases of immediate danger to life or property, such disconnection shall be made immediately without such notice.

Paragraph 113.6.3 is amended to read as follows:

113.6.3. Connection after order to disconnect. A person shall not make connections from any energy, fuel, power supply or water distribution system, or supply energy, fuel or water to any

equipment regulated by this code that has been disconnected or ordered to be disconnected by the code official or the use of which has been ordered to be discontinued by the code official until the code official authorizes the reconnection and use of such equipment. When any system is maintained in violation of this code, the code official may institute any appropriate action to prevent, restrain, correct or abate the violation.

Sec. 7-53. - Code Deletions.

The following sections of the International Swimming Pool and Spa Code are deleted:

Section 112

Subsection 113.2

Subsection 113.3

Subsection 113.4

Subsection 113.5

Secs. 7-54, 7-55. - Reserved.

Section 10. That Article IX (Fire Prevention), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-56. - Reserved.

Sec. 7-57. - Code Adopted.

Except as amended in this Article, the International Fire Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-57.1. - Appendix Adopted.

Except as amended in this Article, Appendix B, C, and D of the International Fire Code, 2024 edition, are adopted.

Sec. 7-57.2. - Reserved.

Sec. 7-58. - Code Amendments.

The following sections of the International Fire Code are amended:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the Fire Code of the City of Sugar Land, hereinafter referred to as "this code."

Subsection 103.1 is amended to read as follows:

103.1. General. The department of fire prevention is established within the city under the direction of the fire marshal, hereafter referred to in this code as the fire code official. The function of the department shall be the implementation, administration and enforcement of the provisions of this code.

Paragraph 105.3.5 is amended to read as follows:

105.3.5. Posting the permit. Issued permits shall be maintained in printed paper form on the premises designated therein at all times and shall be readily available for inspection by the fire code official.

Subsection 105.5 is amended to read as follows:

105.5. Required operational permits. The fire code official is authorized to issue operational permits for the operations set forth in Sections 105.5.2 through 105.5.59.

Subparagraph 105.5.58 is added to read as follows:

105.5.58. Places of Custodial Care. An operational permit is required for Group R-3 and R-4 Occupancies that provide custodial care. Occupancies include care facilities, congregate care, congregate living facilities, alcohol and drug centers, assisted living facilities, group homes, halfway houses, and community homes for persons with disabilities.

Paragraph 105.5.59 is added to read as follows:

105.5.59. Kitchen suppression systems. An operational permit is required for any automatic fire-extinguishing system protecting cooking appliances in commercial food service operations.

Paragraph 105.6.26 is added to read as follows:

105.6.26. Electronic Access Control Device. A construction permit is required for the installation of or modification to electronic access control device or related equipment. Maintenance performed in accordance with this code is not considered to be a modification and does not require a construction permit.

Subsection 106.4 is amended to read as follows:

106.4. Construction documents on site. One set of approved construction documents, in printed paper form, shall be kept at the job site at all times while work is in progress and shall be available for all required inspections. The documents shall be of sufficient size and clarity to reflect

the scope of the work and shall be readily accessible to the fire code official for verification and inspection.

Subsection 113.4 is amended to read as follows:

113.4. Violation penalties. Persons who knowingly violate a provision of this code or fail to comply with any of the requirements thereof or who erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under the provisions of this code, shall be guilty of a misdemeanor and will be punished as authorized in section 1-9 of the Development Code, as amended therein and thereafter.

Section 202 is amended by adding a definition for “electronic access control device” to read as follows:

ELECTRONIC ACCESS CONTROL DEVICE. An electronic or computer-based device, including a telephone entry system, that allows access or controls egress in any occupancy classification.

Paragraph 307.6 is added to read as follows:

307.6. Rubbish burning. The burning of rubbish shall be prohibited. For the purposes of this section, rubbish includes plastic, rubber, and other materials defined as rubbish in section 202 of this code.

Subsection 307.2 is amended to read as follows:

307.2. Permit required. A permit must be obtained from the fire code official in accordance with Section 105.5 prior to kindling a fire for recognized silvicultural or range wildlife management practices, prevention or control of disease or pests, bonfire, recreational fire or controlled burning as allowed by the Texas Commission on Environmental Quality.

Paragraph 308.1.7 is amended to read as follows:

308.1.7. Sky lanterns. Sky lanterns are prohibited.

The Exceptions to Paragraph 503.1.1 is amended by adding Subparagraphs (1.4) and (1.5) to read as follows:

(1.4) Group U and other accessory use buildings, five hundred (500) square feet or less, may be located more than fifty (50) feet but not more than five hundred (500) feet from an access roadway, provided the code official determines that the conditions are such that firefighting operations will not be obstructed.

(1.5) The width of access roadways accessing one- and two-family dwellings, which are located more than one hundred fifty (150) feet but less than five hundred (500) feet from a public street, shall not be less than twelve (12) feet wide.

Subsection 503.3 is amended to read as follows:

503.3. Marking. Where required by the fire code official, approved signs or other approved notices shall be provided for fire apparatus access road to identify such roads or prohibit the obstruction thereof. Signs or notices shall be maintained in a clean and legible condition at all times and be replaced or repaired when necessary to provide adequate visibility. Fire lane markings shall be in accordance with Appendix D of this chapter. It is unlawful for any person to occupy, continue to occupy, or make use of any building until the requirements for fire lane markings applicable to the real property where the building is located have been met.

Subsection 503.4 is amended to read as follows:

503.4. Obstruction of fire apparatus access roads. Fire apparatus access roads shall not be obstructed in any manner. The minimum widths and clearances established in Paragraphs 503.2.1 and 503.2.2 shall be maintained at all times. For any unattended motor vehicle that is stopped or parked in a fire apparatus access road, it is presumed that the registered owner of the vehicle is the person who stopped or parked the vehicle at the time and place the offense occurred.

Paragraph 603.5.2 is amended by deleting the enumerated exceptions, to read as follows:

603.5.2. Application and use. Relocatable power taps and current taps shall be directly connected to a permanently installed receptacle.

Subsection 903.2 is amended to read as follows:

903.2. Where required. Approved automatic fire sprinkler systems shall be provided in new buildings and structures and in existing buildings and structures in the locations listed below and where otherwise described in this code.

1. All new buildings where the fire area exceeds five thousand (5,000) square feet. For the purposes of this provision, a fire wall does not delineate a separate building.
2. In existing buildings, if any addition results in a gross fire area of more than five thousand (5,000) square feet or raises the building height beyond two stories. For the purposes of this provision, the addition of a fire wall does not delineate a separate building nor does it eliminate the requirement for fire sprinkler protection.
3. In existing buildings where the fire area exceeds five thousand (5,000) square feet, when thirty (30) percent or more of the building undergoes renovation in one or more phases. The addition of a fire wall does not delineate a separate building nor does it eliminate the requirement for fire sprinkler protection.

Subparagraphs 903.2.1.1 through 903.2.1.4 are amended to read as follows:

903.2.1.1. Group A-1. An automatic sprinkler system shall be provided throughout stories containing Group A-1 occupancies and throughout all stories from the Group A-1 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than one story in height.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.
4. The fire area contains a multiple-theater complex.

903.2.1.2. Group A-2. An automatic sprinkler system shall be provided throughout stories containing Group A-2 occupancies and throughout all stories from the Group A-2 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than one story in height.
2. The fire area has an occupant load of 100 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

903.2.1.3. Group A-3. An automatic sprinkler system shall be provided throughout stories containing Group A-3 occupancies and throughout all stories from the Group A-3 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than two stories in height.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

903.2.1.4. Group A-4. An automatic sprinkler system shall be provided throughout stories containing Group A-4 occupancies and throughout all stories from the Group A-4 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet (464.5 m²) or the building is greater than two stories in height.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

Paragraph 903.2.4 is amended to read as follows:

903.2.4. Group F-1. An automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where the fire area exceeds 5,000 square feet (464.5 m²).

Paragraph 903.2.7 is amended to read as follows:

903.2.7. Group M. An automatic sprinkler system shall be provided throughout buildings containing a Group M occupancy where the Group M fire area exceeds 5,000 square feet (464.5 m²).

Paragraph 903.2.9 is amended to read as follows:

903.2.9. Group S-1. An automatic sprinkler system shall be provided throughout all buildings containing a Group S-1 occupancy where the fire area exceeds 5,000 square feet (464.5 m²).

Subparagraph 903.2.9.1 is amended to read as follows:

903.2.9.1. Repair garages. An automatic sprinkler system shall be provided throughout all buildings used as repair garages where the fire area exceeds 5,000 square feet (464.5 m²), in accordance with Section 406.8 of the Building Code.

Paragraph 903.2.10 is amended to read as follows:

903.2.10. Group S-2 enclosed parking garages. An automatic sprinkler system shall be provided throughout buildings classified as enclosed parking garages in accordance with Section 406.6 of the Building Code whether either of the following conditions exist:

1. Where the fire area of the enclosed parking garage, subject to Section 406.6 of the Building Code, exceeds 5,000 square feet (464.5 m²).
2. Where the enclosed parking garage is located beneath and/or attached to other occupancy groups.
3. Where the open parking garage, subject to Section 406.5 of the Building Code, exceeds 48,000 square feet (4460m²).

Subparagraph 903.2.11.3 is amended to read as follows:

903.2.11.3 Buildings 35 feet or more in height. An automatic sprinkler system shall be installed throughout buildings that have one or more stories located 35 feet (10668 mm) or more above the lowest level of fire department vehicle access, measured to the finished floor.

Clause 903.3.1.2.3 is amended to read as follows:

903.3.1.2.3 Attics. Attic protection shall be provided as follows:

1. Attics that are used or intended for living purposes or storage shall be protected by an automatic sprinkler system.

2. Where fuel-fired equipment is installed in an unsprinklered attic, not fewer than one quick-response intermediate temperature sprinkler shall be installed above the equipment.
3. Where located in a building of Type III, Type IV or Type V construction designed in accordance with Section 510.2 or 510.4 of the International Building Code, attics not required by Item 1 to have sprinklers shall comply with one of the following if the roof assembly is located more than 55 feet (16 764 mm) above the lowest level of fire department vehicle access needed to meet the provisions in Section 503:
 - 3.1. Provide automatic sprinkler system protection.
 - 3.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.
4. Groups R-3 and R-4, Condition 2 occupancy attics not required by Item 1 to have sprinklers shall comply with one of the following:
 - 4.1. Provide automatic sprinkler system protection.
 - 4.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.
5. Group R-2 occupancy attics not required by Item 1 to have sprinklers shall comply with one of the following:
 - 5.1. Provide automatic sprinkler system protection.
 - 5.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.

Paragraph 903.4.3 is amended to read as follows:

903.4.3. Alarms. Approved audible devices shall be connected to every automatic sprinkler system. Such sprinkler water flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. An electric/water bell shall be provided on the exterior of the building, in an approved location. When water flow supervision is provided, alarm devices shall be located within the interior of the building to provide an internal evacuation signal throughout the building in all common areas and areas accessible to the public. Group R-1, R-2 and condominiums shall be provided with an alarm signal device in each unit to provide an internal evacuation signal separate and distinct from the security system. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

Paragraph 904.15 is amended to read as follows:

904.15. Domestic cooking facilities. Cooktops and ranges installed in the following occupancies shall be in accordance with section 904.15.1.

1. In Group I-1 occupancies where domestic cooking facilities are installed in accordance with Section 420.9 of the *International Building Code*.
2. In Group I-2 occupancies where domestic cooking facilities are installed in accordance with Section 407.2.7 of the *International Building Code*.
3. In Group R-2 occupancies where domestic cooking facilities are installed in accordance with Section 420.11 of the *International Building Code*.

4. In Group R-3 and R-4 occupancies where domestic cooking operations are conducted for the residents.

Subsection 5608.1 is amended to add Paragraph 5608.1.1 to read as follows:

5608.1.1. Fireworks. The possession, manufacture, storage, sale, handling and use of fireworks are prohibited within the city limits of Sugar Land, Texas. It shall be unlawful for any person to manufacture or sell fireworks within the City of Sugar Land corporate limits. Except as herein provided, it shall be unlawful for any person to assemble, possess, store, transport, receive, keep, sell, offer or have in his or her possession with the intent to sell, use, discharge, ignite, detonate, fire or otherwise put in action any fireworks of any description.

Exception: The use of approved fireworks for display as permitted in Section 5608.

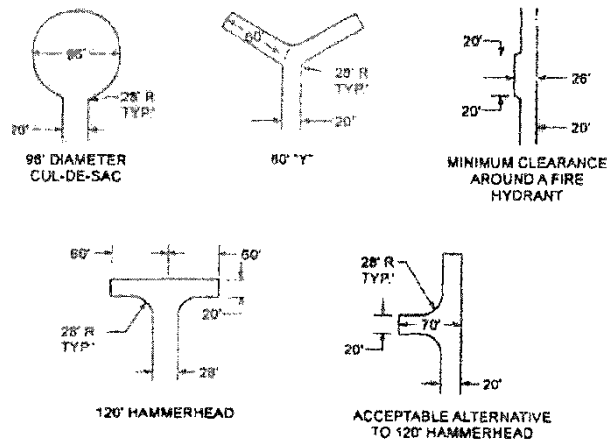
Subsection 5608.2 is amended to read as follows:

5608.2. Permit application. Prior to issuing permits for fireworks display, plans for the display, inspections of the display site and demonstrations of the display operations shall be approved and all applicable state and federal permits shall have been obtained. The applicant for the display shall, at the time of making application, furnish proof that he or she carries compensation insurance for his employees as provided for by laws of this state and he or she shall file with the code official, for approval, a certificate of insurance evidencing the carrying of public liability insurance, including bodily injury liability, in limits of not less than one hundred thousand dollars (\$100,000.00) for each person and one million dollars (\$1,000,000.00) for each accident, issued by an insurance company authorized to conduct business in this state for the benefit of the person named therein as insured as evidence of ability to respond in damages in at least the above amounts. For each display of fireworks under this section, standby personnel and equipment from the Sugar Land Fire Department shall be required. The number of personnel and equipment to be in attendance shall be determined by the Fire Marshal. The expense of such personnel and equipment at the display shall be paid in advance by the applicant prior to the issuance of the permit. The fee charged for each standby fire engine and crew shall be as specified in the appropriate fee schedule of the City of Sugar Land. Fees for other required personnel shall be based on actual cost.

Subsections D103.1, D103.5, D103.6, and D107.1 of Appendix D are amended to read as follows:

D103.1 Access road width with a hydrant. Where a fire hydrant is located on a fire apparatus access road, the minimum road width shall be 24 feet, exclusive of shoulders.

Figure D103.1 Dead-End Fire Apparatus Access Road Turnaround



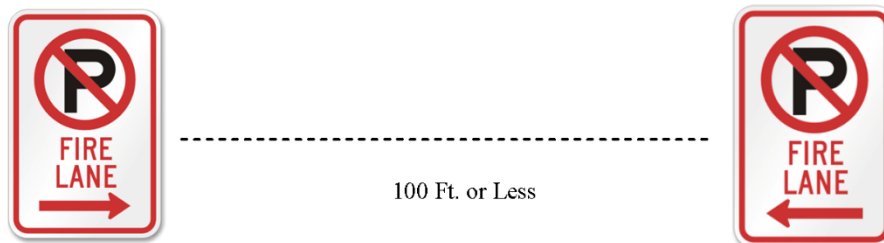
D103.6 Signs. Where required by the fire code official, fire apparatus access roads shall be marked in one of the following manners:

1. CURB PAINTING - Curbs along fire lanes shall be painted red with white letters stating "FIRE LANE TOW AWAY ZONE" and/or "FIRE LANE NO PARKING" painted at intervals not exceeding every 50 feet. The letters shall not be less than four inches tall.
2. FLAT SURFACE (NO CURB) - A red six (6) inch stripe, with markings indicated in Paragraph 1 above, shall be placed along the outer edges of the pavement along the fire lane.
3. Free standing signs placed along the fire lane. The design and placement of signs shall be in accordance with figure D 103.6. Signs shall have a minimum dimension of 12 inches wide by 18 inches high and have red letters on a white reflective background. Signs shall be posted on one or both sides of the fire apparatus road as required by Paragraphs D103.6.1 or D103.6.2.

Figure D103.6
Fire Lane Marking Standard Signage

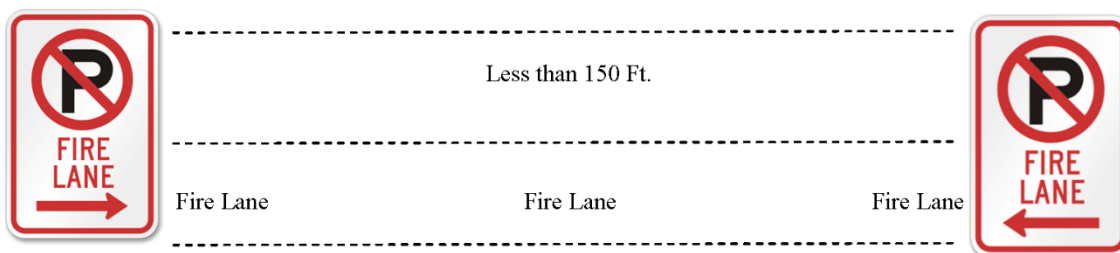
1. One hundred (100) foot separation, or less, between zone extremity.

One sign at each extremity, with single arrow indicator pointing in direction of zone.



2. Between one hundred (100) feet, but less than one hundred fifty (150) feet.

Between zone extremity, one sign at each extremity, with single arrow indicator pointing in direction of zone.



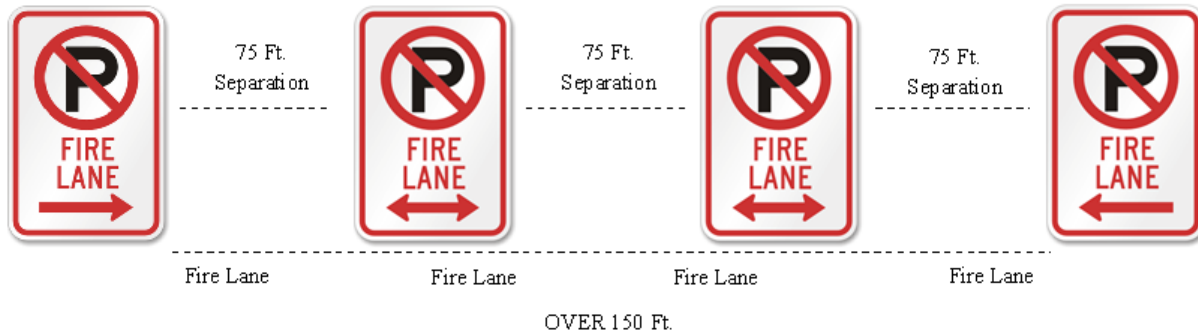
3. One hundred fifty (150) foot separation between zone extremity.

One sign at each extremity, with single arrow indicator pointing in direction of zone, with one additional sign with double arrow indicator pointing in both directions of zone, located at seventy-five (75) foot point within the zone.



4. Over one hundred and fifty (150) feet between zone extremities.

One sign at each extremity with single arrow indicator pointing in the direction of zone, with additional signs, with double arrow indicator pointing in both directions of zone, located at each seventy-five (75) foot interval between extremity signs.



5. Sign placement intervals may exceed the requirement of 1, 2, 3, and 4 above if approved by the Fire Official.

6. Signs



Left Extremity Arrow Indicator



Center Arrow Indicator
Pointing in Direction
Regulation in Effect



Right Extremity Arrow Indicator

7. Signs

Sign, border, lettering, background

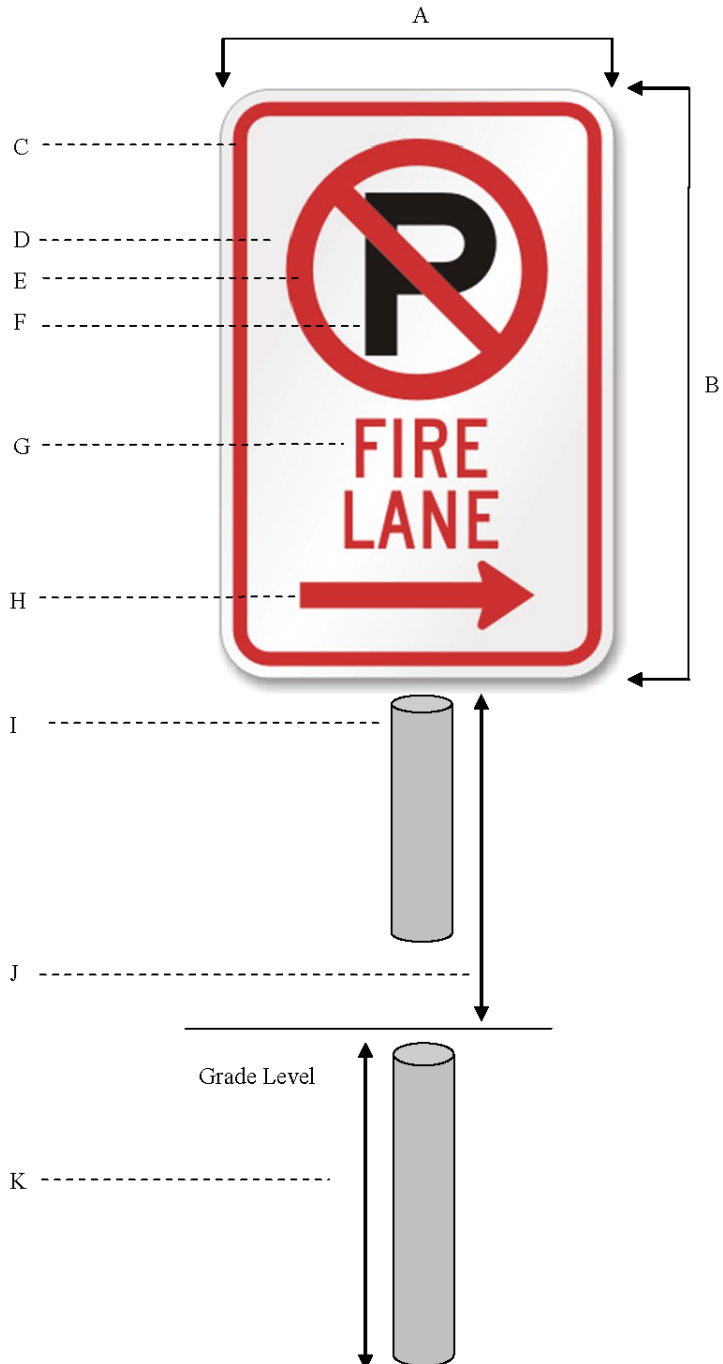
Instruction indicator is required to be reflectorized

Sign material - .080 Aluminum

- A. Sign width – 12"
- B. Sign length – 18"
- C. Outside border – Red
Min. 1/2" wide
- D. Background – White
- E. Circle/Slash – Red
Min. 8" diameter
- F. Letter P – Black
Min. 5" tall, 1" wide
- G. Wording – Red
Min. 1.75" high, 1/16" wide
- H. Arrow Indicators – Solid Red
- I. Sign post – 3/8"
Galvanized Tubular
- J. Sign Height from grade
Level, seven feet (7')
- K. Sign post set min.
of eighteen inches
(18") below grade
in well packed or
concrete foundation

Signs shall be securely fastened
to post at the upper and lower
center positions of sign face

*Drawing is not to scale



D107.1 One- or two-family dwelling residential developments. Developments of one- or two- family dwellings where the number of dwelling units exceeds 75 shall be provided with separate and approved fire apparatus access roads and shall meet the requirements of Section D104.3.

Exceptions:

1. Where there are more than 75 dwelling units on a single public or private fire apparatus access road and all dwelling units are equipped throughout with an approved automatic sprinkler system in accordance with Subparagraphs 903.3.1.1, 903.3.1.2 or 903.3.1.3 of the International Fire Code, access from two directions shall not be required.
2. The number of dwelling units on a single fire apparatus access road shall not be increased unless fire apparatus access roads will connect with future development, as determined by the fire code official.

Secs. 7-59—7-59.4. - Reserved.

Section 11. That Article IX-A (Energy), Chapter 7 of the Sugar Land Development Code is amended to read as follows:

Sec. 7-59.5. - Code Adopted.

Except as amended in this Article, the International Energy Conservation Code, 2024 edition, as published by the International Code Council, is adopted.

Sec. 7-59.6. - Code Deletions.

The following sections of the International Energy Conservation Code are deleted:

Section C109

Section R109

Section R404.2

Section R404.3

Sec. 7-59.7. - Code Amendments.

The following sections of the International Energy Conservation Code are amended as follows:

Subsection 101.1 is amended to read as follows:

101.1. Title. These regulations shall be known as the International Energy Conservation Code of the City of Sugar Land, hereinafter referred to as "this code."

Paragraph C104.1.2 is added to read as follows:

C104.1.2. Alternative compliance. A building certified by a national, state, or local accredited energy efficiency program and determined by the Energy Systems Laboratory to be in compliance with the energy efficiency requirements of this section may, at the option of the code official, be considered in compliance. The United States Environmental Protection Agency's Energy Star Program certification of energy code equivalency shall be considered in compliance.

Paragraph R104.1.2 is added to read as follows:

R104.1.2. Alternative compliance. A building certified by a national, state, or local accredited energy efficiency program and determined by the Energy Systems Laboratory to be in compliance with the energy efficiency requirements of this section may, at the option of the code official, be considered in compliance. The United States Environmental Protection Agency's Energy Star Program certification of energy code equivalency shall be considered in compliance. Regardless of the program or the path to compliance, each 1- and 2-family dwelling shall be tested for air and duct leakage as prescribed in Section R402.4.1.2 and R403.3.3 respectively.

Subsection R405.2 is amended by amending Table R405.2 to read as follows:

TABLE R405.2
REQUIREMENTS FOR SIMULATED BUILDING PERFORMANCE

SECTION ^a	TITLE
General	
R401.3	Certificate
Building Thermal Envelope	
R402.1.1	Vapor retarder
R402.1.6	Rooms containing fuel-burning appliances
R402.2.3	Attic knee wall
R402.2.4	Eave baffle
R402.2.5.1	Access hatches and door insulation installation and retention
R402.2.10	Slab-on-grade floors
R402.2.11	Crawl space walls
R402.5.1.1	Installation
R402.5.1.2	Air leakage testing
R402.5.1.3	Maximum air leakage rate
R402.5.2	Fireplaces
R402.5.3	Fenestration air leakage

R402.5.4	Recessed lighting
R402.5.5	Air-sealed electrical and communication outlet boxes
R402.6	Maximum fenestration <i>U</i> -factor and SHGC
Mechanical	
R403.1	Controls
R403.2	Hot water boiler temperature reset
R403.3	Duct systems
R403.4	Mechanical system piping insulation
R403.5	Service hot water systems
R403.6	Mechanical ventilation
R403.7 , except Section R403.7.1	Equipment sizing and efficiency rating
R403.8	Systems serving multiple dwelling units
R403.9.2	Snow melt and ice system controls
R403.10	Energy consumption of pools and spas
R403.11	Portable spas
R403.12	Residential pools and permanent residential spas
R403.13	Gas fireplaces
Electrical Power and Lighting Systems	
R404.1	Lighting equipment

a. Reference to a code section includes all the relative subsections except as indicated in the table.

Subsection 406.2 is amended by amending Table R406.2 to read as follows:

**TABLE R406.2
REQUIREMENTS FOR ENERGY RATING INDEX**

SECTION ^a	TITLE
General	
R401.3	Certificate
Building thermal envelope	
R402.1.1	Vapor retarder
R402.1.6	Rooms containing fuel-burning appliances
R402.2.4	Eave baffle

R402.2.5.1	Access hatches and door insulation installation and retention
R402.2.10	Slab-on-grade floors
R402.2.11	Crawl space walls
R402.5.1.1	Installation
R402.5.1.2	Air leakage testing
R402.5.1.3	Maximum air leakage rate
R402.5.2	Fireplaces
R402.5.3	Fenestration air leakage
R402.5.4	Recessed lighting
R402.5.5	Air-sealed electrical and communication outlet boxes
R406.3	Building thermal envelope
Mechanical	
R403.1	Controls
R403.2	Hot water boiler temperature reset
R403.3	Duct systems
R403.4	Mechanical system piping insulation
R403.5	Service hot water systems
R403.6	Mechanical ventilation
R403.7, except Section R403.7.1	Equipment sizing and efficiency rating
R403.8	Systems serving multiple dwelling units
R403.9.2	Snow melt and ice system controls
R403.10	Energy consumption of pools and spas
R403.11	Portable spas
R403.12	Residential pools and permanent residential spas
R403.13	Gas fireplaces
Electrical power and lighting systems	
R404.1	Lighting equipment

a. Reference to a code section includes all of the relative subsections except as indicated in the table.

Paragraph R402.5.5 is amended to read as follows:

R402.5.5. Electrical and communication outlet boxes (air-sealed boxes). Electrical and communication outlet boxes installed in the building thermal envelope shall be sealed to limit air leakage between conditioned and unconditioned spaces.

Section 12. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 13. That the provisions of this ordinance are severable and the invalidity of any part of this ordinance shall not affect the validity of the remainder of the ordinance.

Section 14. That any person found guilty of violating this ordinance shall be fined not more than \$2000.00 for each offense. Notice of the enactment of this ordinance shall be given by publishing the ordinance or its descriptive caption and penalty in the city's official newspaper one time within thirty days of passage.

APPROVED on first consideration on _____, 2025.

ADOPTED upon second consideration on _____, 2025.

Carol K. McCutcheon, Mayor

ATTEST:

Linda Mendenhall, City Clerk

APPROVED AS TO FORM:





City Council Agenda Request December 16, 2025

Agenda Request No: VIII.B.

Agenda of: City Council Meeting

Initiated by: Jennifer Alexander, Business Development Manager

Presented by: Jennifer Alexander, Business Development Manager

Responsible Department: Economic Development

Agenda Caption:

PUBLIC HEARING 6:00 P.M.: Receive and hear all persons interested in the designation of Reinvestment Zone No. 2025-01 for a 33.4709 acre tract of land located in Sugar Land, Texas at 1111 Gillingham Lane, Sugar Land, Texas.

FIRST CONSIDERATION: Consideration of and action on **CITY OF SUGAR LAND ORDINANCE NO. 2394:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2025-01 FOR A 33.4709 ACRE TRACT OF LAND LOCATED IN SUGAR LAND, TEXAS AT 1111 GILLINGHAM LANE, SUGAR LAND, TEXAS.

Recommended Action:

Hold a public hearing and approve on first reading Ordinance No. 2394, creating Reinvestment Zone No. 2020-01 for a 33.4709 acre tract of land located in Sugar Land, Texas.

Executive Summary:

Applied Optoelectronics, Inc. (AOI) is a long-standing Sugar Land employer and global leader in the design and manufacturing of fiber-optic network products used in broadband, data center, and telecommunications applications. Founded in 1997 out of the University of Houston, AOI established its corporate headquarters in Sugar Land in 2000 and completed a significant headquarters expansion in 2016. The company continues to innovate in advanced manufacturing and photonics, serving some of the world's largest internet and cable service providers. AOI is expanding its capabilities through a partnership with Microsoft to produce custom data center chips, positioning the company and Sugar Land at the forefront of next-generation AI and semiconductor manufacturing.

AOI is initialing investing approximately \$77 million to expand its operations at 1111 Gillingham Lane with a total capital investment expected to reach \$150 million upon full buildout. The project includes a 200,000-square-foot facility that will create 500 new jobs with an average annual salary of \$61,240. This expansion further strengthens Sugar Land's position in

advanced manufacturing by onshoring production and establishing what is expected to be the largest U.S.-based manufacturing capacity for AI-focused data center transceivers.

To support the County's proposed tax abatement for the AOI project, staff is recommending the creation of Reinvestment Zone No. 2025-01 encompassing 33.4709 acres at the project site. A reinvestment zone is a defined geographic area designated by local government as eligible for economic development incentives, such as property tax abatements, in accordance with the Texas Tax Code. Because the project site is located within the city's taxing jurisdiction, the city must create the reinvestment zone. The creation of this zone is a required step for the County to proceed with its tax abatement agreement for AOI's expansion.

The establishment of Reinvestment Zone No. 2025-01 will encourage significant new capital investment within Sugar Land, support the creation of high-wage jobs, and promote redevelopment and the productive use of existing industrial property. Additionally, the project will diversify the City's tax base and stimulate long-term economic vitality.

The Economic Development Department recommends the City Council hold the public hearing and approve the first reading of Ordinance No. 2394, creating Reinvestment Zone No. 2025-01 for a 33.4709 acre tract of land located in Sugar Land, Texas at 1111 Gillingham Lane, Sugar Land, Texas. A second reading and approval of the Reinvestment Zone will be held at an upcoming City Council meeting.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. Ordinance-exhibit
2. 2.1 Notice of Public Hearing - Reinvestment Zone rev 10-24-25

ORDINANCE NO. 2394

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2025-01 FOR A 33.4709 ACRE TRACT OF LAND LOCATED IN SUGAR LAND, TEXAS AT 1111 GILLINGHAM LANE, SUGAR LAND, TEXAS, 77478.

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tex. Tax Code § 312, et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the zone is eligible for tax abatement, either through the City or another taxing jurisdiction; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of any tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment into the zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Sugar Land; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That Reinvestment Zone No. 2025-01 is created for the real property consisting of 33.4709 acres, as described and shown in the attached Exhibit A, which is incorporated into this ordinance.

Section 2. That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

Section 3. That Reinvestment Zone No. 2025-01 expires five years from the date of this ordinance.

APPROVED on first consideration on _____, 2025.

ADOPTED upon second consideration on _____, 2025.

Carol K. McCutcheon, Mayor

ATTEST:

Linda Mendenhall, City Clerk

APPROVED AS TO FORM:

DAnn Shea Smith

EXHIBIT A

Description of 33.4709-Acre Tract

ALL OF COMMERCIAL RESERVE "A2", containing 33.4709 acres, more or less, of SUGAR LAND BUSINESS PARK TRACT 130 AND 131, REPLAT NO. 3, an addition in Fort Bend County, Texas, according to the map or plat thereof recorded in Plat No. 20090097, of the Plat Records of Fort Bend County, Texas.

(See attached copy of Plat No. 20090097)

STATE OF TEXAS
COUNTY OF FORT BEND

THE UNDERSIGNED, GSI, 16/VIF GILLINGHAM, L.P., A TEXAS LIMITED PARTNERSHIP (HEREIN CALLED "OWNER"), OWNER OF THE PROPERTY SUBDIVIDED IN THE ABOVE AND FOREGOING PLAT OF SUGAR LAND BUSINESS PARK, TRACT 130 AND 131 REPLAT NO.3, DO HEREBY MAKE SUBDIVISION OF SAID PROPERTY ACCORDING TO THE LINES, STREETS, LOTS, BUILDING LINES AND EASEMENTS THEREON SHOWN AND DESIGNATE SAID SUBDIVISION AS SUGAR LAND BUSINESS PARK, TRACT 130 AND 131 REPLAT NO.3, LOCATED IN THE BROWN AND BELKNAP LEAGUE, A SUBDIVISION OF FORT BEND COUNTY, TEXAS, AND HEREBY DEDICATES TO PUBLIC USE AS SUCH THE STREETS AND EASEMENTS SHOWN THEREON FOREVER AND DO HEREBY WAIVE ANY CLAIMS FOR THE INTEREST AS RESERVED BY THE ESTABLISHING OF GRADES AS APPROVED FOR THE STREETS DEDICATED OR OCCASIONED BY THE ALTERATION OF THE SURFACE HEREBY DEDICATED OR STREETS TO CONFORM TO SUCH GRADES, AND DO HEREBY WAIVE AND RELEASE, OUR SUCCESSORS, AND ASSIGNS, TO WARRANT AND DEFEND FOREVER THE TITLE TO THE LAND SO DEDICATED.

FURTHER, OWNER DOES HEREBY COVENANT AND AGREE THAT ALL OF THE PROPERTY WITHIN THE BOUNDARIES OF THIS PLAT SHALL BE RESTRICTED TO PREVENT THE DRAINAGE OF ANY SEPTIC TANKS INTO ANY LOT OR LOTS OF SAID STREET, ROAD OR ALLEY OR ANY DRAINAGE DITCH, EITHER DIRECTLY OR INDIRECTLY.

IN TESTIMONY WHEREOF, GSI, 16/VIF GILLINGHAM, L.P., A TEXAS LIMITED PARTNERSHIP, HAS CAUSED THESE PRESENTS TO BE SIGNED BY WELCOME WILSON, SR., CHAIRMAN, AND ITS COMMON SEAL HEREUNTO AFFIXED THIS 24th day of July, 2009.

GSI, 16/VIF GILLINGHAM, L.P., A TEXAS LIMITED PARTNERSHIP
BY: GSI, 16/VIF GILLINGHAM GR, LLC,
ITS GENERAL PARTNER

BY: GSI, 16/VIF GILLINGHAM, LLC,
ITS SOLE MEMBER

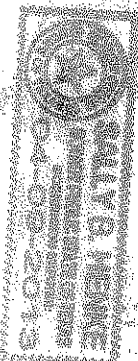
BY: GSI PARTNERS SUB SIXTEEN, L.P.,
A TEXAS LIMITED PARTNERSHIP,
OPERATING MEMBER

BY: GSI, SUB SIXTEEN GR, INC.,
A TEXAS CORPORATION,
ITS GENERAL PARTNER

BY: Welcome Wilson, Sr., CHAIRMAN

THE STATE OF TEXAS
COUNTY OF Maricopa

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THE 24th day of July, 2009, BY WELCOME WILSON, SR., CHAIRMAN, OF GSI, SUB SIXTEEN GR, INC., A TEXAS CORPORATION, ON BEHALF OF SAID LIMITED PARTNERSHIP.



Valerie W. Hulse
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES: 04-09-2013

IN TESTIMONY WHEREOF, VIF GILLINGHAM, LLC A DELAWARE LIMITED LIABILITY COMPANY PARTNERSHIP, HAS CAUSED THESE PRESENTS TO BE SIGNED BY Maureen A. Doyle AND ITS COMMON SEAL HEREUNTO AFFIXED THIS 7th day of July, 2009.

BY: VIF GILLINGHAM, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,
CLASS A MEMBER

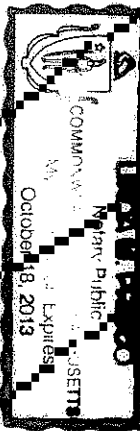
BY: AEW VALUE INVESTORS, LP,
A DELAWARE LIMITED PARTNERSHIP,
ITS SOLE MEMBER

BY: AEW VIF MANAGERS, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,
ITS GENERAL PARTNER

BY: AEW VIF INVESTORS, INC.,
A DELAWARE CORPORATION,
ITS MANAGER-MEMBER

BY: Maureen A. Doyle
NAME: Maureen A. Doyle
TITLE: Authorized Signatory

THE STATE OF Massachusetts
COUNTY OF Suffolk
THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THE 7th day of July, 2009, BY Maureen A. Doyle OF AEW VIF INVESTORS, INC., A DELAWARE CORPORATION, ON BEHALF OF SAID CORPORATION.



Juliana N. Pappas
NOTARY PUBLIC, STATE OF MASSACHUSETTS
MY COMMISSION EXPIRES: 10/16/13

LIEN HOLDERS ACKNOWLEDGMENT AND SUBORDINATION STATEMENT

WE, AIG ANNUITY INSURANCE COMPANY, A TEXAS CORPORATION, ARE THE OWNER AND HOLDERS OF A LIEN ON THE PROPERTY DESCRIBED IN THE PLAT KNOWN AS SUGAR LAND BUSINESS PARK TRACT 130 AND 131 REPLAT NO. 3, SAID LIEN BEING EVIDENCED BY INSTRUMENT OF RECORD IN INSTRUMENT NUMBER 2006060213, OF THE OFFICIAL RECORDS OF FORT BEND COUNTY, TEXAS. DO HEREBY IN ALL THINGS SUBORDINATE OUR INTEREST IN SAID PROPERTY TO THE PURPOSES AND EFFECTS OF SAID PLAT AND THE DEDICATIONS AND RESTRICTIONS SHOWN HEREON TO SAID PLAT AND WE HEREBY CONFIRM THAT WE ARE PRESENT HEREIN OF SAID LIEN AND HAVE NOT ASSIGNED THE SAME NOR ANY PART THEREOF.

AIG ANNUITY INSURANCE COMPANY,
A TEXAS CORPORATION,
BY: AIG GLOBAL INVESTMENT CORP.,
ITS INVESTMENT ADVISOR

BY: Maria S. Campora
NAME: MARIA S. Campora
TITLE: Vice President

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY

APPEARED MARIA S. Campora who presented to me on the basis of satisfactory evidence WHOSE AUTHORITY TO UNDERSIGNED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO BE THE PERSON WHOSE NAME IS SET FORTH IN THE FOREGOING INSTRUMENT AND IN THE CONSIDERATIONS THEREIN EXPRESSED AND IN THE CAPACITY THEREIN AND HEREIN STATED, AND AS THE ACT AND DEED OF SAID CORPORATION

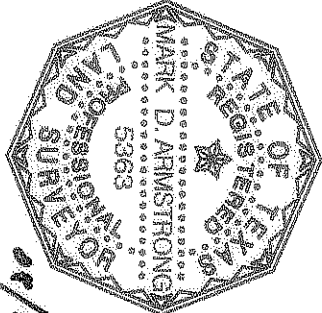
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Maria S. Campora
GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS 19th day of August, 2009.



THIS IS TO CERTIFY THAT I, MARK D. ARMSTRONG, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HAVE PLATTED THE ABOVE SUBDIVISION FROM AN ACTUAL SURVEY ON THE GROUND, AND THAT ALL BOUNDARY CORNERS, BOUNDARY POINTS, AND BOUNDARY LINES ARE PROPERLY MARKED WITH 5/8" DIAMETER IRON RODS, AND THAT THE SURVEY IS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE SURVEY MADE UNDER MY SUPERVISION.

MARK D. ARMSTRONG
TEXAS REGISTRATION NO. 5363

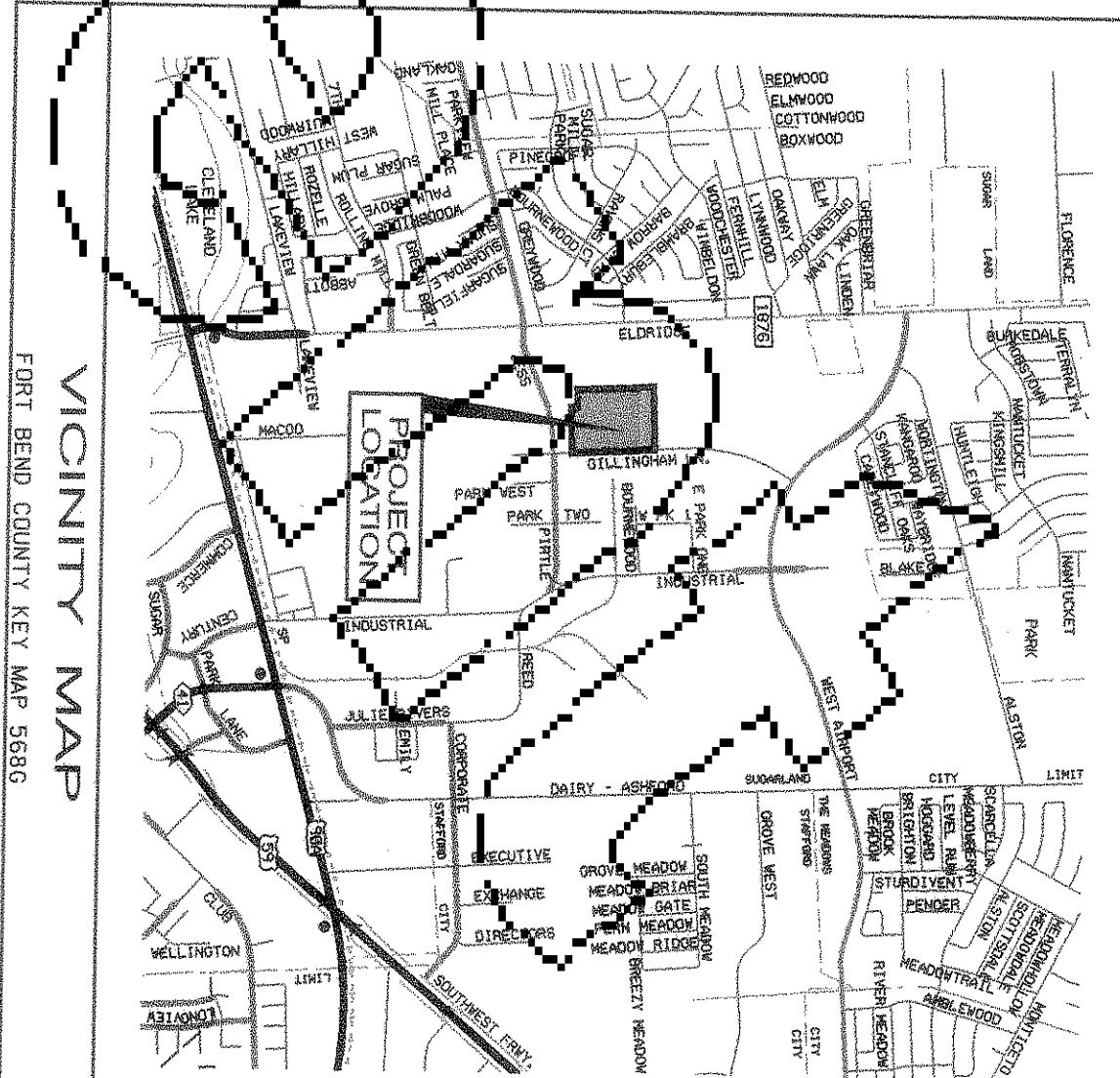
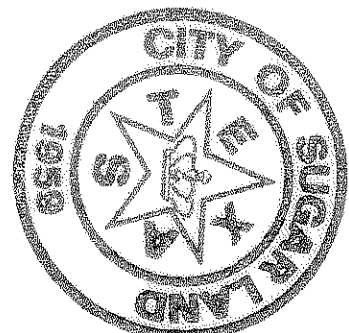


THIS IS TO CERTIFY THAT THIS IS AN AMENDING REPLAT UNDER THE PROVISIONS OF THE TEXAS LOCAL GOVERNMENT CODES SECTION 212.0065 AND MEETS ALL THE REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF SECTION 5-15, CHAPTER 5 OF THE CODE OF SUBDIVISIONS OF SUGAR LAND. THE CITY OF SUGAR LAND HAS APPROVED AND AUTHORIZES THE RECORDING OF THIS PLAT THIS 8th day of September, 2009.

James A. Thompson
JAMES A. THOMPSON
MAYOR

Blenda Gondermann
BLENDA GONDERMANN
CITY SECRETARY

Allen Bergard
ALLEN BERGARD
CITY MANAGER



VICINITY MAP
FORT BEND COUNTY KEY MAP 5586

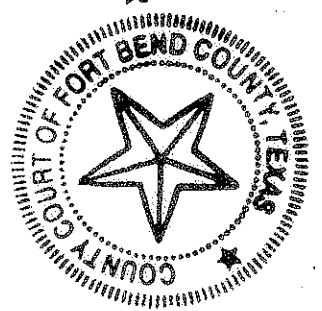
STATE OF TEXAS
COUNTY OF FORT BEND

I, DIANNE WILSON, COUNTY CLERK IN AND FOR FORT BEND COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORDATION IN MY OFFICE ON October 5, 2009, A.D., AT 12:14 O'CLOCK (A.M. OR P.M.).

IN PLAT NUMBER(S) 20090091 OF THE PLAT RECORDS OF SAID COUNTY, WITNESS MY HAND AND SEAL OF OFFICE AT RICHMOND, TEXAS, THE DAY AND DATE LAST ABOVE WRITTEN.

Dianne Wilson
DIANNE WILSON, CLERK OF THE COUNTY
FORT BEND COUNTY, TEXAS

BY: Chela Chandler
DEPUTY
CHELSEA CHANDLER



PLAT ATTACHED 2009104399
7 PGS

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Renee Frian
2009 Oct 05 02:44 PM
COC \$300.00
20090091

DIANNE WILSON COUNTY CLERK
FT BEND COUNTY TEXAS

SUGAR LAND
BUSINESS PARK
TRACT 130 AND 131
REPLAT NO. 3

CONTAINING 40.4709 ACRES
LOCATED IN THE BROWN & BELKNAP LEAGUE, A-15
FORT BEND COUNTY, TEXAS
ALSO BEING A PARTIAL REPLAT OF ALL COMMERCIAL
RESERVES "A-2" AND "A-3" OF SUGAR LAND BUSINESS PARK
TRACT 130 AND 131 AS RECORDED IN PLAT NO. 20060065 OF THE
FORT BEND COUNTY PLAT RECORDS
FORT BEND COUNTY, TEXAS

(REASON FOR AMENDING REPLAT
IS TO REVISE RESERVE BOUNDARY LINES)

2 RESERVES 1 BLOCK

DATE: JULY, 2009



Costello, Inc.

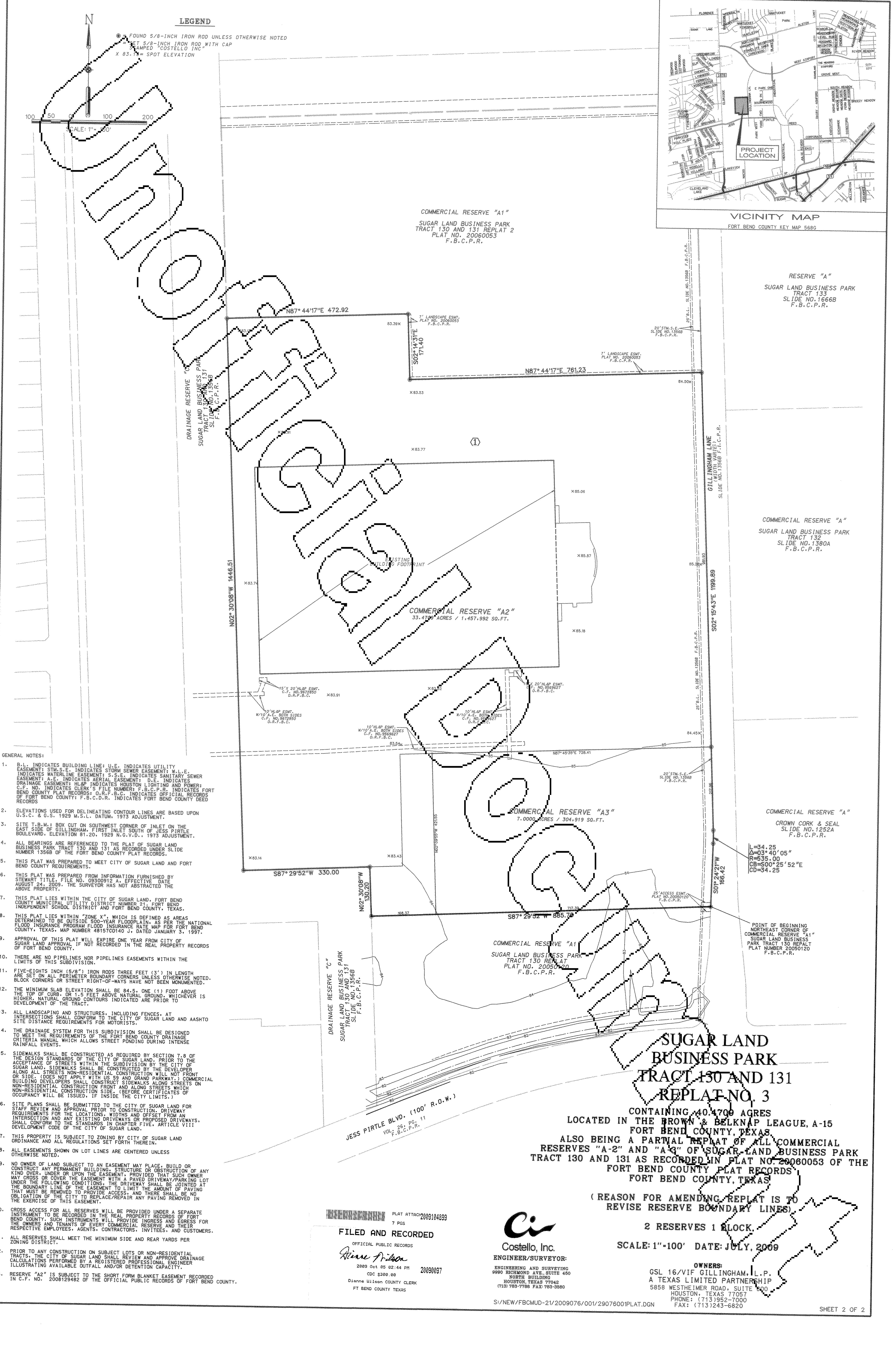
ENGINEER/SURVEYOR:

ENGINEERING AND SURVEYING
8999 RICHMOND AVE, SUITE 400
HOUSTON, TEXAS 77046
(713) 768-7768 FAX: 768-5860

OWNERS:

GSI, 16/VIF GILLINGHAM, L.P.,
A TEXAS LIMITED PARTNERSHIP
5858 WESTHEIMER ROAD, SUITE 800
HOUSTON, TEXAS 77057
PHONE: (713) 952-7000
FAX: (713) 243-6820

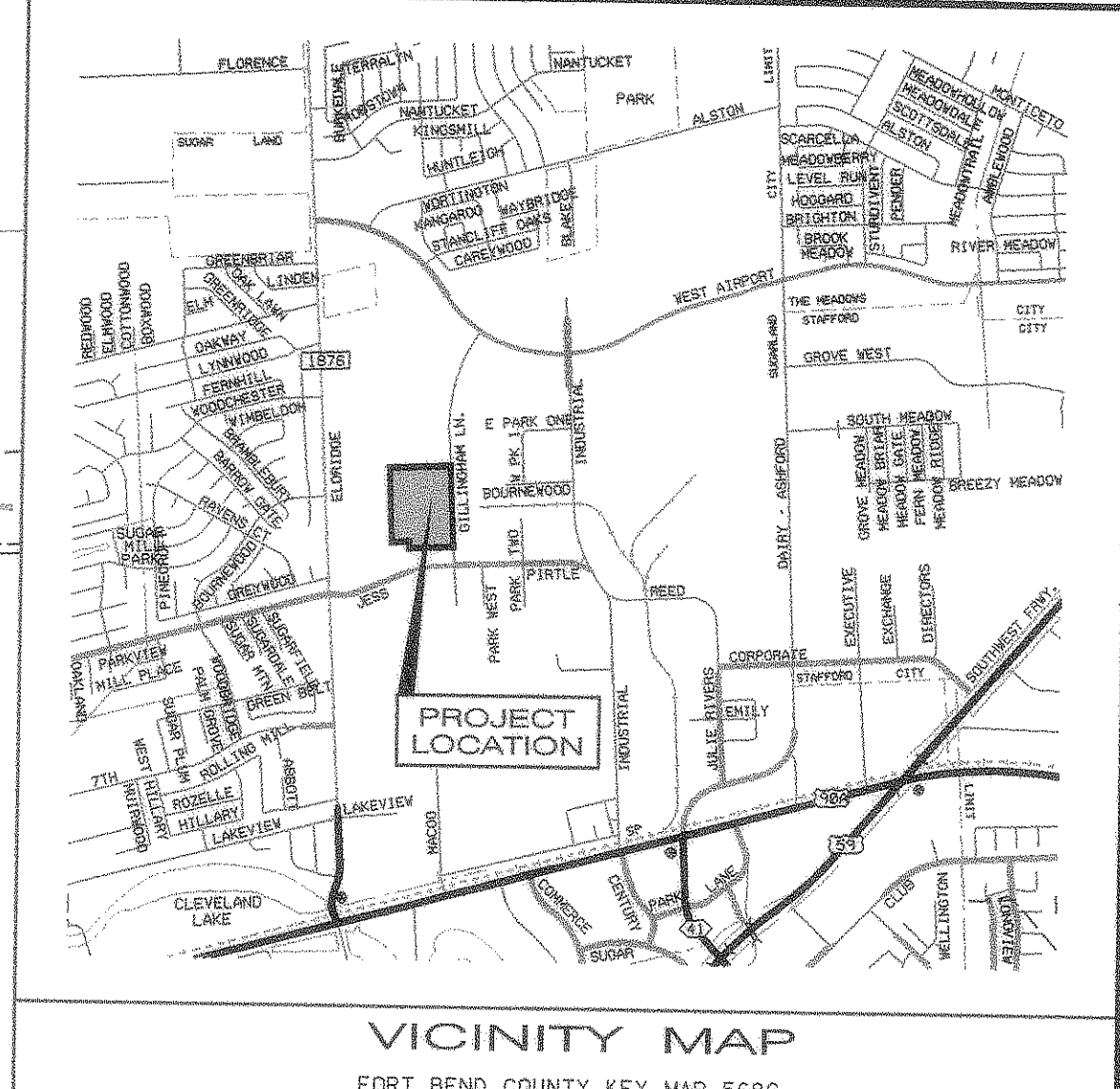
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LEGEND

- FOUND 5/8-INCH IRON ROD UNLESS OTHERWISE NOTED
- SET 5/8-INCH IRON ROD WITH CAP
- STAMPED "COSTELLO INC"
- X 83.15 = SPOT ELEVATION

SCALE: 1"=100'



PLAT ATTACH 2009104899
7 PGS

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dianna Wilson

2809 Oct 05 02:44 PM 20090097

CDC \$300.00

Dianna Wilson COUNTY CLERK
FT BEND COUNTY TEXAS

Costello, Inc.

ENGINEER/SURVEYOR:

ENGINEERING AND SURVEYING
9990 RICHMOND AVE, SUITE 450
NORTH BUILDING
HOUSTON, TEXAS 77042
(713) 783-7788 FAX: 783-9580

**SUGAR LAND BUSINESS PARK
TRACT 130 AND 131
REPLAT NO. 3**

CONTAINING 40.4700 ACRES
LOCATED IN THE BROWN & BELKNAP LEAGUE, A-15
FORT BEND COUNTY, TEXAS
ALSO BEING A PARTIAL REPLAT OF ALL COMMERCIAL
RESERVES "A-2" AND "A-3" OF SUGAR LAND BUSINESS PARK
TRACT 130 AND 131 AS RECORDED IN PLAT NO. 20060053 OF THE
FORT BEND COUNTY PLAT RECORDS
FORT BEND COUNTY, TEXAS

(REASON FOR AMENDING REPLAT IS TO
REVISE RESERVE BOUNDARY LINES)

2 RESERVES 1 BLOCK.

SCALE: 1"=100' DATE: JULY, 2009

OWNERS:
GSL 16/VIF GILLINGHAM, L.P.
A TEXAS LIMITED PARTNERSHIP
5858 WESTHEIMER ROAD, SUITE 600
HOUSTON, TEXAS 77057
PHONE: (713) 952-7000
FAX: (713) 243-6820

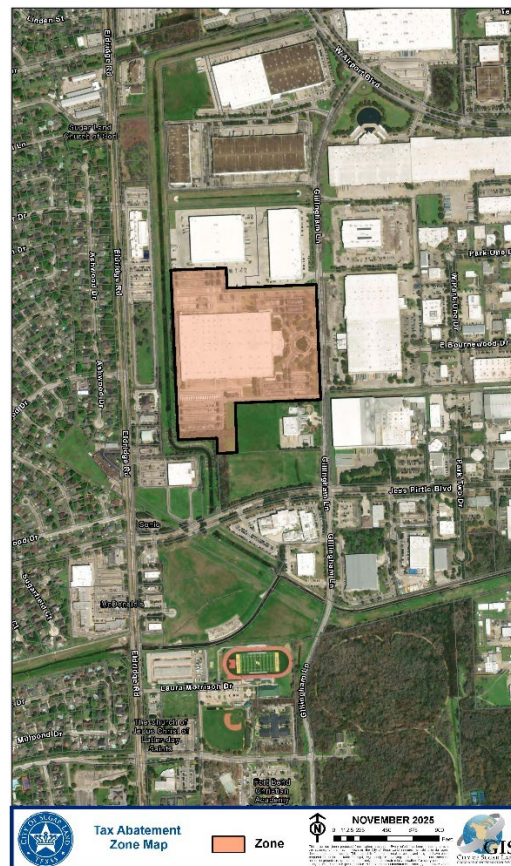
- GENERAL NOTES:
- B.L. INDICATES BUILDING LINE; U.E. INDICATES UTILITY EASEMENT; S.W.S.E. INDICATES STORM SEWER EASEMENT; W.L.E. INDICATES WATERLINE EASEMENT; S.S.E. INDICATES SANITARY SEWER EASEMENT; A.E. INDICATES AERIAL EASEMENT; D.B. INDICATES DRAINAGE EASEMENT; H.L.P. INDICATES HOUSTON LIGHTING AND POWER; C.F. NO. INDICATES CLERK'S FILE NUMBER; F.B.C.P.R. INDICATES FORT BEND COUNTY PLAT RECORDS; O.R.F.B.C. INDICATES OFFICIAL RECORDS OF FORT BEND COUNTY; F.B.C.D.R. INDICATES FORT BEND COUNTY DEED RECORDS
 - ELEVATIONS USED FOR DELINEATING CONTOUR LINES ARE BASED UPON U.S.C. & G.S. 1929 M.S.L. DATUM, 1973 ADJUSTMENT.
 - SITE T.B.M.: BOX CUT ON SOUTHWEST CORNER OF INLET ON THE EAST SIDE OF GILLINGHAM, FIRST INLET SOUTH OF JESS PIRTLE BOULEVARD, ELEVATION 81.20, 1929 N.G.V.D., 1973 ADJUSTMENT.
 - ALL BEARINGS ARE REFERENCED TO THE PLAT OF SUGAR LAND BUSINESS PARK TRACT 130 AND 131 AS RECORDED UNDER SLIDE NUMBER 1356B OF THE FORT BEND COUNTY PLAT RECORDS.
 - THIS PLAT WAS PREPARED TO MEET CITY OF SUGAR LAND AND FORT BEND COUNTY REQUIREMENTS.
 - THIS PLAT WAS PREPARED FROM INFORMATION FURNISHED BY STEWART TITLE, FILE NO. 09300912 A, EFFECTIVE DATE AUGUST 24, 2009. THE SURVEYOR HAS NOT ABSTRACTED THE ABOVE PROPERTY.
 - THIS PLAT LIES WITHIN THE CITY OF SUGAR LAND, FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NUMBER 21, FORT BEND COUNTY INDEPENDENT SCHOOL DISTRICT AND FORT BEND COUNTY, TEXAS.
 - THIS PLAT LIES WITHIN "ZONE X", WHICH IS DEFINED AS AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOODPLAIN, AS PER THE NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP FOR FORT BEND COUNTY, TEXAS, MAP NUMBER 48157C0140 J, DATED JANUARY 3, 1997.
 - APPROVAL OF THIS PLAT WILL EXPIRE ONE YEAR FROM CITY OF SUGAR LAND APPROVAL, IF NOT RECORDED IN THE REAL PROPERTY RECORDS OF FORT BEND COUNTY.
 - THERE ARE NO PIPELINES NOR PIPELINES EASEMENTS WITHIN THE LIMITS OF THIS SUBDIVISION.
 - FIVE-EIGHTS INCH (5/8") IRON RODS THREE FEET (3') IN LENGTH ARE SET ON ALL PERIMETER BOUNDARY CORNERS UNLESS OTHERWISE NOTED. BLOCK CORNERS OR STREET RIGHT-OF-WAYS HAVE NOT BEEN MONUMENTED.
 - THE MINIMUM SLAB ELEVATION SHALL BE 84.5, ONE (1) FOOT ABOVE THE TOP OF CURB, OR 1.5 FEET ABOVE NATURAL GROUND, WHICHEVER IS HIGHER. NATURAL GROUND CONTOURS INDICATED ARE PRIOR TO DEVELOPMENT OF THE TRACT.
 - ALL LANDSCAPING AND STRUCTURES, INCLUDING FENCES, AT INTERSECTIONS SHALL CONFORM TO THE CITY OF SUGAR LAND AND AASHTO SITE DISTANCE REQUIREMENTS FOR MOTORISTS.
 - THE DRAINAGE SYSTEM FOR THIS SUBDIVISION SHALL BE DESIGNED TO MEET THE REQUIREMENTS OF THE FORT BEND COUNTY DRAINAGE CRITERIA MANUAL WHICH ALLOWS STREET PONDING DURING INTENSE RAINFALL EVENTS.
 - SIDEWALKS SHALL BE CONSTRUCTED AS REQUIRED BY SECTION 7.8 OF THE DESIGN STANDARDS OF THE CITY OF SUGAR LAND, PRIOR TO THE ACCEPTANCE OF STREETS WITHIN THE SUBDIVISION BY THE CITY OF SUGAR LAND. SIDEWALKS SHALL BE CONSTRUCTED BY THE DEVELOPER ALONG ALL STREETS NON-RESIDENTIAL CONSTRUCTION WILL NOT FRONT OR SIDE. (DOES NOT APPLY WITH US 59 AND GRAND PARKWAY.) COMMERCIAL BUILDING DEVELOPERS SHALL CONSTRUCT SIDEWALKS ALONG STREETS ON NON-RESIDENTIAL CONSTRUCTION FRONT AND ALONG STREETS WHICH NON-RESIDENTIAL CONSTRUCTION SIDE. (BEFORE CERTIFICATES OF OCCUPANCY WILL BE ISSUED, IF INSIDE THE CITY LIMITS.)
 - SITE PLANS SHALL BE SUBMITTED TO THE CITY OF SUGAR LAND FOR STAFF REVIEW AND APPROVAL PRIOR TO CONSTRUCTION. DRIVEWAY REQUIREMENTS FOR THE LOCATIONS, WIDTHS AND OFFSET FROM AN INTERSECTION AND ANY EXISTING DRIVEWAYS OR PROPOSED DRIVEWAYS, SHALL CONFORM TO THE STANDARDS IN CHAPTER FIVE, ARTICLE VIII DEVELOPMENT CODE OF THE CITY OF SUGAR LAND.
 - THIS PROPERTY IS SUBJECT TO ZONING BY CITY OF SUGAR LAND ORDINANCE AND ALL REGULATIONS SET FORTH THEREIN.
 - ALL EASEMENTS SHOWN ON LOT LINES ARE CENTERED UNLESS OTHERWISE NOTED.
 - NO OWNER OF LAND SUBJECT TO AN EASEMENT MAY PLACE, BUILD OR CONSTRUCT ANY PERMANENT BUILDING, STRUCTURE OR OBSTRUCTION OF ANY KIND OVER, UNDER OR UPON THE EASEMENT, PROVIDED THAT SUCH OWNER MAY CROSS OR COVER THE EASEMENT WITH A PAVED DRIVEWAY/PARKING LOT UNDER THE FOLLOWING CONDITIONS: THE DRIVEWAY SHALL BE JOINTED AT THE BOUNDARY LINE OF THE EASEMENT TO LIMIT THE AMOUNT OF PAVING THAT MUST BE REMOVED TO PROVIDE ACCESS, AND THERE SHALL BE NO OBLIGATION OF THE CITY TO REPLACE/REPAIR ANY PAVING REMOVED IN THE EXERCISE OF THIS EASEMENT.
 - CROSS ACCESS FOR ALL RESERVES WILL BE PROVIDED UNDER A SEPARATE INSTRUMENT TO BE RECORDED IN THE REAL PROPERTY RECORDS OF FORT BEND COUNTY. SUCH INSTRUMENTS WILL PROVIDE INGRESS AND EGRESS FOR THE OWNERS AND TENANTS OF EVERY COMMERCIAL RESERVE AND THEIR RESPECTIVE EMPLOYEES, AGENTS, CONTRACTORS, INVITEES, AND CUSTOMERS.
 - ALL RESERVES SHALL MEET THE MINIMUM SIDE AND REAR YARDS PER ZONING DISTRICT.
 - PRIOR TO ANY CONSTRUCTION ON SUBJECT LOTS OR NON-RESIDENTIAL TRACTS, THE CITY OF SUGAR LAND SHALL REVIEW AND APPROVE DRAINAGE CALCULATIONS PERFORMED BY A REGISTERED PROFESSIONAL ENGINEER ILLUSTRATING AVAILABLE OUTFALL AND/OR DETENTION CAPACITY.
 - RESERVE "A2" IS SUBJECT TO THE SHORT FORM BLANKET EASEMENT RECORDED IN C.F. NO. 2008129482 OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY.



NOTICE OF PUBLIC HEARING REINVESTMENT ZONE NO. 2025-01 LOCATED IN THE SUGAR LAND BUSINESS PARK AT 1111 GILLINGHAM LANE

City Council Public Hearing 6:00 p.m., December 16th, 2025, City Hall City Council Chamber, 2700 Town Center Boulevard North, Sugar Land, Texas, 77479 to hear all persons interested in the designation of Reinvestment Zone No. 2025-01 for 33.4709 acres described as being located in the Sugar Land Business Park at 1111 Gillingham Lane, and being all of Commercial Reserve “A2” of SUGAR LAND BUSINESS PARK TRACT 130 AND 131, REPLAT NO. 3, an addition in Fort Bend County, Texas, according to the map or plat thereof recorded in Plat No. 20090097, of the Plat Records of Fort Bend County, Texas.

Details of and feedback on proposed Reinvestment Zone No. 2025-01 may be obtained/provided by contacting the City of Sugar Land Economic Development Department located at 2700 Town Center Boulevard North, Sugar Land, Texas, 77479 by telephone at 281-275-2229 or online at www.sugarlandtx.gov/PublicHearingComment.





City Council Agenda Request December 16, 2025

Agenda Request No: IX.A.

Agenda of: City Council Meeting

Initiated by: Ashley Newsome, Deputy City Clerk

Presented by: Jessica Huble, Assistant Director of Redevelopment

Responsible Department: Redevelopment

Agenda Caption:

ASSIGNMENT OF CONSTELLATION FIELD LEASE TO DIAMOND BASEBALL HOLDINGS

Consideration of and action on the assignment of the October 5, 2010, Constellation Field Lease and amendments to Diamond Baseball Holdings (DBH) and the authorization of the City Manager to execute the required documentation.

Recommended Action:

Approve assignment of the lease agreement dated October 5, 2010 and all amendments to Diamond Baseball Holdings (DBH) and authorize the City Manager to sign all required documents and letters to effectuate the assignment.

Executive Summary:

Sugar Land Astros, LLC, an entity that is wholly owned by Houston Baseball Partners LLC, and managed and controlled by James Robert Crane, the MLB Control Person of the Houston Astros Major League Baseball Club, have entered into a sales agreement with a new ownership entity, Diamond Baseball Holdings (DBH), for Sugar Land's Triple-A baseball team, the Space Cowboys.

DBH is an American sports management company that owns and operates approximately 45 Minor League baseball teams (MiLB). The company is known for elevating fan and player experiences and enriching communities through stadium upgrades, unified management and operations across its teams, and expanded business models like using stadiums for concerts and other non-game day events. DBH is a subsidiary of Silver Lake, a large private equity firm.

Under the City's existing lease agreement for Constellation Field with the Astros, written approval by the City is required for a "Change in Control." Additionally, the approval may not be unreasonably withheld "if such Change of Control will result in a tenant under [the] Lease (1) with substantial experience in the management and operation of a professional baseball team and related stadium, (2) who can demonstrate to City reasonable financial strength to conduct such

operations and 3) who owns a professional baseball team acceptable to City relating to playing of professional baseball games at the Stadium.”

The requested consent is administrative in nature and is limited solely to the assignment and assumption of the existing lease and its obligations. The City does not have authority to approve or deny the sale or transfer of ownership of the Triple-A team itself. This action mirrors the consent previously granted when the lease was transferred from the Skeeters to the Space Cowboys.

Staff recommends the City Council assign the Lease Agreement dated October 5, 2010 and all amendments to Diamond Baseball Holdings (DBH) and authorize the City Manager to sign all required documents and letters to effectuate the assignment.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. Assignment Consent - Sugar Land Space Cowboys
2. Baseball Stadium Lease Agreement_Agr w Amendments



SUGAR LAND SPACE COWBOYS BASEBALL

Constellation Field | 1 Stadium Drive Sugar Land, TX 77498
Phone 281.240.4487 | www.slspacecowboys.com

November 21, 2025

City of Sugar Land
2700 Town Center N. Blvd
Sugar Land, Texas 77479
Attention: Director of Economic Development
Devon Rodriguez
dmrodriguez@sugarlandtx.gov

Re: Request for Consent to Assignment of Stadium Lease

Dear City of Sugar Land, Texas,

Sugar Land Astros, LLC ("Club") hereby requests the City's consent to assign the attached Lease Agreement dated October 5, 2010 ("Lease") to Diamond Baseball Holdings ("DBH") as part of a single transaction involving substantially all of the Club's assets. This assignment has been reviewed and approved by the Professional Development League ("PDL").

Under the terms of the Lease, the City's consent is required for any assignment of this nature.

This letter serves as formal notice of the Club's intent to assign its rights under the Lease on January 5, 2026, and confirms that the Club has satisfied all contractual obligations necessary for this assignment.

Accordingly, all obligations arising prior to the effective date of the assignment shall remain the responsibility of Club. Following the assignment, and subject to the PSA between Club and DBH, DBH shall be responsible for all obligations arising after the effective date.

By signing and returning this letter to me, the City's consent to the assignment will be deemed granted.

Sincerely,

A handwritten signature in black ink, appearing to read "Giles Kibbe".

Giles Kibbe
General Counsel
Sugar Land Astros, LLC

ACCEPTED AND AGREED:

City of Sugar Land, Texas

By: _____

Name: _____

Title: _____

Date: _____

LEASE AGREEMENT

by and between

CITY OF SUGAR LAND, TEXAS,

and

OPENING DAY PARTNERS, LLC,

Dated as of October 5, 2010

**MINOR LEAGUE BASEBALL STADIUM, CITY OF SUGAR LAND,
FORT BEND COUNTY, TEXAS**

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Appendix A	Glossary of Defined Terms
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Appendix C	Address for Payment and Notices
Exhibit A	Land
Exhibit B	Memorandum of Lease
Exhibit C	Offsite Parking Area
Exhibit D	Permitted Exceptions
Exhibit E	Land Containing Stadium Improvements

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made and entered into effective as of October 5, 2010 (the "Execution Date") by and between the **CITY OF SUGAR LAND, TEXAS** ("City") and **OPENING DAY PARTNERS, LLC**, a Delaware limited liability company ("Club"). City and Club are sometimes collectively referred to herein as the "Parties" and individually as a "Party".

RECITALS

A. City desires to lease to Club, and Club desires to lease from City, the baseball stadium and related improvements in accordance with the terms hereof.

B. City desires to grant to Club a license over certain Offsite Parking Area related to the baseball stadium in accordance with the terms hereof.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the respective covenants and agreements of the Parties herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Club, each intending to be legally bound, do hereby agree as follows:

ARTICLE I

GENERAL TERMS

1.1 Definitions and Usage. Unless the context shall otherwise require, capitalized terms used in this Lease shall have the meanings assigned to them in the Glossary of Defined Terms attached hereto at Appendix A, which also contains rules as to usage that shall be applicable herein. Terms used but not defined herein shall have the meaning ascribed to such terms in that certain Development Agreement (the "Development Agreement") to be dated as of October 5, 2010, between City and Club and related to the design, construction and development of the Stadium and the Offsite Parking Area.

1.2 Governing Provisions. The governing provisions set forth in Appendix B attached hereto shall apply to and govern this Lease for all purposes.

ARTICLE II

REPRESENTATIVES

2.1 City Representative. City hereby designates the City Manager of City or his designee to be the representative of City (the "City Representative"), and City shall have the right, from time to time, to change the Person who is the City Representative by giving at least ten (10) days prior written Notice to Club thereof. The only functions under this Lease of City Representative shall be as expressly specified in this Lease. Any one of the Persons from time to time serving as City Representative, acting alone and without the joinder of the other persons

then serving as City Representative, shall have the power to bind City in those instances in which this Lease specifically provides for the Approval, decision, confirmation or determination of City Representative and in no other instances; *provided, however*, that notwithstanding anything in this Lease to the contrary, City Representative shall not have any right to modify, amend or terminate this Lease.

2.2 **Club Representative.** Club hereby designates Chairman of Club to be the representative of Club (the “**Club Representative**”), who shall be authorized to act on behalf of Club under this Lease. Club shall have the right, from time to time, to change the Person who is the Club Representative by giving at least ten (10) days prior written Notice to City thereof. Any written Approval, decision, confirmation or determination hereunder by the Club Representative shall be binding on Club; *provided, however*, that notwithstanding anything in this Lease to the contrary, the Club Representative shall not have any right to modify, amend or terminate this Lease.

ARTICLE III

GRANT OF LEASEHOLD ESTATE AND LICENSES

3.1 **Grant**

3.1.1 **Lease.** In consideration of and pursuant to the covenants, agreements and conditions set forth herein, City does hereby lease, let, demise and rent unto Club, and Club does hereby rent and lease from City, on and subject to the terms, conditions and provisions of this Lease, a leasehold estate in and to the Stadium and the Offsite Parking Area, for the Term set forth in **ARTICLE IV** hereof.

3.2 **Delivery of Possession; Covenant of Quiet Enjoyment; Leasehold Priority**

3.2.1 **Delivery of Possession.** On the Lease Commencement Date, City will deliver to Club possession and occupancy of the Stadium and the Offsite Parking Area subject only to (i) the Permitted Exceptions, (ii) the rights and reservations of City under this Lease including the Reservations and (iii) all Applicable Laws. Subject to Club’s rights to access the Stadium pursuant to the Development Agreement, Club shall not have the right to use or occupy any part of the Stadium or the Offsite Parking Area prior to the Lease Commencement Date.

3.2.2 **Covenant of Quiet Enjoyment.** City covenants for the Term that Club, upon paying the Rent and upon keeping, timely observing and performing the terms, covenants and conditions of this Lease to be kept, observed and performed by Club, shall and may quietly and peaceably hold, occupy, use and enjoy the Stadium and the Offsite Parking Area during the Term without ejection or interference by or from City or any other Person claiming by, through or under City (other than Persons claiming by, through or under Club), subject only to (i) rights of permitted Subtenants arising by, through or under Club, (ii) the Permitted Exceptions, (iii) Applicable Laws and (iv) the rights and reservations of City under this Lease including the Reservations.

3.2.3 **Stadium Identification Signage.** City and Club understand the need for a comprehensive plan and program for community-wide way finding signage in the City of Sugar

Land with regard to the Stadium. Accordingly, the Parties agree to work together to put in place way finding signage regarding the Stadium consistent with such signage at or for Comparable Properties. City and Club further agree to work together with regard to the design and installation (as part of the Stadium Costs) of an electronic marquee sign (the “**Marquee Sign**”) in a mutually agreed upon location at or near the Stadium to be used by Club and City only to promote events and to assist in traffic control for events at the Stadium.

3.3 **Reservations.** Notwithstanding anything in this Lease to the contrary, City hereby reserves (and the Leasehold Estate shall not include) the following with respect to the Stadium and the Offsite Parking Area (the “**Reservations**”):

3.3.1 **Utilities.** The right of City to install on, under, over or below the Stadium and the Offsite Parking Area any and all utilities and appurtenances related thereto that it deems necessary; *provided, however*, that (a) the location and construction of same shall not materially interfere with the operation of the Stadium by Club or the use of the Offsite Parking Area by Club, each pursuant to the terms of this Lease and (b) Club shall have no obligation to maintain same after construction by City.

3.3.2 **Minerals.** For the benefit of the City, the exclusive right to any natural resources in on and under the Stadium or the Offsite Parking Area, including all oil, coal, natural gas and other hydrocarbons, minerals, aggregates and geothermal resources as well as a right to grant leases or to conduct and undertake surface or subsurface extraction of same; provided, however, that no extraction of such natural resources shall (i) be inconsistent or incompatible with the rights or privileges of Club under this Lease, (ii) be permitted on the surface of the Stadium or the Offsite Parking Area or (iii) adversely affect the surface of, or undermine the support of, the Stadium or the Offsite Parking Area.

ARTICLE IV

TERM

4.1 **Term.** The term of this Lease (the “**Term**”) shall commence on the Substantial Completion Date (the “**Lease Commencement Date**”), and expire on December 31 of that year in which the twenty-fifth (25th) full Baseball Season after the Lease Commencement Date has occurred, unless this Lease is sooner terminated pursuant to any applicable provision hereof, whereupon such date of termination shall be the “**Lease Expiration Date**.”

If the Development Agreement is terminated prior to the Substantial Completion Date, this Lease shall automatically terminate. Upon any termination of this Lease pursuant to this Section 4.1, the Parties hereto shall have no further rights, obligations or liabilities under this Lease (except pursuant to the provisions of this Lease which expressly survive such termination in accordance with terms of this Section 4.1). Notwithstanding anything contained herein to the contrary, in the event of a termination of this Lease under this Section 4.1, the following provision shall survive any such termination: Section 15.1 and Section 23.4. If this Lease is terminated pursuant to this Section 4.1, Club shall furnish to City a quitclaim and termination of this Lease, in recordable form, and assign (to the extent assignable) to City all right, title and interest of Club in and to all reports and documentation relating to the Stadium. The Parties

hereby agree that upon any such termination of this Lease pursuant to this Section 4.1, the Parties automatically shall be released from any future obligations under this Lease which arise after the date of termination but shall not be released from any obligations which arise or relate to occurrences prior to the date of termination that expressly survive such termination as provided in this Section 4.1.

4.2 Renewal Term Right of First Negotiation. City hereby confirms, acknowledges and agrees that Club shall have, and City hereby grants to Club, the right (the “**Right of First Negotiation**”) to enter into exclusive, good faith negotiations with the City for a renewal or extension of this Lease, covering the Stadium and the Offsite Parking Area, with the term of such renewal or extension commencing upon the Lease Expiration Date and the other terms thereof being mutually acceptable to City and Club. Club may exercise the Right of First Negotiation by delivering written notice (the “**ROFN Exercise Notice**”) to City no earlier than twenty four (24) months prior to the Lease Expiration Date and no later than twelve (12) months prior to the Lease Expiration Date. In the event Club timely exercises its Right of First Negotiation hereunder, City, from the date of its receipt of the ROFN Exercise Notice through and until the earlier to occur of (i) the execution and delivery of a renewal or extension of lease between City and Club and (ii) the date that is one year before the Lease Expiration Date, shall not negotiate with, make offers to, entertain offers from, nor have any discussions or communications whatsoever with, any other party for the lease of the Stadium. In the event Club does not timely exercise its Right of First Negotiation hereunder, or in the event that Club exercises its Right of First Negotiation, but the Parties fail to agree upon the terms of a renewal on or before one year before the Lease Expiration Date, then City shall be free to negotiate with, make offers to, entertain offers from, have discussions and communications with and enter into any lease, sublease, license, or similar occupancy agreement with any Person regarding the Stadium and the Offsite Parking Area on terms acceptable to City. Should there be an ongoing Club Default, then Club shall not be entitled to exercise its Right of First Negotiation.

ARTICLE V

RENT

5.1 Payment of Rent. Club shall pay to City, without abatement (except as expressly provided for herein), Notice, demand, set-off or counterclaim, all Rent on a first priority basis in accordance with Section 21 of Appendix B. Club hereby acknowledges and agrees that City and Club have expressly negotiated that except as otherwise expressly provided in this Lease, Club’s covenants to pay Rent under this Lease are separate and independent from City’s obligations hereunder.

5.2 Rent. Commencing on the Lease Commencement Date and during each Lease Year thereafter, Club covenants and agrees to pay to City rental as follows (collectively, “**Rent**”):

(a) Base Rent for each Lease Year of the Term as provided in Section 5.3.1, which Base Rent shall be due and payable in accordance with Section 5.3.2. This payment of Base Rent by Club is to reimburse City for the cost of acquiring part of the Land;

(b) Participation Rent for each Lease Year of the Term as provided in Section 5.4.1, which Participation Rent shall be due and payable in accordance with Section 5.4.2; and

(c) The Additional Rent as provided in Section 5.5, which Additional Rent shall be due and payable in accordance with Section 5.5.

5.3 Calculation and Payment of Base Rent.

5.3.1 Base Rent. During the Term, Club shall pay City annual rental equal to Eighty Thousand and No/100 Dollars (\$80,000.00) per Lease Year (the “**Base Rent**”), subject to the terms of Section 5.3.2.

5.3.2 Payment of Base Rent. Base Rent shall be due and payable annually in advance, within ten (10) days following the Substantial Completion Date and continuing on each January 1 of each Lease Year thereafter; *provided, however*, that as to any fractional year during the Term, whether at the beginning or end of the Term, Base Rent for such Lease Year shall be pro-rated based on the actual number of days in the Lease Year in question.

5.4 Calculation and Payment of Participation Rent

5.4.1 Calculation of Participation Rent.

Commencing with the Lease Commencement Date and continuing thereafter for the remainder of the Term, Club shall pay City annually (in addition to the Base Rent) Participation Rent (herein so called) equal to forty percent (40%) of all gross revenues from Ticket Sales, Suite License Sales and Naming Rights Payments collected during the previous Lease Year in excess of Two Million Six Hundred Thousand and No/100 Dollars (\$2,600,000.00). For purposes of the aforesaid calculation, such gross revenues shall be net of any: (i) refunds paid by Club, (ii) uncollected sums or credits issued, (iii) taxes collected by Club and remitted to the appropriate Governmental Authority (including sales taxes, admission taxes, and amusement taxes), and (iv) shall not include any sums attributable to food purchases, advertising purchases or any other revenues that may be collected from Persons who also pay Club for Ticket Sales, Suite License Sales or Naming Rights Payments (whether included in a single agreement or by separate agreements between Club and such Persons); *provided, however*, such sums attributable to food purchases, advertising purchases or other revenues that may be collected from Persons who also pay Club for Ticket Sales, Suite License Sales or Naming Rights Payments shall be allocated among food, advertising, Ticket Sales, Suite License Sales, Naming Rights Payments and other revenues in a fair and equitable manner consistent with the procedures for allocating such sums at Comparable Properties and consistent with the value of the services or items provided.

5.4.2 Payment of Participation Rent. The Participation Rent shall be due and payable annually in arrears, without abatement (except as otherwise expressly provided in this Lease), Notice, demand, set off or counter claim, beginning ninety (90) days following the end of each Lease Year of the Term (the “**Participation Rent Payment Date**”) and continuing to be paid on each yearly anniversary of the Participation Rent Payment Date.

5.5 **Additional Rent.** Club covenants and agrees to pay, as additional rental, without abatement (except as expressly provided for herein), Notice, demand, set-off or counterclaim, all of the following (collectively, the “**Additional Rent**”):

(a) All Impositions as and when required to be paid under the terms of this Lease; and

(b) All costs, expenses, liabilities, obligations and other payments of whatever nature which Club has agreed to pay under the provisions of this Lease as and when required to be paid pursuant to the terms of this Lease.

5.6 **Accounting Standard.** For purposes of determining Participation Rent, Capital Expenses, Capital Fund Deposits, Ticket Sales, Suite License Sales, Naming Rights Payments, and the preparation of all financial statements required to be delivered to City under this Lease, Ticket Sales, Suite License Sales, Naming Rights Payments, Capital Fund Deposits and Capital Expenses shall be determined on an accrual basis in accordance with GAAP, with such exceptions as may be required by the provisions of this Lease, or such other accounting standard modifications as shall be industry practice at Comparable Properties (the “**Accounting Standard**”). The Accounting Standard shall be consistently applied during the Term and shall be used for the preparation and maintenance by all books and records required to be maintained by or on behalf of Club under the terms of the Lease.

5.7 **Club’s Statements.**

5.7.1 **Quarterly Statements.** Club, at its cost and expense, shall provide to City quarterly, within forty-five (45) days after the end of each calendar quarter of each Lease Year during the Term an unaudited statement of Capital Expenses, Capital Fund Deposits, Ticket Sales, Suite License Sales and Naming Rights Payments for the calendar quarter that just ended, which has been prepared by Club and certified by the comptroller or other Responsible Officer of Club to be true, correct, accurate and complete.

5.7.2 **Annual Statements.** Club, at its cost and expense, shall provide to City annually, within ninety (90) days after the end of each Lease Year during the Term (i) an unaudited statement of Capital Expenses, Capital Fund Deposits, Ticket Sales, Suite License Sales and Naming Rights Payments for the Lease Year that just ended and (ii) the calculation of Participation Rent for the Lease Year that just ended, each of which has been prepared by Club and certified by the comptroller or other Responsible Officer of Club to be true, correct, accurate and complete and reviewed by an independent public accounting firm or other accounting firm approved by City in its sole discretion. Subject to the provisions of Section 5.10 and Section 5.11 below, in the event the statement for any Lease Year demonstrates that there has been an overpayment or underpayment of Participation Rent, Capital Expenses or any other amount payable to City for such Lease Year, any such overpayments or underpayments shall be paid, as applicable, in accordance with the provisions of Section 5.10 below. City hereby Approves David I. Stein, CPA to act as the “accounting firm” pursuant to and in connection with this Section 5.7.2.

5.8 **Books and Records.** Club shall keep, or cause to be kept, full, complete and proper books, records and accounts of Capital Expenses, Capital Fund Deposits, Ticket Sales, Suite License Sales and Naming Rights Payments, on an accrual basis and determined in accordance with the Accounting Standard, and the same shall be available to City and its agents and employees, at the Stadium or another location agreed upon by City Representative and Club, who shall have the right, at all reasonable times during Business Hours and upon not less than fifteen (15) days' Notice to Club, to examine and inspect such books, records and accounts for the purpose of investigating and verifying the accuracy of any statement of Capital Expenses, Capital Fund Deposits, Ticket Sales, Suite License Sales, Naming Rights Payments and Participation Rent; *provided, however*, that Club shall keep such books of account and records and make them available for inspection or audit by City only for three (3) years after the end of each Lease Year in question.

5.9 **City Audit.** City, at its expense (except as provided herein), shall have the right, at any time during the Term and within the three (3) years after the Lease Year in question to audit those portions of the books and records for the Stadium which relate to the calculation of Capital Expenses, Capital Fund Deposits, Ticket Sales, Suite License Sales, Naming Rights Payments and Participation Rent for such Lease Year or as otherwise necessary to confirm Club's compliance with the terms of this Lease. Any such audit will be commenced and conducted with reasonable promptness, after reasonable notice to Club and by an auditor whose fee for such audit is not calculated on a contingent basis.

5.10 **Overpayments; Underpayments**

5.10.1 Club's Annual Statement. Subject to City's right to perform its own audit pursuant to Section 5.10.2 below, if any annual statement delivered by Club pursuant to Section 5.7 discloses (i) an overpayment by Club of Participation Rent, Capital Fund Deposits and Capital Expenses during the prior Lease Year, then, City shall pay to Club the amount of such overpayment of Participation Rent, Capital Fund Deposits or Capital Expenses, as applicable, within thirty (30) days of City's receipt of the audit, or (ii) an underpayment of Participation Rent, Capital Fund Deposits or Capital Expenses during the prior Lease Year, Club shall pay to City or into the Capital Fund, as applicable, within thirty (30) days, the amount of such underpayment by Club of Participation Rent, Capital Fund Deposits or Capital Expenses, as appropriate, for the prior Lease Year.

5.10.2 City's Audit. Subject to Club's right to disagree with said findings or some portion of the same pursuant to the terms of this Section 5.10.2, in the event an audit performed by or on behalf of City pursuant to Section 5.9 shall indicate that Club has (i) underpaid Participation Rent, Capital Fund Deposits or Capital Expenses during any Lease Year covered by such audit, Club shall pay to City, or into the Capital Fund, as applicable, within thirty (30) days after Club's receipt of a copy such audit, the amount of such underpayment of Participation Rent, Capital Fund Deposits or Capital Expenses together with interest at the Default Rate on the amount of such underpayment from the date such Participation Rent, Capital Fund Deposits or Capital Expenses was originally due until paid, or (ii) overpaid Participation Rent, Capital Fund Deposits or Capital Expenses during any Lease Year covered by such audit, City shall pay to Club, within thirty (30) days after City's receipt of the annual audit for the last Lease Year pursuant to Section 5.9, the amount of such overpayment of Participation Rent,

Capital Fund Deposits or Capital Expenses together with interest at the Default Rate on the amount of such overpayment from the date such overpayment was received by City and until such is paid to Club. In the event that the audit by or on behalf of City pursuant to Section 5.9 shows an understatement of aggregate Participation Rent, Capital Fund Deposits or Capital Expenses equal to or in excess of Twenty-Five Thousand and no/100 Dollars (\$25,000.00), for any Lease Year covered by such audit, Club shall reimburse City for all City's actual and reasonable out-of-pocket expenses in connection with such audit by or on behalf of City, including the engagement of an independent accountant or accounting firm, within thirty (30) days after Club's receipt of a copy of such audit. Notwithstanding the foregoing, in the event that Club shall give Notice to City within thirty (30) days after Club's receipt of a copy an audit by or on behalf of City pursuant to Section 5.9 that Club disagrees with said findings or some portion of the same, Club will promptly (i) pay City, or into the Capital Fund, as applicable, the underpaid Participation Rent, Capital Fund Deposits or Capital Expenses, together with interest thereon at the Default Rate from the date such Participation Rent, Capital Fund Deposits or Capital Expenses were originally due until paid, reduced by an amount equal to that portion that Club does not agree with and (ii) reimburse City for the cost of City's audit if the agreed upon discrepancy shows an understatement of aggregate Participation Rent, Capital Fund Deposits or Capital Expenses equal to or in excess of Twenty-Five Thousand and no/100 Dollars (\$25,000.00), for any Lease Year in question. If no Notice is given by Club to City during said thirty (30) day period, Club shall be deemed to have given Notice as of the last day of said period that it agrees with the entire disputed amount of City's audit.

5.11 Independent Audit. If Club and City fail to agree to a settlement of the disputed amounts under Section 5.10.2 above (whether as to all or a portion of City's or its auditor's findings) within forty-five (45) days after Notice by Club to City of its dispute under Section 5.10.2, then Club shall designate (subject to the Approval of City Representative) an independent public accounting firm that is not a Person Related to or otherwise retained or employed by City, Club or any Person Related to either of them, and other than the firm which performed City's or Club's audit, to audit such disputed report, audit or calculation, and any overpayment or excess deposit or expenditure or underpayment or insufficient deposit or expenditure revealed by the additional audit of said independent accountants, shall be paid or deposited, as applicable, in accordance with Section 5.10.2 above. If the additional audit shows an understatement of aggregate Participation Rent, Capital Fund Deposits or Capital Expenses equal to or in excess of Twenty-Five Thousand and no/100 Dollars (\$25,000.00), for any Lease Year in question, and Club has not previously paid City for the cost of its audit pursuant to Section 5.10.2 above, then Club shall reimburse City for the cost of City's audit pursuant to Section 5.9. Additionally, if the additional audit pursuant to this Section 5.11 indicates (i) an understatement by Club of aggregate Participation Rent, Capital Fund Deposits or Capital Expenses for all Lease Years covered by such audit by an amount equal to or in excess of Twenty-Five Thousand and no/100 Dollars (\$25,000.00), for such Lease Year(s), then Club shall pay the entire cost of the additional audit, (ii) an overstatement by Club of aggregate Participation Rent, Capital Fund Deposits or Capital Expenses for all Lease Years covered by such audit by an amount equal to or in excess of Twenty-Five Thousand and no/100 Dollars (\$25,000.00) for such Lease Year(s), then City shall pay the entire cost of the additional audit (or reimburse Club for the costs incurred by Club for that audit), and (iii) that actual aggregate Participation Rent, Capital Fund Deposits or Capital Expenses for all Lease Year(s) covered by such audit were neither understated nor overstated by an amount equal to or in excess of Twenty-

Five Thousand and no/100 Dollars (\$25,000.00), then City and Club shall share equally the cost of the additional audit.

ARTICLE VI

CONDITION OF STADIUM AND OFFSITE PARKING AREA

6.1 Condition of Stadium and Offsite Parking Areas; Disclaimer of Representations and Warranties. **CLUB ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE SET FORTH HEREIN:**

(a) **NEITHER CITY NOR ANY AFFILIATE OR RELATED PARTY OF CITY MAKES OR HAS MADE ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AND CITY HEREBY DISCLAIMS AND CLUB HEREBY WAIVES ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, CONCERNING (i) THE PHYSICAL CONDITION OF THE STADIUM OR THE OFFSITE PARKING AREA (INCLUDING THE GEOLOGY OR THE CONDITION OF THE SOILS OR OF ANY AQUIFER UNDERLYING THE STADIUM AND ANY ARCHEOLOGICAL OR HISTORICAL ASPECT OF THE STADIUM OR THE OFFSITE PARKING AREA), (ii) THE SUITABILITY OF THE STADIUM OR THE OFFSITE PARKING AREA OR THEIR FITNESS FOR A PARTICULAR PURPOSE AS TO ANY USES OR ACTIVITIES WHICH CLUB MAY MAKE THEREOF OR CONDUCT THEREON AT ANY TIME DURING THE TERM, (iii) THE COMPLIANCE OF THE STADIUM OR THE OFFSITE PARKING AREA WITH ANY APPLICABLE LAWS, (iv) THE STADIUM IMPROVEMENTS WORK, (v) THE EXISTENCE OF ANY HAZARDOUS MATERIALS OR ENVIRONMENTAL CLAIMS (OTHER THAN THOSE ARISING FROM AN ENVIRONMENTAL EVENT REQUIRED TO BE COVERED BY CITY'S REMEDIAL WORK PURSUANT TO THE TERMS OF THIS LEASE), (vi) THE CONSTRUCTION OF THE STADIUM, THE OFFSITE PARKING AREA OR ANY OTHER IMPROVEMENTS OR (vii) ANY OTHER MATTER RELATING TO THE STADIUM, THE OFFSITE PARKING AREA OR ANY OTHER IMPROVEMENTS AT ANY TIME CONSTRUCTED OR TO BE CONSTRUCTED THEREON;**

(b) **NO REVIEW, APPROVAL OR OTHER ACTION BY CITY UNDER THIS LEASE SHALL BE DEEMED OR CONSTRUED TO BE SUCH A REPRESENTATION OR WARRANTY; AND**

(c) **CLUB'S ACCEPTANCE OF THE STADIUM AND THE OFFSITE PARKING AREA ON THE LEASE COMMENCEMENT DATE WILL BE STRICTLY ON AN "AS IS, WHERE IS" BASIS.**

6.2 Club's Risks. **CLUB AGREES THAT NEITHER CITY NOR ANY OF CITY'S AFFILIATES OR RELATED PARTIES SHALL HAVE ANY RESPONSIBILITY FOR ANY OF THE FOLLOWING:**

(a) THE ACCURACY OR COMPLETENESS OF ANY INFORMATION SUPPLIED BY ANY PERSON, INCLUDING THE ENVIRONMENTAL REPORTS;

(b) THE CONDITION, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, DESIGN, OPERATION OR VALUE OF THE STADIUM OR THE OFFSITE PARKING AREAS;

(c) THE COMPLIANCE OF THE STADIUM OR THE OFFSITE PARKING AREA OR ANY OTHER PROPERTY OF CITY WITH ANY APPLICABLE LAW;

(d) THE STADIUM IMPROVEMENTS WORK OR THE FEASIBILITY OF ANY ADDITIONAL WORK;

(e) THE EXISTENCE OR ABSENCE OF ANY HAZARDOUS MATERIALS OR ENVIRONMENTAL CLAIMS OTHER THAN THOSE ARISING FROM AN ENVIRONMENTAL EVENT REQUIRED TO BE COVERED BY CITY'S REMEDIAL WORK PURSUANT TO THE TERMS OF THIS LEASE OR THE DEVELOPMENT AGREEMENT; AND

(f) EXCEPT AS OTHERWISE SET FORTH HEREIN, ANY OTHER MATTER RELATING TO THE STADIUM OR THE OFFSITE PARKING AREA.

NEITHER CITY NOR ANY OF CITY'S AFFILIATES OR ANY OF ITS RELATED PARTIES SHALL BE LIABLE AS A RESULT OF THE FAILURE BY ANY PERSON (OTHER THAN CITY OR ITS RESPECTIVE AFFILIATES OR RELATED PARTIES) TO ACT OR PERFORM THEIR OBLIGATIONS. IT IS UNDERSTOOD AND AGREED BY CLUB (FOR ITSELF OR ANY PERSON CLAIMING BY, THROUGH OR UNDER IT, INCLUDING ITS AFFILIATES AND RELATED PARTIES) THAT IT HAS ITSELF BEEN, AND WILL CONTINUE TO BE, SOLELY RESPONSIBLE FOR MAKING ITS OWN INDEPENDENT APPRAISAL OF, AND INVESTIGATION INTO, THE CONDITION, STATUS AND NATURE OF ANY PERSON, THE STADIUM, THE OFFSITE PARKING AREA OR ANY OTHER PROPERTY.

ARTICLE VII

APPROVALS, CONFIRMATIONS AND NOTICES; DISPUTE RESOLUTION

7.1 Approvals; Standards

7.1.1 Review and Approvals or Consent Rights. The provisions of this Section 7.1 shall be applicable with respect to all instances in which it is provided under this Lease that City, City Representative, Club or the Club Representative exercises Review and Approval or Consent Rights (as defined below); *provided, however*, that if the provisions of this Section 7.1 specifying time periods for exercise of Review and Approval or Consent Rights shall conflict with other express provisions of this Lease providing for time periods for exercise of designated Review and Approval or Consent Rights, then the provisions of such other provisions

of this Lease shall control. As used herein, the term “**Review and Approval or Consent Rights**” shall include, without limiting the generality of that term, all instances in which one Party (the “**Submitting Party**”) is permitted or required to submit to the other Party or to the representative of that other Party any document, notice or determination of the Submitting Party and with respect to which the other Party or its representative (the “**Reviewing Party**”) has a right or duty hereunder to review, comment, confirm, Approve, disapprove, dispute or challenge the submission or determination of the Submitting Party.

7.1.2 Standard for Review. Unless this Lease specifically provides that a Party’s Review and Approval or Consent Rights may be exercised in the sole discretion of the Reviewing Party, then in connection with exercising its Review and Approval or Consent Rights under any provision of this Lease, and whether or not specifically provided in any such provision, the Reviewing Party covenants and agrees to act in good faith, with due diligence, and in a fair and commercially reasonable manner in its capacity as Reviewing Party with regard to each and all of its Review and Approval or Consent Rights and to not unreasonably withhold, condition or delay its Approval of, consent to or confirmation of any submission or determination. The Reviewing Party shall review the matter submitted in writing by the Submitting Party (which written submission shall specifically reference this Section 7.1.2) and shall give Notice within fifteen (15) days to the Submitting Party of the Reviewing Party’s comments including Approval, confirmation, disapproval or failure to confirm, as applicable. Any failure to respond within such fifteen (15) day period shall be deemed to be an approval or confirmation of the matter submitted.

7.1.3 Resubmissions. If the Reviewing Party disapproves or fails to confirm of a matter to which this Section 7.1 applies, the Submitting Party shall have the right, within thirty (30) days of the date of the Submitting Party receives Notice of such disapproval or failure to confirm, to re-submit the disapproved or not confirmed matter to the Reviewing Party, altered to satisfy the Reviewing Party’s basis for disapproval or failure to confirm. Any resubmission made pursuant to this Section 7.1 shall be subject to Review and Approval or Consent by the Reviewing Party in accordance with the procedures described in this Section 7.1, until such matter is Approved by the Reviewing Party.

7.2 Governmental Rule. No Approvals by City or City Representative under this Lease shall relieve or release Club from any Applicable Laws relating to the operation or occupancy of the Stadium (including Applicable Laws that are procedural, as well as or rather than, substantive in nature). The Approval by City or City Representative of any matter submitted to City or City Representative pursuant to this Lease, which matter is specifically provided herein to be Approved by City or City Representative shall not constitute a replacement or substitute for, or otherwise excuse Club from, such permitting, licensing or approval processes under Applicable Laws; and, conversely, no permit or license so obtained shall constitute a replacement or substitute for, or otherwise excuse Club from, any requirement hereunder for the Approval of City or City Representative.

7.3 Dispute Resolution

7.3.1 Generally. In the event any dispute, controversy or claim between or among the Parties arises under this Lease or is related in any way to this Lease or the relationship

of the Parties thereunder (a “**Dispute or Controversy**”), including, but not limited to a Dispute or Controversy relating to the effectiveness, validity, interpretation, implementation, termination, cancellation or enforcement of this Lease, the Parties shall first attempt in good faith to settle and resolve such Dispute or Controversy by mutual agreement. In the event a Dispute or Controversy arises, either Party shall have the right to notify the other Party that it has elected to implement the following procedures. Within thirty (30) days after delivery of any such notice by one Party to the other Party regarding a Dispute or Controversy, City and Club shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the Dispute or Controversy. If a mutual resolution and settlement are not obtained at the meeting of City and Club, they shall cooperate in a commercially reasonable manner to determine if techniques such as mediation or other techniques of alternate dispute resolution might be useful. If a technique is agreed upon, a specific timetable and completion date for implementation shall also be agreed upon. If such technique, timetable or completion date is not agreed upon within ninety (90) days after the notice of the Dispute or Controversy was delivered, or if no resolution is obtained through such alternative technique, or if no such meeting takes place within the sixty (60) day period, then either Party may seek injunctive relief or other relief at any time thereafter from any court of competent jurisdiction in Fort Bend County, Texas.

7.3.2 Emergency Relief. Notwithstanding any provision of this Lease to the contrary, either Party may seek injunctive relief or another form of ancillary relief at any time from any court of competent jurisdiction in Fort Bend County, Texas. In the event that a Dispute or Controversy requires emergency relief before the matter may be resolved under the Dispute Resolution Procedures, notwithstanding the fact that any court of competent jurisdiction may enter an order providing for injunctive or another form of ancillary relief, the Parties expressly agree that the Dispute Resolution Procedures still will govern the ultimate resolution of any portion of the Dispute or Controversy.

ARTICLE VIII

USE AND OCCUPANCY; PERMITTED AND PROHIBITED USES; OPERATING REQUIREMENTS

8.1 Permitted Uses. After the Lease Commencement Date and throughout the remainder of the Term, the Stadium and the Offsite Parking Area shall be used and occupied solely as a multi-purpose, Triple-A caliber baseball stadium as a venue primarily for minor league, major league and amateur baseball games but also incidentally for conventions, concerts, movies, meetings, festivals and fundraising galas consistent with uses of Comparable Properties and in accordance with the Operating Standard, Applicable Laws, the Plans for Stadium Improvements and otherwise pursuant to the terms of this Lease, and, subject to the terms of Section 8.2 below, for the conducting of any and all indoor and outdoor activities reasonably relating or incidental thereto (the “**Permitted Use**”).

8.2 Prohibited Uses. Club shall not use, or permit the use of, the Stadium or the Offsite Parking Area for any other, different or additional purpose that is not a Permitted Use, as applicable, without first obtaining the Approval of City Representative or Club Representative, as appropriate. Club agrees that the Permitted Uses are subject to compliance with all Applicable Laws at any time applicable to the use, occupancy or operation of the Stadium and

the Offsite Parking Area and that nothing in this ARTICLE VIII or elsewhere in this Lease shall constitute or be deemed to constitute a waiver by City of the performance of its Governmental Functions or of any such Applicable Laws or of the duty of Club to comply with such Applicable Laws. Notwithstanding the Permitted Use hereunder but as may be otherwise Approved or modified by City Representative from time to time, Club agrees that it shall not (collectively, the **“Prohibited Uses”**):

(a) Create, cause, maintain or permit any public or private nuisance in, on or about the Stadium or the Offsite Parking Area;

(b) Use or allow the Stadium or the Offsite Parking Area to be used for the sale or display of any pornographic material or material which is obscene under standards set forth in any Applicable Laws, or operate or allow any Person to operate in, on or about the Stadium any store or other facility, a principal or significant portion of the business of which is a “adult (sexually) oriented business”, as such term is defined in Chapter 2, Article IX, Section 2-270 of the Sugar Land Code of Ordinances, as same may be amended from time to time during the Term;

(c) Use or allow the Stadium or the Offsite Parking Area to be used for any purpose that is violative of Applicable Laws;

(d) Use or allow the Stadium or the Offsite Parking Area to be used for the sale of paraphernalia or other equipment or apparatus which is used primarily in connection with the taking or use of illegal drugs (or their equivalent);

(e) Use or permit the Stadium or the Offsite Parking Area to be used for the public or private sale of guns and other weapons, ammunition, fireworks, or explosives;

(f) Use any portion of the Stadium or the Offsite Parking Area, other than portions designated for same inside the Stadium building, for storage;

(g) Operate any speakers or amplified music in or near any exterior portions of the Stadium or in the Offsite Parking Area other than in connection with the outdoor activities and events described in, and subject to the terms of, Section 8.2(i) below, without the Approval of City Representative;

(h) Use or permit the use of the Stadium or the Offsite Parking Area as a casino (or other establishment in which gambling is permitted or games of chance are operated), a massage parlor or a tanning parlor; or

(i) Use or allow the use of the Offsite Parking Area or the exterior areas of the Stadium (including the Adjacent Parking) during hours not between 8:00 A.M. and 10:00 P.M. daily for non-parking-related activities and events, including concerts, festivals and similar events.

The provisions of this Section 8.2 shall inure to the benefit of, and be enforceable by, City and its successors and assigns. No other Person, including any guest or patron of the Stadium or the Offsite Parking Area, shall have any right to enforce the prohibitions as to the Prohibited Uses.

8.3 Continuous Operation During the Term

8.3.1 Covenant to Operate. Subject to the provisions of Section 8.3.2 hereof, commencing on the Lease Commencement Date and continuing thereafter during the remainder of the Term, Club covenants, at Club's sole cost and expense to:

(a) operate the Stadium and the Offsite Parking Area diligently and continuously in accordance with the Permitted Use and the Operating Standard and the Offsite Parking Area Operating Standard, as applicable, without interruption for any reason other than Down Times;

(b) perform all Maintenance and Repair Work in accordance with Section 10.1; and

(c) possess all Personal Property necessary for the operation of the Stadium and the Offsite Parking Area in accordance with the Operating Standard and the Offsite Parking Area Operating Standard, as applicable, and maintain all spare parts and inventory, in each case consistent with the requirements of clause (a) of this sentence.

8.3.2 Down Times. Club may temporarily cease to operate areas or all or substantially all of the Stadium or the Offsite Parking Area during the Term for, and only for, limited periods of down time ("**Down Times**") for the limited purpose of, and only for the limited purpose of, one or more of the following circumstances for the applicable period specified below:

(a) During the period following any fire or other Casualty or condemnation or other exercise by a Governmental Authority of the power of eminent domain to the extent, and only to the extent, necessary in order to repair and restore the Stadium or the Offsite Parking Area, as applicable, in accordance with the terms of this Lease;

(b) During any period of any Additional Work permitted pursuant to the terms of this Lease or otherwise Approved by City;

(c) As a result of such other commercially reasonable interruptions as are incidental to the normal operation of the Stadium or the Offsite Parking Area;

(d) To the extent and only to the extent the same is not the result of Club's failure to timely fulfill its obligation under this Lease, including its obligations to comply with Applicable Laws as provided in this Lease, during any period required by Applicable Laws; or

(e) In keeping with the standard hours of operation of Comparable Properties operated in accordance with the Operating Standard and the Offsite Parking Area Operating Standard.

provided, however that during the Down Times described in subsections (a)-(d) above Club shall (i) use its commercially reasonable efforts to minimize the disruption of such Down Time and (ii) use its commercially reasonable efforts to minimize the disruption to the areas of

the Stadium or the Offsite Parking Area which remain open to the public, if any, and the services, aesthetic appearances and public and guest access to and in such portions of the Stadium or the Offsite Parking Area.

8.3.3 Continuous Conduct of Additional Work. During the Term, Club covenants to conduct or cause to be conducted all elements of any Additional Work diligently and continuously, subject only to interruptions and delays caused by Excusable Club Delay or Excusable City Delay, and in a manner consistent with the requirements of this ARTICLE VIII.

8.3.4 Continuing Obligation. No cessation of operations pursuant to Down Times shall relieve Club of any obligations under this Lease (including the obligation to pay Rent unless expressly provided otherwise pursuant to the terms of this Lease) other than the relevant portions of the covenant of continuous operation contained in Section 8.3.1. Club acknowledges and agrees that (a) its continuous use and occupancy of the Stadium and the Offsite Parking Area and its payment of Rent provide a significant benefit on which City in part economically depends, (b) violation of the covenants of continuous use, occupancy and operation in Section 8.3.1 shall each be a material breach of this Lease subject to the terms and conditions of ARTICLE XX and (c) City considers such covenants of continuous use, occupancy and operation a valuable contractual interest with which no other City should interfere by attempting to induce Club to move to another stadium.

8.3.5 Security. In the operation of the Stadium and the Offsite Parking Area, Club shall at all times comply with the policies and procedures regarding event security adopted by City from time to time and applicable to events of public assembly.

8.3.6 Operator. During the Term, Club shall be the initial Person who, on a day-to-day basis, is responsible for the operation and policies of the Stadium and the Offsite Parking Area and who operates the Stadium and the Offsite Parking Area in accordance with the Operating Standard and the Offsite Parking Area Operating Standard, as applicable (the “Operator”). In the event Club desires to have any third-party that is not an Affiliate of Club act as Operator and operate the Stadium and/or the Offsite Parking Area, Club must, in all instances, first obtain City’s Approval to such and to the Management Agreement executed in connection therewith, which Approval shall not be unreasonably withheld so long as any such third-party Operator is a Qualified Operator. In all instances, each management agreement with a third-party Operator shall (i) require the Operator to comply with the terms of this Lease as to the use and operation of the Stadium and the Offsite Parking Area, (ii) provide that City shall be a third party beneficiary and permitted assignee thereof and (iii) not be modified or amended in any material respect without the prior written Approval of City, which Approval shall not unreasonably be withheld. Each such management agreement with a third-party Operator of the Stadium and the Offsite Parking Area shall be referred to herein as a “**Management Agreement.**” Each Management Agreement shall be subject to City’s prior written Approval, such Approval not to be unreasonably withheld.

8.3.7 Non-Relocation and MLB Affiliated Team.

(a) **Covenant and Representation of Ownership.** Club is the owner of the Team and will continue to own such Team throughout the Term of this Lease. During

the Term, Club shall take all necessary and appropriate actions to maintain membership of the Team in the League.

(b) **Covenant to Play Home Games at the Stadium.** The Team shall play, and Club hereby covenants to cause the Team to play, all but three (3) of their Baseball Home Games each Baseball Season at the Stadium throughout the Term. Notwithstanding the foregoing, if during the Term an Untenantable Condition shall exist, then Club shall be entitled to make arrangements for alternate sites and the Team shall be entitled to play its Baseball Home Games at such alternate sites but only during the period of time that any such Untenantable Condition shall exist and provided that Club uses commercially reasonable and diligent efforts to mitigate and overcome such Untenantable Condition. Additionally, Club shall use commercially reasonable efforts to locate and use alternate sites which are located within the city limits of the City of Sugar Land, Texas.

(c) **Covenant Not to Relocate.** Club shall not relocate the Team or the home territory of the Team outside the city limits of the City of Sugar Land, Texas.

(d) **Affiliated Team.** The Parties acknowledge their mutual desire to keep open the possibility of obtaining a Triple-A team (as defined by the National Association of Professional Baseball Leagues, Inc.) affiliated with the Major League Baseball-affiliated team located in Houston, Texas to replace the Team. In the event Club or an Affiliate of Club is able to obtain a Triple-A team affiliated or to be affiliated with the Major League Baseball-affiliated team located in Houston, Texas that can be relocated to the Stadium in an economically feasible manner, as determined by Club in its sole and absolute discretion, then Club shall have the right, after written request to, and Approval of, City (such Approval not to be unreasonably withheld), to substitute such Triple-A team for the Team under this Lease.

8.4 **Compliance with Applicable Laws and Permitted Exceptions.** Club shall, (a) throughout the Term and within the time periods permitted by Applicable Law, comply or cause compliance with all Applicable Laws applicable to the Stadium and the Offsite Parking Area, including any applicable to the manner of use or the maintenance, repair or condition of the Stadium or the Offsite Parking Area or any activities or operations conducted in or about the Stadium or the Offsite Parking Area and (b) throughout the Term, comply or cause compliance with the Permitted Exceptions, but with respect to each of the foregoing, Club shall not be responsible for any failure to comply with Applicable Law or the Permitted Exceptions to the extent caused by City or its Affiliates or Related Parties. Club shall, however, have the right to contest the validity or application of any Applicable Law, and if Club promptly contests and if compliance therewith may legally be held in abeyance during such contest, Club may postpone compliance until the final determination of such contest, *provided* that such contest is prosecuted with due diligence and that Club shall not so postpone compliance therewith in such a manner as to, or if doing so would (i) impair the structural integrity of the Stadium or the Offsite Parking Area, (ii) during such contest, subject City to any fine or penalty or to prosecution for a criminal act, or expose City to any civil liability or (iii) cause the Stadium or the Offsite Parking Area to be condemned or vacated. Even though a Lien against the Stadium or the Offsite Parking Area may be imposed by reason of such noncompliance, Club may nevertheless delay compliance

therewith during a contest thereof provided that such contest is otherwise in compliance with the requirements of this Lease and Club effectively prevents foreclosure of any such Lien. Club shall give City reasonable Notice (which in no event shall be less than thirty (30) days) of its intent to carry on such contest, specifying the Applicable Law that Club proposes to contest, the name of counsel representing Club in such contest and the Excusable Club Delay, if any, that such contest will cause in any repair, alteration or improvement of the Stadium or the Offsite Parking Area.

8.5 Light and Air; Excavations.

8.5.1 Light and Air. No diminution or shutting off of light, air or view by any structure that may be erected by any Person on lands in the vicinity of the Stadium or the Offsite Parking Area shall in any manner affect this Lease or the obligations of Club hereunder or impose any liability on City.

8.5.2 Excavations. If, at any time, Club or City conducts any excavation on the Stadium or the Offsite Parking Area or on any other land in connection with this Lease, in connection with such excavation, Club or City shall notify the owners of all lands, buildings and structures adjacent to the Stadium or the Offsite Parking Area or other land to be excavated, and shall take all other actions and safeguards required of an excavating landowner and undertake all other actions and safeguards required pursuant to any applicable Governmental Rules.

8.6 Operation of Stadium and Offsite Parking Area. During the Term, Club shall keep or cause to be kept the Stadium and the Offsite Parking Area in a neat, clean, orderly and good working condition, properly lighted and landscaped, all in a manner consistent with the Operating Standard and the Offsite Parking Area Operating Standard, as applicable, and the terms and conditions of this Lease. Further, Club shall provide security for the Stadium and the Offsite Parking Area, maintain adequate trash receptacles throughout the Stadium and the Offsite Parking Area and periodically collect and remove all refuse; keep pylon or monument signage, the common areas of the Stadium and the Offsite Parking Area and other areas as are necessary for safety, security and normal operation of the Stadium and the Offsite Parking Area suitably lighted, maintain signs, markers, painted lines and other means and methods of pedestrian and vehicular traffic control, and maintain all planting and landscaped areas and all storm sewer and drainage utilities and other utilities, all in a manner consistent with the Operating Standard and the Offsite Parking Area Operating Standard, as applicable.

8.7 Concessions. City hereby grants to the Club the sole and exclusive right and privilege to operate all food and beverage concessions and to sell all merchandise and souvenirs at the Stadium and the Offsite Parking Area. Club shall receive and retain the revenue from such concessions and such sales of merchandise and souvenirs. The aforesaid shall not pertain to merchandise sold by community organizations, groups or clubs for internal funding purposes during Community Events and shall be subject to the terms of Section 23.16.

8.8 Advisory Committee. City and Club agree to the appointment of an Advisory Committee (the "**Advisory Committee**") to consult with and give input to Club in connection with the management, operation, maintenance, repair, alteration and furnishing of the Stadium and the Offsite Parking Area. The Advisory Committee will be comprised of four (4) members,

two (2) of whom will be selected by Club and two (2) of whom will be selected by City. Each party may remove and replace its member(s) and select alternates at its discretion and at any time so long as the ratio of representation among City and Club remains the same. The Advisory Committee shall meet not less than once per month on a date and at a time and place mutually agreeable to the members of the Advisory Committee.

8.9 Booking Procedures and Revenue. City and Club are entering into this Lease so that the Stadium may serve the purpose of promoting economic development, employment opportunity, educational opportunity and the general welfare and prosperity of the citizens of the City of Sugar Land, Fort Bend County and the surrounding areas. It is the mutual desire and intent of each of City and Club to provide for the full and maximum use of the Stadium for a variety of events and uses, consistent with the sound operation and maintenance of the Stadium in the manner of Comparable Properties.

8.9.1 Booking. The booking policies and procedures governing the Stadium will be subject to the mutual approval of City and Club and will be drafted and implemented with the goal of maximizing the use of the Stadium, consistent with the sound operation and maintenance of the Stadium in the manner of Comparable Properties; *provided, however*, Club will have the first priority with respect to booking Club Events at the Stadium. Such booking policies shall include, requirements for adequate liability and worker's compensation insurance naming Club and City as additional insureds, damage repair bonds, and similar requirements for users of the Stadium. City will have the right to request Club or a third-Person to act as the booking agent for the Stadium to book events that are not Prohibited Uses (other than Community Events which are covered by Section 23.17 below) at the Stadium ("**Other Events**"), which will generally be for-profit events which are Permitted Uses under the Lease. Any user of the Stadium for an Other Event must sign a Use Agreement with Club with regard to such Other Event. Club shall be responsible for staffing the Stadium and providing all services necessary to the holding of such Other Events. Club may charge a fee for the use of the Stadium for Other Events and for payment of overhead, expenses and costs related to the holding of such Other Events all pursuant to a rate card provided annually to the City by Club and Approved by City, such Approval not to be unreasonably withheld ("**Rate Card**"). Subject to the terms of Section 8.10, all agreements with vendors, suppliers, sponsors, concessionaires and advertisers shall remain in effect with respect to all of the Other Events, as will all policies established by Club for the Stadium including those regarding crowd control, maintenance, ticketing, access, building operations, broadcasting and operational matters.

8.9.2 Revenues. Club shall be entitled to all revenues related to Club Events subject to the terms of Section 5.4 and Section 23.16 hereof. Club shall have the right to be a user of the Stadium for Other Events.

8.10 Advertising. Club shall have the sole and exclusive advertising privileges on the interior and exterior of the Stadium, including billboard and program advertising, which advertising shall remain in place and not be disturbed (other than as described below) during Other Events and Community Events, and all revenue derived therefrom shall be retained by or paid to Club. Club acknowledges that City and other users of the Stadium shall have advertising privileges for Other Events and Community Events, including use of the electronic scoreboards, which advertising shall be temporary in nature, and all revenues derived therefrom shall be

retained by or paid to City or such other users. In addition, City shall have the right to turn off or cover certain signage during Other Events or Community Events in which advertising is prohibited by applicable law. Other than as set forth in the immediately preceding sentence, unless otherwise agreed to by Club in writing prior to an Other Event or Community Event, which agreement shall not be unreasonably withheld or delayed, City shall not have the right to turn off or cover any signage during Other Events or Community Events. Such agreement by Club for any Other Event or Community Event shall not provide a waiver of Club's rights regarding future Other Events or Community Event. City shall have the non-exclusive right to require certain public service announcements be made during Club Events, at no charge, upon the agreement of Club, which agreement shall not be unreasonably withheld; *provided* that such public service announcements are limited to no more than three (3) per Club Event. There shall be no permanent or temporary advertising located or displayed on the Marquee Sign, and no off-site events shall be displayed or advertised on the Marquee Sign.

ARTICLE IX

IMPOSITIONS; NET LEASE

9.1 Taxes and Assessments

9.1.1 Impositions. City and Club intend that the Land, the Stadium, the Offsite Parking Area, and the Leasehold Estate of Club hereunder (for so long as the Stadium and the Offsite Parking Area are owned by City or other Governmental Authority) presently are and shall continue to be exempt from Property Taxes as exempt properties under the applicable provisions of the Texas Constitution, the Texas Tax Code, and other Applicable Laws. Club is authorized to assert, insist upon, continue, and restate this joint intent in any agency, forum, or court having jurisdiction and at which the question may arise or be presented, and City, at the request of Club, shall jointly take and pursue such lawful actions with Club, including, if necessary, judicial actions, as may be available and appropriate, to protect and defend the Stadium, the Offsite Parking Area and the leasehold interest of Club therein against the levy, assessment or collection of Property Taxes by any Governmental Authority asserting the power to levy, assess, and collect such taxes under Applicable Law. In the event that Property Taxes are assessed against the Land, the Stadium, the Offsite Parking Area or the Leasehold Estate of Club hereunder, then Club shall pay such Property Taxes before they become delinquent, subject to Club's right of contest as provided in this Lease, and the aggregate amount of such Property Taxes owing and paid to City as a governmental taxing entity, but not to other taxing jurisdictions, throughout the Term shall be promptly refunded by City to Club.

9.1.2 Payment of Impositions.

(a) Throughout the Term, Club shall pay, or cause to be paid, all such Impositions directly to the taxing authority or other payee therefor. Such payment shall be completed prior to the date on which Impositions would become delinquent, subject to Section 9.2 below. If any Impositions legally may be paid in installments prior to delinquency, whether or not interest shall accrue on the unpaid balance thereof, Club shall have the option to pay such Impositions in installments, and Club shall be obligated to pay only such installments or portions thereof as shall be properly allocated to periods

within the Term. Club shall furnish to City, promptly upon receipt thereof, copies of all notices of Property Taxes. Within sixty (60) days after payment by Club of such Property Taxes, Club shall deliver to City reasonable evidence of the payment thereof. Other than with respect to Property Taxes, Club shall be obligated to provide evidence of the payment of Impositions only when specifically requested to do so by City, at any time and from time to time, and then only as to Impositions that have been paid, are payable or for which notice for the payment thereof has been received within the twenty-four (24) months prior to the date of City's request.

(b) Notwithstanding anything to the contrary herein, (a) all Impositions with respect to the fiscal year or tax year in which the Lease Commencement Date occurs shall be apportioned so that Club shall pay only the portion of the Impositions that is applicable to the period after the Lease Commencement Date and (b) all Impositions for the fiscal year or tax year in which the Lease Expiration Date occurs shall be apportioned so that Club shall pay only the portion of such Impositions that are attributable to the period prior to the Lease Expiration Date

9.2 Club's Right to Contest Impositions.

9.2.1 Notice. Club shall have the right in its own name, and at its sole cost and expense, to contest the validity or amount, in whole or in part, of any Impositions, by appropriate proceedings timely instituted in accordance with any protest procedures permitted by applicable Governmental Authority (a "**Tax Proceeding**"); *provided* Club gives City at least thirty (30) days prior notice of its intention to contest and diligently prosecute such contest by a Tax Proceeding and at all times effectively stays or prevents any non-judicial or judicial sale of any part of the Stadium or the Leasehold Estate created by this Lease or any interest of City in any of the foregoing, by reason of non-payment of any Impositions. Club shall diligently pursue all such Tax Proceedings in good faith. Further, Club shall, incident to any such Tax Proceeding, provide such bond or other security as may be required by the applicable Governmental Authority. Club shall indemnify, defend, and hold City harmless from any and all such Impositions and all Claims, costs, fees, and expense related to any such Impositions or Tax Proceeding, including any and all penalties and interest, and Club shall promptly pay any valid final adjudication enforcing any Impositions and shall cause any such final adjudication to be timely satisfied prior to any time period within which any non-judicial or judicial sale could occur to collect any such Impositions.

9.2.2 Payment. Upon the entry of any determination, ruling or judgment in any Tax Proceedings, it shall be the obligation of Club to pay the amount of such Imposition or part thereof, as is finally determined in such Tax Proceedings, the payment of which may have been deferred during the prosecution thereof, together with any Claims, costs, fees, interest, penalties, charges or other liabilities in connection therewith. Nothing herein contained, however, shall be construed so as to allow such Imposition to remain unpaid for such length of time as shall permit the Stadium, the Offsite Parking Area or the Leasehold Estate, or any part thereof, to be sold or taken by any Governmental Authority for the non-payment of any Imposition. Club shall promptly furnish City with copies of all notices, filings and pleadings in all such Tax Proceedings. If City chooses to participate in any such Tax Proceedings, then City shall have the right, at its expense, to participate therein.

9.2.3 Reduction of Assessed Valuation. Club at its expense may, if it shall so desire, endeavor at any time or times to obtain a reduction in assessed valuation of the Stadium for the purpose of reducing Impositions thereon. Club shall be authorized to collect any tax refund payable as a result of any proceeding Club may institute for any such reduction in assessed value and any such tax refund shall be the property of Club (unless the same was paid by City and not reimbursed by Club).

9.2.4 Rendition. Club is obligated to notify each Governmental Authority imposing Impositions that all certificates, advices, bills or statements regarding Impositions should be sent directly to Club. City hereby grants and gives permission to Club to render the Stadium from time to time during the Term.

9.2.5 Joinder of City not Required. City shall not be required to join in any Tax Proceeding or other Action or Proceeding referred to in this Section 9.2 unless required by Applicable Law in order to make such Action or Proceeding effective, in which event any such Action or Proceeding may be taken by Club in the name of but without expense to City, and **CLUB HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD CITY HARMLESS FROM ALL COSTS, FEES, EXPENSES, CLAIMS, LOSSES OR DAMAGES BY REASON OF, IN CONNECTION WITH, OR IN ACCOUNT OF, GROWING OUT OF, RESULTING FROM, ANY SUCH ACTION OR PROCEEDING.** To the extent such cooperation is required by applicable Governmental Authority for such Tax Proceeding, City shall cooperate in any such Tax Proceeding as reasonably requested by Club, at Club's sole cost and expense, whether or not City is joined pursuant thereto, and City agrees to take no action that would be materially adverse to Club in any such Tax Proceeding where Club seeks to reduce its obligation to pay Impositions.

9.2.6 Prima Facie Evidence. The certificate, advice, bill or statement issued or given by any Governmental Authority authorized by law to issue the same or to receive payment of an Imposition shall be prima facie evidence of the existence, non-payment or amount of such Imposition.

9.3 Failure of Club to Pay Impositions. Notwithstanding anything to the contrary contained in this Lease and except as provided in Section 9.2 above, in the event Club fails to pay any Imposition payable by Club pursuant to the provisions of this Lease before the date the same becomes delinquent, City may, after giving Club ten (10) days' notice of its intention to do so, pay or cause to be paid any such Imposition which is delinquent and Club shall, within thirty (30) days following City's demand and notice, pay and reimburse City therefor with interest at the Default Rate from the date of payment by City until repayment in full by Club.

9.4 Net Lease.

9.4.1 No City Obligations. Except for costs that City has specifically agreed to pay pursuant to the express terms of this Lease, (i) City shall not be required to make any expenditure, incur any obligation or incur any liability of any kind whatsoever in connection with this Lease, the Stadium, the Offsite Parking Area or any Impositions and (ii) it is expressly understood and agreed that this is a completely net lease intended to assure City the Rent herein reserved on an absolutely net basis, except as otherwise provided in this Lease.

9.4.2 Club's Obligations for Payment of Rent; No Termination. Except as otherwise expressly provided in this Lease, no happening, event, occurrence or situation during the Term, whether foreseen or unforeseen and howsoever extraordinary or beyond the contemplation of the Parties, shall relieve Club from its liability to pay Rent or the amounts of any other of its obligations under this Lease or permit Club to terminate this Lease.

ARTICLE X

REPAIRS AND MAINTENANCE; UTILITIES

10.1 Repairs and Maintenance

10.1.1 Club's Obligation. Club shall, throughout the Term, at its own expense and at no cost or expense to City (except as expressly set forth in this Section 10.1.1), and in compliance with Applicable Laws, do the following (collectively, the "**Maintenance and Repair Work**"):

(a) Perform all Maintenance and otherwise keep and maintain, or cause to be kept and maintained, (1) the Stadium and all Personal Property located within the Stadium in good repair, order and condition so that the Stadium may be operated in accordance with the Operating Standard, but in all events in a manner consistent with manufacturers' recommendations, the applicable Insurance Covenant and as reasonably necessary to avoid or repair waste or structural damage to any of the foregoing and in compliance with Applicable Laws; and (2) the Offsite Parking Area in good repair, order and condition so that the Offsite Parking Area may be operated in accordance with the operating and maintenance standards for Offsite Parking Area at Comparable Properties (the "**Offsite Parking Area Operating Standard**"), but in all events in a manner consistent with the Insurance Covenant and as reasonably necessary to avoid or repair waste or structural damage and in compliance with Applicable Laws;

(b) Promptly make, or cause to be made, all reasonably necessary repairs, interior and exterior, structural and non-structural, foreseen as well as unforeseen, to the Stadium and the Offsite Parking Area, including those which constitute Capital Repairs, to keep the foregoing clean, in good working repair, order and condition so that that the Stadium may be operated in accordance with the Operating Standard, the Offsite Parking Area may be operated in accordance with the Offsite Parking Area Operating Standard and so that both the Stadium and the Offsite Parking Area may be operated in compliance with all Applicable Laws. Notwithstanding the foregoing or anything else in this Lease to the contrary, City shall be responsible for two-thirds of the cost and Club shall be responsible for one-third of the cost of any repair and replacement at the Stadium or the Offsite Parking Area caused by requirements of the American With Disabilities Act of 1990, as amended from time to time, that were not in effect as of the Execution Date of the Development Agreement; and

(c) Perform all alterations, upgrades, improvements, renovations or refurbishments to the Stadium and the Offsite Parking Area, including Capital Repairs,

necessary to keep the Stadium in a first class condition consistent with the standards of Comparable Properties.

This Section 10.1 shall not apply to any damage or destruction by fire or other Casualty within the scope of Section 14.4 in the event Club is entitled to, and timely makes the election permitted under Section 14.4 to, terminate this Lease. Further, this Section 10.1 shall not apply to any damage caused by any Condemnation Action within the scope of Section 16.1.1 in the event Club is entitled to, and timely makes the election permitted under Section 16.1.1 to, terminate this Lease. Notwithstanding anything to the contrary contained in this Section 10.1.1 or elsewhere in this Lease, City agrees to reimburse Club for all reasonable costs and expenses incurred by Club for any Maintenance and Repair Work which directly results from City's negligence or willful misconduct; *provided, however*, that City shall not have any such obligation to reimburse Club with respect to any Maintenance and Repair Work necessitated by ordinary wear and tear. Further, notwithstanding anything to the contrary contained in this Lease, Club shall have no obligation with respect to any Capital Repairs to the Stadium required during the last ninety (90) months of the Term if the estimated useful life of the applicable component of the Stadium once repaired or replaced, as the case may be, will extend beyond the then remainder of the Term unless City makes sufficient funds available to Club to pay for that portion of such Capital Expenses equal to the percent after the expiration of the Term of the useful life of the applicable component once repaired or replaced times the Capital Expense of such repair or replacement (any such funds made available to Club pursuant to this clause being herein referred to as "**City's Improved Item Contribution**").

10.1.2 Standards Required for Maintenance and Repair Work. The necessity for and adequacy of Maintenance and Repair Work pursuant to Section 10.1.1 shall be measured by the Operating Standard and the Offsite Parking Area Operating Standard, as applicable, provided that Club shall perform, or cause to be performed, all Maintenance and Repair Work also in accordance with ARTICLE XI and ARTICLE XV.

10.1.3 No Services Provided by City. City shall not be required to furnish any services or facilities or to perform any maintenance, repair or alterations (including Maintenance and Repair Work) in or to the Stadium or the Offsite Parking Area other than as expressly required under the terms of this Lease. Club hereby assumes the full and sole responsibility (subject to the express terms of this Lease granting rights to City with regard thereto) for the condition, operation, security, repair, replacement, maintenance and management of the Stadium and the Offsite Parking Area during the Term.

10.1.4 City's Right to Repair and Maintain. In the event Club fails (a) to commence within a period of thirty (30) days after notice from City to perform any Maintenance and Repair Work, Casualty Repair Work or Condemnation Repair Work required under the provisions of this Lease or (b) diligently to continue to complete any Maintenance and Repair Work, Casualty Repair Work or Condemnation Repair Work required to be performed under this Lease, City may, at its option, and in addition to any other remedies which may be available to it under this Lease, enter, or cause its authorized representatives to enter, the Stadium and the Offsite Parking Area and perform such Maintenance and Capital Repair Work, Casualty Repair Work and Condemnation Repair Work, such entry to be as reasonably necessary therefor. Club shall, within thirty (30) days following City's demand and notice, pay and reimburse City for the

reasonable costs of such Maintenance and Repair Work, Casualty Repair Work or Condemnation Repair Work (but excluding such portions that constitutes City's Improved Item Contribution), together with interest at the Default Rate from the date such costs were paid by City until repayment in full by Club. This Section 10.1.4 shall in no way affect or alter Club's obligations for Maintenance and Repair Work under Section 10.1.1 and Section 10.1.2, Casualty Repair Work under ARTICLE XIV or Condemnation Repair Work under ARTICLE XVI and shall not impose or be construed to impose upon City any obligation for such Maintenance and Repair Work, Casualty Repair Work or Condemnation Repair Work. Any Maintenance and Repair Work, Casualty Repair Work or Condemnation Repair Work performed by or on behalf of City pursuant to this Section 10.1.4 shall be prosecuted with due diligence and completed with all reasonable dispatch and constructed in a good and workmanlike manner in accordance with standard construction practice of improvements similar to Improvements in question. City may access the Capital Fund to the extent necessary should City undertake Capital Repairs that are otherwise the responsibility of the Club under this Lease.

10.1.5 Capital Fund.

(a) **Capital Fund.** City and Club shall make, or cause to be made, out of the Stadium Budget an initial deposit into the Capital Fund in an amount equal to Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00), without offset or deduction. Should the balance of the Capital Fund fall below Two Hundred Fifty Thousand and No/100 Dollars at any time during the Term, then Club shall pay into the Capital Fund, without offset or deduction, the sum of 50/100 Dollars (\$0.50) per person attending Club Events, annually, on the Participation Rent Payment Date (the "**Capital Fund Deposits**") until the amount therein is again equal to Two Hundred Fifty Thousand and No/100 Dollars. The Capital Fund shall be applied exclusively to fund Capital Expenses. The distribution of funds out of the Capital Fund for Capital Expenses incurred by Club shall not constitute or be deemed to constitute (i) an Approval or acceptance by City of the relevant Capital Repairs or (ii) a representation or indemnity by City to Club or any other Person regarding any such Capital Repairs. Further, notwithstanding anything in this Lease to the contrary, Club's financial responsibility with respect to Capital Repairs and Capital Expenses shall not be limited to the amount of funds in the Capital Fund. Any balance in the Capital Fund on the Lease Expiration Date shall belong to City and may be withdrawn by City upon the request of a Responsible Officer of City.

(b) **Capital Fund Custodian.** The Capital Fund Custodian shall maintain the Capital Fund on behalf of Club and City. The amounts available in the Capital Fund from time to time shall be invested in Permitted Investments designated by Club (provided there is no uncured Club Default) and all earnings and interest thereon shall accrue to the Capital Fund and be available as part of the Capital Fund. The Capital Fund shall not be pledged for any purpose and may be used only for the purposes provided in this Lease.

(c) **Club's Access to the Capital Fund.** Subject to all of the provisions and limitations set forth in this Section 10.1.5, from time to time during the Term, Club may withdraw funds available in the Capital Fund but only for the purpose of paying or reimbursing itself for Capital Expenses. To withdraw funds from the Capital Fund, a

Responsible Officer of Club must execute and deliver to City and the Capital Fund Custodian a certificate ("**Certificate**") requesting withdrawal of an amount from the Capital Fund to either (i) reimburse Club for Capital Expenses incurred by Club as described in the Certificate or (ii) disburse all or a portion of such amount to the third Persons specified in the Certificate to pay those third Persons for Capital Expenses for which Club has liability. Each Certificate shall include (w) a statement certified by a Responsible Officer of Club that the particular Capital Expenses covered by the Certificate (1) have been or will be completed in compliance with the terms of this Lease, (2) have been Approved by City or are Capital Expenses that are not subject to City's prior Approval rights as described in Section (d) below, (3) have not been previously reimbursed or paid out of the Capital Fund as of the date of the Certificate and (4) have been incurred for Capital Repairs and (x) such invoices, purchase orders, bills of sale or other documents that reasonably evidence Club's incurrence of such expenses and completion or undertaking to complete such Capital Repairs. Absent manifest error, upon receipt of a Certificate, the Capital Fund Custodian shall promptly (and in no event more than ten (10) Business Days after receipt of such Certificate) withdraw from the Capital Fund the amount specified in such Certificate and disburse such amount to (y) Club to reimburse Club for the amount of Capital Expenses incurred by Club as specified in such Certificate or (z) the third Persons specified in such Certificate to pay such third Persons the amounts specified in such Certificate. Notwithstanding anything to the contrary contained in this Section 10.1.5 in the event Club submits a Certificate under this Section 10.1.5 and an uncured Club Default shall then exist, City shall not be obligated to draw against the Capital Fund for the funds requested or otherwise reimburse Club unless and until such uncured Club Default is cured or otherwise resolved. City and Club intend for the procedure described in this Section 10.1.5 to be ministerial in nature so that Club may receive prompt reimbursement and payment of expenses described in this Section 10.1.5 incurred by Club or for which the Club has liability. In the event any Certificate submitted by Club under this Section 10.1.5 does not include documents that reasonably evidence Club's completion of the Capital Repairs covered by such Certificate, Club shall provide City with such documents within thirty (30) days after the completion of such Capital Repairs.

(d) **City Approval Rights.** City's prior Approval of Capital Expenses shall be required prior to Club's withdrawal of funds from the Capital Fund, except for the following:

(i) Capital Expenses relating to a Capital Repair required by applicable Governmental Rules, which requirement is evidenced by a notice of violation or other evidence from any Governmental Authority;

(ii) Capital Expenses less than \$50,000.00 for any one project or a series of projects that reasonably constitutes a single project;

(iii) Capital Expenses relating to Capital Repairs required to be performed in accordance with a schedule of required Capital Repairs for any component, system or equipment of the Stadium, such schedule being

recommended in writing by the manufacturer, supplier or installer of such component, system or equipment; or

(iv) Capital Expenses relating to Capital Repairs undertaken to address an Emergency.

(e) **Verification of Capital Expenses.** Within ninety (90) days after the end of each Lease Year, Club shall furnish to City a certificate of a Responsible Officer of Club, setting forth, all Club's withdrawals or transfers from the Capital Fund, how the proceeds were applied, and all Capital Expenses incurred by Club during that Lease Year in excess of the aggregate of all such withdrawals. City may, at its expense engage an accounting firm to verify the accuracy of the certificate by reviewing the portion of Club's books and records that are necessary to verify the accuracy of the certificate. After the review, the accountants will deliver their report to City and Club (ii) advising whether there were any errors in the certificate and what adjustments should be made to correct the errors. Within ten (10) days after delivery of the report, Club shall deposit such amount (or, if applicable, deliver to City notice that the excess of Capital Expenses over the aggregate withdrawals made by Club, as described above, has been reduced by such amount). If the amount finally determined to be owed by Club exceeds \$25,000), Club shall reimburse City for the reasonable costs of such accountants' review.

10.1.6 Warranty Claims. City shall ensure that all contracts executed by City in connection with design and construction of the Stadium shall provide for the assignment of all warranties thereunder to Club and give Club the independent right to enforce the same. City and Club shall cooperate with each other in prosecuting any and all warranty and similar claims, at Club's sole cost and expense, under any and all contracts or other agreements with third parties for the design or construction of the Stadium and the Offsite Parking Area (each a "**Warranty Claim**"). For matters regarding the design and construction of the Stadium or the Offsite Parking Area not covered by Warranty Claims, City will cooperate with Club in the prosecution of such matters at Club's cost and expense.

10.1.7 Parking Fees. City and Club agree that Club shall be entitled to charge, and retain all of the revenue from, a parking fee for parking at the Stadium and the Offsite Parking Area for all events at the Stadium (other than Community Events); *provided* that such parking fees are similar to such fees charged at Comparable Properties.

10.2 Utilities.

10.2.1 Utility Costs. City shall not be obligated to furnish or pay for any utilities for the Stadium and the Offsite Parking Area. Club shall, at Club's sole cost and expense, subject to the obligations of the applicable utility provider, maintain and repair all water pipes, conduits, electric lines, gas pipes, steam pipes and other transmission facilities in, on or servicing the Stadium or the Offsite Parking Area during the Term, *provided* that to the extent the same are not located in or on the Stadium or the Offsite Parking Area, the obligation of Club shall be only to maintain such pipes, conduits, lines or other facilities to the connection points located to the point immediately adjacent to the Stadium building. Club shall pay, or cause to be paid, for all water used in the Stadium or the Offsite Parking Area and all rents or charges imposed for water

used, and for any sewage charge or assessment, whether imposed by meter or otherwise. Club shall comply with all water conservation measures required by applicable Governmental Rule. Club shall also pay, or cause to be paid, for all gas, electricity, fuel and other utilities used or consumed to heat, cool, light, illuminate or otherwise power the Stadium or the Offsite Parking Area and outside lighting and signs, if any, for the Stadium or the Offsite Parking Area on or surrounding the Stadium or the Offsite Parking Area (excluding costs of municipal street lighting) or otherwise delivered thereto. No interruption or malfunction of any utility services (other than one caused by an action by City) shall constitute an eviction or disturbance of Club's possession of the Stadium or the Offsite Parking Area or a breach of the covenant of quiet enjoyment, and no such interruption or malfunction shall result in any abatement or reduction in the Rent.

10.2.2 Utility Upgrade and Extension Costs. Club shall cause the necessary mains, conduits and other facilities to be provided and maintained (from and within the property lines of the Stadium or the Offsite Parking Area, as applicable, and beyond to the connection with the supplying utility in the streets immediately adjacent to the Stadium or the Offsite Parking Area, as applicable) to supply any additional volume or type of utility services required in connection with Additional Work or otherwise, and Club shall, at its sole cost and expense, subject to the obligations of the applicable utility provider, maintain and repair such additional or other utility service facilities in, on or servicing only the Stadium or the Offsite Parking Area during the Term, *provided* that to the extent the same are not located in or on the Stadium or the Offsite Parking Area, the obligation of Club shall be only to maintain such pipes, conduits, lines or other facilities to the connection points located in the streets immediately adjacent to the Stadium or the Offsite Parking Area. Club shall pay, or cause to be paid, rents, charges and fees imposed for use of such additional volume or type of utility services. "**Utility Upgrade and Extension Costs**" shall mean the total of all costs, expenses, rents, charges and fees arising under this **Section 10.2.2**. No interruption or malfunction of any additional volume or type of utility services shall constitute an eviction or disturbance of Club's possession of the Stadium or the Offsite Parking Area or a breach of the covenant of quiet enjoyment, and no such interruption or malfunction shall result in any abatement or reduction in the Rent unless such interruption is caused by the willful misconduct of City.

ARTICLE XI

OWNERSHIP OF IMPROVEMENTS AND CLUB'S PERSONAL PROPERTY; ADDITIONAL WORK

11.1 Title to the Improvements.

11.1.1 During the Term; Upon Termination of the Term. Title to all of the Improvements constructed on the Land and at the Offsite Parking Area shall be and remain in City for and during the Term. Notwithstanding anything herein to the contrary, Club shall, to the extent provided in **Section 18.2**, remove and retain title to any or all Club's Personal Property located at the Stadium or the Offsite Parking Area. Although the provisions hereof are intended to be self-executing, Club hereby agrees, upon the request of City, to execute any further deed, bill of sale or other document reasonably requested by City to confirm City's ownership of and fee simple title to the Stadium free and clear of all rights, titles and interests of any Persons

claiming by, through or under Club and Club's grant and conveyance thereof to City hereby made.

11.1.2 Waste; Sale or Disposal of Club's Personal Property or Personal Property.

(a) Club shall neither do nor permit nor suffer any waste to or upon the Stadium.

(b) Provided that no Club Default then exists, Club shall have the right, at any time and from time to time, to sell, dispose of or replace any of the Club's Personal Property located at the Stadium and the Offsite Parking Area; *provided, however*, that if such Club's Personal Property are necessary for operation of the Stadium or the Offsite Parking Area pursuant to the Operating Standard or the Offsite Parking Area Operating Standard, as applicable, Club shall then, or prior thereto or as reasonably necessary thereafter, replace or substitute (i) such Club's Personal Property with property not necessarily of the same character but capable of performing the same function as that performed by the Club's Personal Property and (ii) such Club's Personal Property with property with the same or better quality and just as suitable for its intended purpose.

(c) Provided that no Club Default then exists, Club shall have the right, at any time and from time to time, to sell, dispose of or replace any Physically Obsolete or Functionally Obsolete Personal Property located at the Stadium or the Offsite Parking Area and deliver to City the proceeds thereof; *provided, however*, that if such Personal Property is necessary for operation of the Stadium or the Offsite Parking Area pursuant to the Operating Standard or the Offsite Parking Area Operating Standard, as applicable, Club shall then, or prior thereto or as reasonably necessary thereafter, replace or substitute (and apply to the cost thereof any proceeds received from the sale or disposal of such Physically Obsolete or Functionally Obsolete Personal Property) (i) such Personal Property with property not necessarily of the same character but capable of performing the same function as that performed by the Personal Property and (ii) such Personal Property with property with the same or better quality and just as suitable for its intended purpose, and title to such substitute Personal Property shall vest in City subject only to this Lease and any encumbrances arising by, through or under City.

11.2 Alterations and Additional Work. For purposes of this Lease, "**Additional Work**" collectively shall refer to (i) construction or installation of any additional or replacement Improvements and changes and alterations in, to or of the Stadium or the Offsite Parking Area under this Section 11.2, (ii) any Casualty Repair Work, (iii) any Condemnation Repair Work, (iv) Club's Remedial Work or (v) any other construction, installation, repair or removal work in, to or of the Stadium or the Offsite Parking Area required or permitted to be performed pursuant to the terms of this Lease. The performance of Additional Work shall, in all cases, comply with the requirements of this Section 11.2. During the Term, the Club shall not commence any Additional Work without the Approval of the City, which Approval shall not be unreasonably withheld or delayed. In the event that the Club has requested and received Approval for such Additional Work, the same shall be done at the sole expense of the Club. All Additional Work shall, once commenced, be completed in accordance with the Approval granted by the City and

Club shall use commercially reasonable efforts to cause completion thereof to occur on or before the date for the same specified in any schedules which have been Approved in connection with the Additional Work by City Representative. During the performance of any Additional Work, Club shall keep and maintain or cause to be kept and maintained builder's "all risk" insurance covering such Additional Work, which insurance shall be written on an occurrence basis and on a replacement cost basis and name City and Club as loss payees. Club shall provide City evidence of such insurance promptly upon request therefor. Any Additional Work, when completed, shall be of such a character as not to reduce the value and utility of any Improvements below the value and utility immediately before such changes or additions and shall not weaken or impair the structural integrity of any Improvements.

11.3 Mechanics' Liens and Claims. If any Lien, whether choate or inchoate, shall be filed against City's interest in the Stadium or the Offsite Parking Area, City or any property of City by reason of any work, labor, services or materials supplied or claimed to have been supplied on or to the Stadium or the Offsite Parking Area (collectively, any "**Mechanic's Lien**") by or on behalf of Club, any Affiliate of Club or anyone claiming by, through or under Club or any Affiliate of Club, Club shall, at its sole cost and expense, after notice of the filing thereof but in no event less than thirty (30) days prior to the foreclosure of any such Mechanic's Lien, cause the same to be satisfied or discharged of record, or effectively prevent, to the reasonable satisfaction of City Representative, the enforcement or foreclosure thereof against City's interest in the Stadium or the Offsite Parking Area, City or any Property of City by injunction, payment, deposit, bond, order of court or otherwise. If Club fails to satisfy or discharge of record any such Mechanic's Lien, or effectively prevent the enforcement thereof, by the date which is thirty (30) days prior to the foreclosure thereof, then City shall have the right, but not the obligation, to satisfy or discharge such Mechanic's Lien by payment to the claimant on whose behalf it was filed, and Club shall reimburse City within fifteen (15) days after demand for all amounts paid by City (including reasonable attorneys' fees, costs and expenses), together with interest on such amounts at the Default Rate from the date such amounts are paid by City until reimbursed by Club, without regard to any defense or offset that Club has or may have had against such Mechanic's Lien claim. Club shall indemnify, defend and hold City harmless from and against any and all such Mechanic's Liens (including, all costs, expenses and liabilities, including reasonable attorneys' fees and court costs, so incurred in connection with such Mechanic's Liens). **IT IS THE INTENT OF CITY AND CLUB THAT NOTHING CONTAINED IN THIS LEASE SHALL (1) BE CONSTRUED AS A WAIVER OF CITY'S LEGAL IMMUNITY AGAINST MECHANIC'S LIENS ON ITS PROPERTY AND/OR ITS CONSTITUTIONAL AND STATUTORY RIGHTS AGAINST MECHANIC'S LIENS ON ITS PROPERTY, INCLUDING THE STADIUM AND THE OFFSITE PARKING AREA, OR (2) BE CONSTRUED AS CONSTITUTING THE EXPRESS OR IMPLIED APPROVAL OR PERMISSION OF CITY FOR THE PERFORMANCE OF ANY LABOR OR SERVICES FOR, OR THE FURNISHING OF ANY MATERIALS TO, CLUB THAT WOULD GIVE RISE TO ANY SUCH MECHANIC'S LIEN AGAINST CITY'S INTEREST IN THE STADIUM, THE OFFSITE PARKING AREA, OR ANY PROPERTY OF CITY, OR IMPOSING ANY LIABILITY ON CITY FOR ANY LABOR OR MATERIALS FURNISHED TO OR TO BE FURNISHED TO CLUB UPON CREDIT. CLUB SHALL HAVE THE RIGHT AT ALL REASONABLE TIMES DURING ANY CONSTRUCTION ACTIVITY IN THE STADIUM AND THE OFFSITE PARKING AREA TO POST AND KEEP POSTED ON THE STADIUM AND THE**

OFFSITE PARKING AREA SUCH NOTICES OF NON-RESPONSIBILITY AS CITY MAY DEEM NECESSARY FOR THE PROTECTION OF CITY, AND THE FEE OF THE STADIUM AND THE OFFSITE PARKING AREA, FROM MECHANIC'S LIENS.

ARTICLE XII

CITY'S RIGHT OF ENTRY

12.1 Access to Stadium and Offsite Parking Area by City.

Without limiting City's rights with respect to the Reservations, City shall have the right of access and entry, without charges or fees and without Notice to Club, for itself and its authorized representatives, to the Stadium and the Offsite Parking Area at all times, for the purposes of (a) assuring compliance with this Lease (including performing an Environmental Audit), (b) performing or undertaking any rights or obligations of City under this Lease and (c) showing the Stadium and the Offsite Parking Area to prospective tenants during the last eighteen (18) months of the Term; *provided, however*, that in all instances such access and entry shall be conducted in a manner so as to minimize interference with Club's use and operation of the Stadium and the Offsite Parking Area then being conducted by Club pursuant to the terms of this Lease.

ARTICLE XIII

ENVIRONMENTAL PROVISIONS

13.1 Remedial Work and Hazardous Materials. From and after the Lease Commencement Date, Club shall be responsible for performing or causing to be performed, and for paying the cost of performing, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by Applicable Law to be performed with respect to any Environmental Event at, in, on or under the Stadium and the Offsite Parking Area occurring from and after the Lease Commencement Date (**Club's Remedial Work**). City shall be responsible for performing or causing to be performed, and for paying the cost of performing, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by Applicable Law to be performed with respect to any Environmental Event at, in, on or under the Stadium or the Offsite Parking Area occurring prior to the Lease Commencement Date. (**City's Remedial Work**). Prior to undertaking any Club's Remedial Work, Club shall obtain the Approval of City Representative of the steps Club proposes to take with respect to any Club's Remedial Work and Club shall select, subject to the Approval of City Representative, an independent environmental consultant or engineer to oversee Club's Remedial Work. Regulated wastes, such as asbestos and industrial wastes shall be properly characterized, manifested and disposed of at an authorized facility. Club shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Stadium or the Offsite Parking Area; *provided, however* that Club and its Related Parties may use, store and dispose of reasonable quantities of Hazardous Materials at the Stadium as may be reasonably necessary for Club to operate from the Stadium pursuant to the terms of this Lease so long as such Hazardous Materials are commonly used, or permitted to be used, by Reasonable and Prudent Operators in

similar circumstances and are stored and disposed of in accordance with industry standards, but in all events in compliance with Environmental Laws. Upon the Lease Expiration Date, Club shall surrender the Stadium to City in the condition required by Club's Remedial Work and in compliance with Applicable Laws. During the Term, Club shall give City immediate oral and follow-up written notice within seventy-two (72) hours of any actual or threatened Environmental Event. Club shall cure such Environmental Event (provided same is the responsibility of Club to cure in accordance with the provisions of this Section 13.1) in accordance with all Environmental Laws to the reasonable satisfaction of City and any Governmental Authority and such cure shall be deemed part of Club's Remedial Work. Upon any Environmental Event, in addition to all other rights available to City under this Lease, at law or in equity, City shall have the right, but not the obligation, at its option (i) to require Club, at its sole cost and expense, to address and remedy such Environmental Event, in which event City shall have the right to Approve any actions taken by Club to address and remedy the Environmental Event or (ii) if Club has failed to commence action to address and remedy the Environmental Event within a reasonable time after notice is given to City, and such failure continues for thirty (30) days after written notice thereof from City to Club, to perform, at Club's sole cost and expense, any lawful action necessary to address and remedy the same, in which event Club shall pay the costs thereof to City, together with interest thereon at the Default Rate until paid, within ten (10) days after written demand therefor.

13.2 Club Release. WITHOUT LIMITING CLUB'S INDEMNITY OBLIGATIONS UNDER THIS LEASE, CLUB HEREBY RELEASES CITY AND ITS AFFILIATES AND RELATED PARTIES FROM AND AGAINST ANY CLAIMS, DEMANDS, ACTIONS, SUITS, CAUSES OF ACTION, DAMAGES, LIABILITIES, OBLIGATIONS, COSTS AND/OR EXPENSES THAT CLUB MAY HAVE WITH RESPECT TO THE STADIUM OR THE OFFSITE PARKING AREA AND RESULTING FROM, ARISING UNDER OR RELATED TO ANY ENVIRONMENTAL EVENT WITHIN THE SCOPE OF CLUB'S REMEDIAL WORK, INCLUDING ANY SUCH CLAIM UNDER ANY ENVIRONMENTAL LAWS, WHETHER UNDER ANY THEORY OF STRICT LIABILITY OR THAT MAY ARISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, 42 U.S.C.A. § 9601, ET. SEQ., AND THE TEXAS SOLID WASTE DISPOSAL ACT, TEXAS HEALTH AND SAFETY CODE, CHAPTER 361, AS AMENDED.

13.3 City Release. CITY HEREBY RELEASES CLUB AND ITS AFFILIATES AND RELATED PARTIES FROM AND AGAINST ANY CLAIMS, DEMANDS, ACTIONS, SUITS, CAUSES OF ACTION, DAMAGES, LIABILITIES, OBLIGATIONS, COSTS AND/OR EXPENSES THAT CITY MAY HAVE WITH RESPECT TO THE STADIUM OR THE OFFSITE PARKING AREA AND RESULTING FROM, ARISING UNDER OR RELATED TO ANY ENVIRONMENTAL EVENT WITHIN THE SCOPE OF CITY'S REMEDIAL WORK, INCLUDING ANY SUCH CLAIM UNDER ANY ENVIRONMENTAL LAWS, WHETHER UNDER ANY THEORY OF STRICT LIABILITY OR THAT MAY ARISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, 42 U.S.C.A. § 9601, ET. SEQ., AND THE TEXAS SOLID WASTE

DISPOSAL ACT, TEXAS HEALTH AND SAFETY CODE, CHAPTER 361, AS AMENDED.

ARTICLE XIV

CASUALTY DAMAGE

14.1 Damage or Destruction. If, at any time during the Term, the Stadium, the Offsite Parking Area or any part thereof shall be damaged or destroyed by Casualty, then Club shall promptly secure the area of damage or destruction to safeguard against injury to Persons or property and, within a reasonable period of time thereafter, remediate any hazard and restore the Stadium and the Offsite Parking Area to a safe condition, whether by repair or by demolition, removal of debris and screening from public view. Subject to Section 14.4, Club shall, to the extent allowed by Applicable Law, promptly commence and thereafter proceed with reasonable diligence (subject to a reasonable time allowance for the purpose of adjusting the insurance loss and subject to Excusable Club Delay) to repair, restore, replace or rebuild the Stadium and the Offsite Parking Area as nearly as practicable to a condition substantially equivalent to that existing immediately prior to such Casualty and in accordance with the terms of this Lease. Such repair, restoration, replacement or rebuilding, including temporary repairs for the protection of other property pending the completion of any such work, remediation of hazards and restoration of the Stadium and the Offsite Parking Area to a safe and presentable condition or any demolition and debris removal required are sometimes referred to in this Lease as the “Casualty Repair Work.” To the extent any Casualty Repair Work is not performed by Club’s employees, such Casualty Repair Work must be performed on an arms length basis and on commercially reasonable terms given the totality of the circumstances.

14.2 Casualty Proceeds.

14.2.1 Requirements for Disbursement when Lease is Not Terminated.

Provided that (i) no Club Default then exists and (ii) Club shall not have terminated this Lease pursuant to Section 14.4.1, insurance proceeds paid pursuant to the policies of insurance required to be carried by Club under ARTICLE XV for loss of or damage to the Stadium and the Offsite Parking Area (other than any insurance policy carried by Club in connection with business interruptions) (the “Casualty Proceeds”) shall be paid and delivered to Club to be applied to the payment of the direct and out-of-pocket costs of the Casualty Repair Work. Club shall be entitled to receive such Casualty Proceeds directly from the insurer; *provided, however*, that Club shall be required to deliver Notice to City, executed by a Responsible Officer of the Club within fifteen (15) days after Club’s receipt of such Casualty Proceeds from the insurer, stating that such Casualty Proceeds were advanced to Club by the insurer for payment of costs of Casualty Repair Work yet to be performed or that (x) such Casualty Proceeds represent amounts paid by Club for direct, out-of-pocket cost of Casualty Repair Work or which are then due and payable to contractors, subcontractors, materialmen, architects, engineers or other Persons who have rendered services or furnished materials in connection with the Casualty Repair Work, giving a reasonably detailed description of the services and materials and the several amounts so paid or then due and (y) except for the amount stated in such Notice to be due (or except for statutory or contractual retainage not yet due and payable), there is no outstanding indebtedness for such Casualty Repair Work known to the Persons signing such Notice which is then due to

Persons being paid, after due inquiry. If the Casualty Proceeds received by Club shall exceed the entire direct, out-of-pocket costs of the Casualty Repair Work, the Club shall be entitled to excess Casualty Proceeds.

14.2.2 Uninsured Losses/Policy Deductibles. As Casualty Repair Work progresses during the Term, Club shall be obligated to pay for all costs and expenses of any such Casualty Repair Work that are not covered by Casualty Proceeds or for which Casualty Proceeds are inadequate.

14.3 Abatement. In the event a Casualty occurs that materially interferes with Club's ability to operate at the Stadium and the Offsite Parking Area, as a whole, in accordance with the terms of this Lease, Base Rent will be abated during the period which commences on the date any business interruption insurance policy held by Club ceases to provide payments to Club (other than any period during which a deductible is applicable) and ends on the date the Casualty no longer materially interferes with Club's ability to conduct its business at the Stadium and the Offsite Parking Area as contemplated by this Lease.

14.4 Option to Terminate.

14.4.1 Club's Right to Terminate. In the event a Casualty occurs and it is reasonably determined by an independent contractor selected by Club and Approved by City Representative that it will take longer than one (1) year (*provided, however*, that if such Casualty occurs during the last (2) Lease Years, such period shall be one hundred eighty (180) days) from the commencement of the Casualty Repair Work to complete the Casualty Repair Work, then Club may, at its option (exercised with reasonable promptness in the circumstances, but in all events within ninety (90) days after such Casualty), terminate this Lease by satisfying each of the following which shall be conditions precedent to the effectiveness of any such termination (x) serving Notice upon City within such period setting forth Club's election to terminate this Lease as a result of such Casualty as of the end of the calendar month in which such Notice is received by City and (y) paying to City, concurrently with the service of such Notice, the Rent and other payments, including Impositions, which would otherwise have been payable up to the effective date of such termination. Upon the service of such Notice and the making of such payments within the period aforesaid, this Lease shall cease and terminate on the date specified in such Notice with the same force and effect as if such date were the date originally fixed as the Lease Expiration Date. In addition to Club's obligations under ARTICLE XVIII, Club shall thereafter be obligated to demolish and remove all debris with respect to the Stadium and the Offsite Parking Area which have been damaged by such Casualty in a manner consistent with ARTICLE XI, if City so requires. Failure by Club to terminate this Lease within the foregoing time period shall constitute an election by Club to keep this Lease in full force and effect, in which event Club shall commence to perform the Casualty Repair Work in accordance with the terms of this Lease.

14.4.2 Payment of Rent Upon Termination. With respect to any Rent or other sums payable hereunder or pursuant hereto which are to be paid to City in the event of any termination of this Lease as provided in Section 14.4.1, but which are not then capable of ascertainment, estimated amounts of such items shall be included in the aforesaid payment, and

City and Club shall make adjustments to correct any error in such estimate as and when the same become determined.

14.4.3 Excess Proceeds Upon Termination. In the event this Lease shall be terminated or the Stadium and/or Offsite Parking Area shall be razed pursuant to the provisions of Section 14.4.1, Casualty Proceeds payable with respect to demolition or debris removal shall be used for that purpose, and all of the remaining Casualty Proceeds, if any, payable in respect of such damage or destruction (the “**Excess Proceeds**”) shall be payable to City.

ARTICLE XV

INSURANCE AND INDEMNIFICATION

15.1 Indemnification.

15.1.1 Club Indemnity. Club agrees that it shall indemnify City and hold harmless City against any and all fines, suits, Claims, demands, expenses (including reasonable attorneys' fees and litigation expenses), commenced or threatened actions, losses, alleged losses, or liabilities of any nature made against or incurred by City either directly or indirectly, either in law or equity, paid, suffered or incurred as a result of negligence or willful misconduct of Club or Club employees, agents contractors or invitees, or any user of the Stadium or Offsite Parking Area authorized by Club, or due to the operation and use of the Stadium and Offsite Parking Area. This includes: any conflicts in scheduling for the Stadium and Offsite Parking Area, liabilities resulting from the sale or distribution of any product by Club, its employees and any other claims arising from the obligations and activities of Club, or its employees under or pursuant to this Lease.

15.1.2 City Indemnity. To the extent permitted by Applicable Law, City agrees that it shall indemnify Club and hold harmless Club against any and all fines, suits, Claims, demands, expenses (including reasonable attorneys' fees and litigation expenses), commenced or threatened actions, losses, alleged losses, or liabilities of any nature made against or incurred by the Club either directly or indirectly, either in law or equity, paid, suffered or incurred as a result of, and to the extent of, the negligence or willful misconduct of City or City employees, agents, contractors or invitees.

15.2 Insurance.

15.2.1 Liability Insurance. It is further agreed that Club shall obtain at its expense a Commercial General Liability Policy of Insurance which will adequately and sufficiently protect City and Club, their agents, representatives and servants from losses arising directly or indirectly from Club's and City's use of the Stadium and Offsite Parking Area. City shall be named on the insurance certificate(s) as an additional insured party. Unless otherwise agreed by City and Club, the Commercial General Liability Policy of Insurance shall include the following coverage: (i) commercial general liability, ONE MILLION DOLLARS (\$1,000,000) per occurrence, including fire, products/completed operations, broad form contractual liability, broad form property damage liability, host legal liquor liability and dram shop liability, and

XCU; (ii) FIVE THOUSAND DOLLARS (\$5,000) for medical payments per each occurrence; (iii) commercial umbrella liability policy, FIVE MILLION DOLLARS (\$5,000,000) per occurrence, FIVE MILLION DOLLARS (\$5,000,000) annual aggregate, including host legal liquor liability and dram shop liability in the umbrella policy; (iv) workers' compensation (statutory benefits coverage A) plus employers liability, in the amounts of FIVE HUNDRED THOUSAND (\$500,000) per employee per accident, FIVE HUNDRED THOUSAND (\$500,000) per employee per disease and FIVE HUNDRED THOUSAND (\$500,000) policy aggregate. Such policies shall also include business interruption coverage similar in nature to such coverages in place at Comparable Properties; so long as such business interruption coverage is available at reasonable cost. In the event that at any time City shall determine that such coverage is inadequate, then City may require additional coverage within its reasonable discretion. This clause is in no way intended to limit the liability of Club or City under this clause and its hold harmless provisions running towards City or Club, but is only to be considered as a guideline for minimum amounts of insurance that shall be carried in the amounts required herein.

15.2.2 Property Coverage (Earthquake, Flood, Fire or Catastrophe). Club shall obtain property coverage sufficient (over the time of the original Term of this Lease and any renewal option periods), to protect the Stadium, Stadium's contents and Offsite Parking Area equal to the actual cost for replacement and include flood insurance with a sublimit of \$5,000,000.00. Fire insurance and broad form extended property coverage in an amount equal to actual replacement cost shall be contained with the Property Insurance Policy, said insurance as maintained by Club, and shall include the following clauses to which the insurance carrier(s) shall agree that such policies shall not be invalidated should the insured waive in writing prior to loss any or all right of recovery against any party for losses covered by such policies. Any insurance coverage herein provided for shall be held in trust by the insurance carrier for the benefit of Club and City as loss payees only, as their respective interest may appear, and all sums thereunder shall also be held and disbursed by the insurance carrier for the purpose of paying the cost of repairing or rebuilding the Stadium and Offsite Parking Area. The property insurance policy shall also include business interruption coverage to cover twelve (12) months of Rent. In the event that at any time City shall reasonably determine that such coverage is inadequate, then City may petition Club to acquire additional coverage within its reasonable discretion. This clause is in no way intended to limit the liability of Club or City under this clause and its hold harmless provisions running towards City or Club, but is only to be considered as a guideline for minimum amounts of property insurance that shall be carried in the amounts required herein.

15.2.3 Insurance Certificates. Prior to the issuance of the use and occupancy permit, the certificates of insurance verifying the existence of the insurance coverage required in the above paragraphs shall be made available to all Parties. Such insurance shall carry an A rating from Best's Key Rating Guide or BBB from Standard and Poor's Insurance Solvency Review, as confirmed by a Dunn & Bradstreet analysis. All insurance coverage shall be written and required to protect City and Club with regard to this Lease and/or ownership of the Stadium and Offsite Parking Area, and the operation and maintenance of the Stadium and the Offsite Parking Area.

15.2.4 Waiver of Subrogation. All such insurance policies required hereunder shall include the following clauses to which the insurance carrier(s): (i) waive all rights of

subrogation against the other party with respect to losses payable under such policies; and, (ii) agree that such policies shall not be invalidated should the insured waive in writing prior to loss any or all right of recovery against any party for losses covered by such policies.

ARTICLE XVI

CONDEMNATION

16.1 Condemnation of Substantially All of the Improvements.

16.1.1 Termination Rights. If, at any time during the Term, title to the whole or Substantially All of the Improvements shall be taken in any Condemnation Action (or conveyed in lieu of any such Condemnation Action), other than for a temporary use or occupancy as described in Section 16.3 below, this Lease shall terminate (except as to Section 16.1.2, Section 16.4 and Section 16.6 hereof) and expire on the date of such taking (or conveyance) and all the Rent and other payments, including but not limited to Impositions, shall be paid to the date of such taking (or conveyance). Such termination shall not affect Club's rights to a separate recovery of an award from a Governmental Authority as a result of a Condemnation Action. With respect to any Rent or other sums payable hereunder or pursuant hereto which are to be paid to City in the event of such termination but which are not then capable of ascertainment, reasonable estimates of such items shall be made and such estimates shall be included in the aforesaid payment, and City and Club shall make adjustments to correct any error in such estimates as and when the same become determined.

16.1.2 Condemnation Awards. All Condemnation Awards payable as a result of or in connection with any taking of the whole or Substantially All of the Improvements shall be paid and distributed in accordance with the provisions of this Section 16.1.2, notwithstanding the division of the Condemnation Award by a court or condemning authority in a Condemnation Action. City shall receive the entire Condemnation Award for the Stadium and Offsite Parking Area, subject to Club's right to receive condemnation proceeds for (i) the fair market value of its possessory interest in that portion of the Stadium and Offsite Parking Area subject to the Condemnation Action (taking into account the Equity Contribution) and (ii) the contributory market value which Club's improvements in the Stadium and/or the Offsite Parking Area (improvements and trade fixtures of Club that remain the property of Club after the termination of this Lease) contribute to the market value of the parcel subject to the Condemnation Action (items (i) and (ii) and any award to the Club under Section 16.4 being collectively the "**Club's Condemnation Award**").

16.1.3 Definitions of Substantially All of the Improvements. For purposes of this ARTICLE XVI, "**Substantially All of the Improvements**" shall be deemed to have been taken if, by reason of the taking of title to or possession of the Stadium, the Offsite Parking Area or any portion thereof by Condemnation Actions, an Untenantable Condition exists or is reasonably expected to exist for longer than one (1) year.

16.2 Condemnation of Part of the Improvements. In the event of a Condemnation Action affecting less than the whole or less than Substantially All of the Improvements, the Term shall not be reduced or affected in any way, and the following provisions shall apply:

16.2.1 Application of Condemnation Awards. The Condemnation Award payable to City (including all compensation for the damages, if any, to the parts of the Stadium not so taken, that is, damages to the remainder, but excluding the value of Club's Personal Property taken or damaged and any relocation costs of Club's business) ("**City's Condemnation Award**") shall be paid to City and applied by City in the following order of priority: (a) payment of all Condemnation Expenses as provided in Section 16.2.2 and (b) paying any remainder to City. Any portion of the Condemnation Award payable to Club (including amounts Club is entitled to receive pursuant to Section 16.4 for the value of Club's Personal Property taken or damaged or for any relocation costs of Club's business) shall be paid to Club and applied by Club in the following order of priority: (i) payment of all Condemnation Expenses in excess of City's Condemnation Award and all Mechanic's Liens and any other Encumbrances caused by Club or arising out of work performed with respect to the Stadium and (ii) paying any remainder to Club.

16.2.2 Restoration of the Stadium. Following a condemnation of less than the whole or Substantially All of the Improvements during the Term, Club shall, subject to the requirements of Section 11.2 and ARTICLE XV, with reasonable diligence, commence and thereafter proceed to repair, alter and restore the remaining part of the Stadium to substantially their former condition to the extent that the same may be feasible and in accordance with the Project Plans, to the extent practicable and permitted by Applicable Laws. Such repairs, alterations or restoration, including temporary repairs for the protection of Persons or Property pending the completion of any part thereof are sometimes referred to in this ARTICLE XVI as the "**Condemnation Repair Work**". City shall be obligated to make payment, disbursement, reimbursement or contribution toward the costs of Condemnation Repair Work ("**Condemnation Expenses**") in an amount up to City's Condemnation Award. City shall make such payments or disbursements for Condemnation Expenses upon request from Club when accompanied by a certificate dated not more than fifteen (15) days prior to such request, signed by a Responsible Officer of Club and any architect, engineer or construction manager in charge of the Condemnation Repair Work selected by Club, setting forth the following:

(a) That the sum then requested either has been paid by Club or is due to contractors, subcontractors, materialmen, architects, engineers or other Persons who have rendered services or furnished materials in connection with the Condemnation Repair Work, giving a reasonably detailed description of the services and materials and the several amounts so paid or due; and

(b) That except for the amount stated in such certificate to be due (or except for statutory or contractual retainage not yet due and payable), there is no outstanding indebtedness for such Condemnation Repair Work known to the Persons signing such certificate which is then due to Persons being paid, after due inquiry.

Upon Club's compliance with the requirements of this Section 16.2.2, City shall pay or cause to be paid to Club, or the Persons named in Club's request, the respective amounts stated therein to have been paid by Club or to be due to such Persons, as the case may be, but in no event shall the aggregate amount paid or payable by City under this ARTICLE XVI exceed the amount of City's Condemnation Award. Amounts paid to Club by City under this Section 16.2 shall be held by Club in trust for the purpose of paying Condemnation Expenses

and shall be applied by Club to any such Condemnation Expenses or otherwise in accordance with the terms of this Section 16.2.2. All Condemnation Expenses in excess of City's Condemnation Award shall be paid by Club in an amount up to the Club's Condemnation Award.

16.3 Temporary Taking. If the whole or any part of the Stadium or the Offsite Parking Area or the Leasehold Estate shall be taken in Condemnation Actions for a temporary use or occupancy that does not extend to or beyond the Term, Club shall continue to pay in full the Rent, without reduction or abatement, in the manner and the time herein specified. Except to the extent that Club is prevented from doing so pursuant to the terms of the order of the condemning authority or because it is not possible as a result of such taking, Club shall continue to perform and observe all of the other covenants, agreements, terms and provisions of this Lease as though such temporary taking had not occurred. In the event of any such temporary taking, Club shall be entitled to receive the entire amount of any Condemnation Award made for such taking, whether such award is paid by way of damages, rent or otherwise, less any Condemnation Expenses paid by City.

16.4 Condemnation Proceedings. Notwithstanding any termination of this Lease, (i) Club and City each shall have the right, at its own expense, to appear in any Condemnation Action and to participate in any and all hearings, trials and appeals therein and (ii) subject to the other provisions of this ARTICLE XVI, Club shall have the right in any Condemnation Action to assert a separate claim for, and receive all Condemnation Awards for Club's Personal Property taken or damaged as a result of such Condemnation Action, and any relocation costs of Club's business as a result of such Condemnation Action. In the event of the commencement of any Condemnation Action affecting less than the whole or Substantially All of the Improvements, City and Club shall cooperate with each other in any such Condemnation Action and provide each other with such information and assistance as each shall reasonably request in connection with such Condemnation Action.

16.5 Notice of Condemnation. In the event City or Club shall receive notice of any proposed or pending Condemnation Action affecting the Stadium, the Party receiving such notice shall promptly notify the other Party hereto.

16.6 Condemnation by City. This provisions of this ARTICLE XVI for the allocation of any Condemnation Awards are not intended to be, and shall not be construed or interpreted as, any limitation on or liquidation of any claims or damages (as to either amount or type of damages) of Club against City in the event of a condemnation by City of any portion or all of the Leasehold Estate.

ARTICLE XVII

ASSIGNMENT, TRANSFER AND SUBLEASING

17.1 Assignment and Subletting. The occurrence of any one of the following events (each a "**Transfer**") without the prior written Approval of City shall not be permitted hereunder, unless such event is a Permitted Transfer:

(a) Any direct or indirect sale, assignment, transfer, sublease, license or other disposition of the Stadium, the Offsite Parking Area or the Leasehold Estate, or any right, title, interest or obligation of Club in and to the Stadium, the Offsite Parking Area or the Leasehold Estate, under this Lease, whether voluntarily, involuntarily, by operation of law or otherwise (including by way of merger or consolidation);

(b) Any mortgage, pledge, encumbrance or other hypothecation of the Stadium, the Offsite Parking Area or the Leasehold Estate or any right, title or interest of the Club in and to the Stadium, the Offsite Parking Area or the Leasehold Estate under this Lease; or

(c) Any direct or indirect issuance or transfer of any securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of any Person or any transfer of an equity or beneficial interest in any Person that directly or indirectly results in either (i) a change of the Controlling Person of Club or (ii) the creation of a Controlling Person of Club, where none existed before (either (i) or (ii) being a “**Change in Control**”) *provided, however*, if such Change of Control will result in a tenant under this Lease (1) with substantial experience in the management and operation of a professional baseball team and related stadium, (2) who can demonstrate to City reasonable financial strength to conduct such operations and (3) who owns a professional baseball team acceptable to City relating to playing of professional baseball games at the Stadium, then City shall not be entitled to unreasonably withhold its Approval to the Change of Control.

Notwithstanding the foregoing to the contrary, the following (each, a “**Permitted Transfer**”) shall not require City’s Approval under this Lease:

(x) Any Use Agreement, *provided* such Use Agreement (i) is subject and subordinate to this Lease, and to the rights of City hereunder, and shall expressly so state and (ii) is in compliance with standards of Comparable Properties operated at the Operating Standard and conforms to the Operating Standard, and *provided, further*, that any Use Agreement (and any amendments thereto) granting or permitting a sports team (professional or otherwise) the right to play its home or other games at the Stadium for a period of greater than one (1) year (including any renewals or “serial” agreements) must be Approved by City, such Approval not to be unreasonably withheld and must provide that City is a third party beneficiary thereof; and

(y) Any issuance or transfer of any securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of any Person that either (i) results in there being no Controlling Person of Club, where none existed before or (ii) does not result in a change of the Controlling Person of Club or the creation of a Controlling Person of Club where none existed before.

(z) An assignment of this Lease by Opening Day Partners, LLC to an Affiliate of Opening Day Partners, LLC that will own the Team and will use the Stadium and Offsite Parking Area under the terms of this Lease, provided that (1) the assignee assumes all the obligations of Club hereunder, and (2) Opening Day Partners, LLC and

its Affiliates and Related Parties shall own not less than fifty-one (51%) of the equity of such entity.

17.2 Transfer Under Development Agreement Required. Notwithstanding anything to the contrary contained in the Lease, Club shall not enter into a Transfer of this Lease without also entering into the same Transfer of the Development Agreement to the same entity.

17.3 Approval. The Approval of City of any proposed Transfer shall not be a waiver of any right to object to further or future proposed Transfers, and the Approval of City's of each such successive proposed Transfer must be first obtained in writing from City.

17.4 Conditions to Effectiveness of Any Transfer. Any proposed Transfer to which City's Approval is required by this ARTICLE XVII shall be void and shall confer no right upon the proposed transferee unless and until (a) such Approval of City is obtained, (b) the transferee shall have assumed in writing each and every one of the terms, covenants and provisions of Club contained in this Lease with respect to the period from and after the Transfer, by an instrument delivered to City, (c) any then existing Club Default or default by Club under the terms of this Lease for which City has given Club Notice is fully cured (it being expressly acknowledged that City may condition its Approval of any Transfer on the cure of any and all such Club Defaults or defaults by Club under the terms of this Lease for which City has given Club Notice existing at the time of such proposed Transfer) and (d) Club shall have paid to City all reasonable costs and expenses incurred by City in connection with such Transfer. Any such Transfer Approved by City shall constitute a release of any liability, existing or future, under this Lease unless otherwise expressly provided in such Approval.

17.5 Acceptance of Rent. If Club makes a Transfer in violation of the provisions of this Lease, City may collect rent from any such transferee. City may apply the net rent collected to payment of the Rent due hereunder, but no such Transfer or collection shall be deemed a waiver of any of the provisions of this ARTICLE XVII, an acceptance of the transferee or a release of Club from its obligations under this Lease.

17.6 Transfers by City. City may not effect a City Transfer to any Person (a "City Transferee") other than a Governmental Authority without Club's prior Approval, which Approval shall not be unreasonably withheld. For purposes of this Section 17.6, a "City Transfer" shall mean any sale, conveyance, assignment or other transfer by City of the Stadium or this Lease or any part thereof or interest therein by City. City shall promptly give Notice to Club advising Club of the name of any City Transferee. Any security given by Club to secure performance of Club's obligations under this Lease will be transferred by City to the successor in interest of City, and City shall thereby be discharged of any further obligation relating thereto. No Transfer by City shall materially increase any cost, expense, or obligation of Club hereunder without the prior express written Approval of Club.

17.7 No Release.

17.7.1 Club. Club shall remain fully responsible and liable for the payment of the Rent and for compliance with all of the Club's other obligations under this Lease from and after such Transfer, subject to the release provided for in Section 17.4 hereof.

17.7.2 City. No City Transfer shall relieve City from any of its obligations under this Lease for periods prior to such City Transfer, but City shall be relieved from any obligations under this Lease relating to periods on and after the date of the City Transfer in question, and Club shall look solely to City's successor in interest as to such obligations.

ARTICLE XVIII

SURRENDER OF POSSESSION; HOLDING OVER

18.1 Surrender of Possession. Club shall, on or before the Lease Expiration Date, peaceably and quietly leave, surrender and yield up to City the Stadium and the Offsite Parking Area free of subtenancies (including any Subtenants), and in a clean condition and free of debris or as otherwise provided for in this Lease, subject to the terms of ARTICLE XIV and ARTICLE XVI hereof. Upon such expiration or termination of this Lease, Club shall execute and deliver to City a recordable termination of the Leasehold Estate.

18.2 Removal of Club's Personal Property.

18.2.1 Club's Obligation to Remove. All the Club's Personal Property installed, placed or used in the operation of the Stadium throughout the Term shall be deemed to be the property of Club. All such Club's Personal Property shall be removed by Club within thirty (30) calendar days after to the Lease Expiration Date, provided that Club shall promptly repair any damage to the Stadium and the Offsite Parking Area caused by such removal.

18.2.2 City's Right to Remove. Any Club's Personal Property which shall remain in the Stadium and the Offsite Parking Area after the Lease Expiration Date may, at the option of City, be deemed to have been abandoned by Club and either may be retained by City as its Property or be disposed of, without accountability, in such manner as City Representative may determine necessary, desirable or appropriate, and Club, upon demand, shall pay the reasonable cost of such disposal, together with interest thereon at the Default Rate from the date such costs were incurred until reimbursed by Club, together with reasonable attorneys' fees, charges and costs.

18.2.3 Holding Over. In the case of any holding over or possession by Club after the Lease Expiration Date without the Approval of City, Club shall pay City rent at one hundred fifty percent (150%) of the Rent that would have been applicable during such period of time had the Lease been in effect. Further, in the event Club shall hold over beyond any date for surrender of the Stadium and the Offsite Parking Area set forth in City's written Notice demanding possession thereof, Club shall reimburse City for all actual expenses and losses incurred by City by reason of City's inability to deliver possession of the Stadium to a successor tenant, together with interest on such expenses and losses at the Default Rate from the date such expenses are incurred until reimbursed by Club, together with City's reasonable attorneys' fees, charges and costs. The acceptance of Rent under this Section 18.2.3 by City shall not constitute an extension of the Term of this Lease or afford Club any right to possession of the Stadium and the Offsite Parking Area beyond any date through which such Rent shall have been paid by Club and accepted by City. Such Rent shall be due to City for the period of such holding over, whether or not City is seeking to evict Club; and, unless City otherwise then agrees in writing,

such holding over shall be, and shall be deemed and construed to be, without the Approval of City, whether or not City has accepted any sum due pursuant to this Section 18.2.3.

ARTICLE XIX

REPRESENTATIONS, WARRANTIES AND COVENANTS

19.1 Club's Representations and Warranties. As an inducement to City to enter into this Lease, Club represents and warrants to City that notwithstanding anything herein to the contrary and as of the Execution Date:

(a) *Organization.* Club is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The business which Club carries on and which it proposes to carry on may be conducted by Club. Club is duly authorized to conduct business as a limited liability company in the State of Texas and each other jurisdiction in which the nature of its properties or its activities requires such authorization.

(b) *Authority.* The execution, delivery and performance of this Lease by Club are within Club's powers, respectively, and have been duly authorized by all necessary action of Club.

(c) *No Conflicts.* Neither the execution and delivery of this Lease nor the consummation of any of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof will contravene the organizational documents of Club nor any Applicable Laws to which Club is subject or any judgment, decree, license, order or permit applicable to Club, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of a lien upon any of the property or assets of Club pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which Club is a party or by which Club is bound, or to which Club is subject.

(d) *No Consent.* No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the execution, delivery and performance by Club of this Lease.

(e) *Valid and Binding Obligation.* This Lease is the legal, valid and binding obligation of Club, enforceable against Club in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

(f) *No Pending Litigation, Investigation or Inquiry.* There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of Club, threatened against or affecting Club, which the management of Club in good faith believe that the

outcome of which would (a) materially and adversely affect the validity or enforceability of, or the authority or ability of Club under, this Lease to perform its obligations under this Lease, or (b) have a material and adverse effect on the consolidated financial condition or results of operations of Club or on the ability of Club to conduct its business as presently conducted or as proposed or contemplated to be conducted (including the operation of the Stadium).

(g) *Conflict of Interest.* Club nor any Affiliate of Club nor any of their officers, employees or agents are officials or employees of City.

19.2 Club's Covenants. As an inducement to City to enter into this Lease, Club covenants and agrees as follows:

(a) *Applicable Laws.* At all times during the Term and in connection with any activity under this Lease or with respect to the Stadium, Club shall comply with the requirements of the Applicable Laws.

(b) *Noise and Dust.* At all times during the Term and in connection with any activity under this Lease or with respect to the Stadium and other than a result of City's exercise of its rights or obligations under this Lease, Club shall not engage in (nor permit any Subtenant to engage in) any activities on or in the Property which create dust, noise, traffic hazards or other effects, any of which unreasonably disturb the use of the public areas located on the Property; provided that during the pendency of any Construction Work in accordance with the terms of this Lease, Club's obligations with respect to the foregoing shall be limited to minimizing any dust, noise, traffic hazard or other effects that unreasonably disturb the use of the public areas located on the Property in a manner as would be undertaken by a Reasonable and Prudent Developer or Reasonable and Prudent Owner, as applicable and in all events in compliance with Applicable Laws.

(c) *Governmental Authorization.* At all times during the Term, Club shall obtain and maintain all Governmental Authorizations necessary for the use and occupancy of the Stadium and the Offsite Parking Area in accordance with the terms of this Lease.

19.3 City's Representations and Warranties. As an inducement to Club to enter into this Lease, City represents and warrants to Club that notwithstanding anything herein to the contrary and as of the Execution Date:

(a) *Organization.* City is a municipal corporation duly formed and validly existing under the laws of the State of Texas, with all necessary power and authority to enter into this Lease and to consummate the transactions herein contemplated.

(b) *Authority.* The execution, delivery and performance of this Lease by City is within City's powers, respectively, and have been duly authorized by all necessary action of City.

(c) *No Conflicts.* Neither the execution and delivery of this Lease nor the consummation of any of the transactions herein or therein contemplated nor compliance

with the terms and provisions hereof or thereof will contravene any Applicable Laws to which City is subject or any judgment, decree, license, order or permit applicable to City.

(d) *No Consent.* Upon the execution of this Lease by City, City will have caused all governmental proceedings required to be taken by or on behalf of City to authorize City to make and deliver this Lease and to perform the covenants, obligations and agreements of City hereunder.

(e) *Valid and Binding Obligation.* This Lease is the legal, valid and binding obligation of City, enforceable against City in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

(f) *No Pending Litigation, Investigation or Inquiry.* There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of City, threatened against or affecting City, which City in good faith believes that the outcome of which would (a) materially and adversely affect the validity or enforceability of, or the authority or ability of City under, this Lease to perform its obligations under this Lease, or (b) have a material and adverse effect on the consolidated financial condition or results of operations of City or on the ability of City to conduct its business as presently conducted or as proposed or contemplated to be conducted.

ARTICLE XX

DEFAULTS AND REMEDIES

20.1 Events of Default.

20.1.1 Club Default. The occurrence of any of the following shall be an “**Event of Default**” by Club or a “**Club Default**”:

(a) The failure of Club to pay any Rent when due and payable under this Lease, if such failure continues for more than ten (10) days after City gives Notice to Club that such amount was not paid when due;

(b) The failure of Club to maintain any insurance policy required under this Lease if such failure is not remedied within five (5) Business Days after City gives Notice to Club of such failure;

(c) Subject to any Down Times or Excusable Club Delay permitted pursuant to the terms of this Lease, the failure of Club to (i) cause the Stadium and the Offsite Parking Area to be operated continuously as required by this Lease within thirty (30) days after Notice from City of such failure;

(d) The failure of Club to cause the Stadium and the Offsite Parking Area to be operated in accordance with the requirements of Section 8.1 or Section 8.2 within thirty (30) days after City gives Notice to Club of such failure;

(e) Any breach by Club of the terms and provisions of ARTICLE XVII if such breach continues for more than ten (10) days after City gives Notice to Club of such breach;

(f) Any breach by the Club of the terms and provisions of Section 23.14 if such breach continues for more than ten (10) days after City gives Notice to Club of such breach.

(g) Any breach by Club of the terms and provisions of Section 8.3.7 if such breach continues for more than ten (10) days after City gives Notice to Club of such breach;

(h) Any breach by Club of the terms and provisions of Section 23.19 if such breach continues for more than ten (10) days after City gives Notice to Club of such breach;

(i) The failure of Club to keep, observe or perform any of the material terms, covenants or agreements contained in this Lease on Club's part to be kept, performed or observed (other than those referred to in clauses (a) - (h) above) if: (1) such failure is not remedied by Club within thirty (30) days after Notice from City of such default or (2) in the case of any such default which cannot with due diligence and good faith be cured within thirty (30) days, Club fails to commence to cure such default within thirty (30) days after such default, or Club fails to prosecute diligently and in good faith the cure of such default to completion within such additional period as may be reasonably required to cure such default with diligence and in good faith; it being intended that, in connection with any such default which is not susceptible of being cured with due diligence and in good faith within thirty (30) days but is otherwise reasonably susceptible of cure, the time within which Club is required to cure such default shall be extended for such additional period as may be reasonably necessary for the curing thereof with due diligence and in good faith;

(j) A "Club Default" as defined in the Development Agreement shall have occurred and remained uncured; or

(k) The (1) filing by Club of a voluntary petition in bankruptcy; (2) adjudication of Club as a bankrupt; (3) approval as properly filed by a court of competent jurisdiction of any petition or other pleading in any action seeking reorganization, rearrangement, adjustment or composition of, or in respect of Club under the United States Bankruptcy Code or any other similar state or federal law dealing with creditors' rights generally; (4) Club's assets are levied upon by virtue of a writ of court of competent jurisdiction; (5) insolvency of Club; (6) assignment by Club of all or substantially of their assets for the benefit of creditors; (7) initiation of procedures for involuntary dissolution of Club, unless within ninety (90) days after such filing, Club

causes such filing to be stayed or discharged; (8) Club ceases to do business in any manner; and (9) appointment of a receiver, trustee or other similar official for Club, or Club's property, unless within ninety (90) days after such appointment, Club causes such appointment to be stayed or discharged.

20.1.2 City Default. The occurrence of the following shall be an "**Event of Default**" by City or a "**City Default**": (a) the failure of City to pay any amount due to Club hereunder as and when due if such failure continues for more than ten (10) days after Club gives Notice to City that such amount was not paid when due; or (b) the failure of City to perform or observe any of the obligations, covenants or agreements to be performed or observed by City under this Lease within thirty (30) days (or such longer period as may be permitted in this Lease) after Notice from Club of such failure, but if such performance or observance cannot reasonably be accomplished within such thirty (30) day period (or such longer period as may be permitted in this Lease) with due diligence and good faith, then no Event of Default shall occur unless City fails to commence such performance or observance within such thirty (30) day period (or such longer period as may be permitted in this Lease) and fails to diligently and in good faith prosecute such performance or observance to conclusion within such additional period as may be reasonably required to cure such default with diligence and good faith; it being intended that, in connection with any such default which is not susceptible of being cured with due diligence and in good faith within thirty (30) days but is otherwise reasonably susceptible of cure, the time within which City is required to cure such default shall be extended for such additional period as may be reasonably necessary for the curing thereof with due diligence and in good faith.

20.2 Remedies. Subject to the provisions of this ARTICLE XX:

20.2.1 City's Remedies. Subject to this ARTICLE XX, upon the occurrence of any Club Default, City may, in its sole discretion, pursue any one or more of the following remedies, in addition to any other remedies available to City at law or in equity or as otherwise specified in this Lease, after delivery of Notice to Club:

(a) City may (but under no circumstance shall be obligated to) terminate this Lease and upon such termination City may forthwith reenter and repossess the Stadium and the Offsite Parking Area by entry, forcible entry or detainer suit or otherwise, without demand or notice of any kind and be entitled to recover, as damages under this Lease, a sum of money equal to the total of (i) the reasonable cost of recovering the Stadium, (ii) the reasonable cost of removing and storing Club's Personal Property or any other occupant's Property, (iii) the unpaid Rent and any other sums accrued hereunder at the date of termination, (iv) a sum equal to the amount, if any, by which the present value of the total Rent which would have accrued to City under this Lease for the remainder of the Term, if the terms of this Lease had been fully complied with by Club, exceeds the present value of the total fair market rental value of the Stadium and the Offsite Parking Area for the balance of the Term and (v) any increase in insurance premiums caused by the vacancy of the Stadium. In the event City shall elect to terminate this Lease, City shall at once have all the rights of reentry upon the Stadium, without becoming liable for damages or guilty of trespass.

(b) City may (but under no circumstance shall be obligated to) terminate Club's right of occupancy of all or any part of the Stadium and the Offsite Parking Area and reenter and repossess the Stadium and the Offsite Parking Area by entry, forcible entry or detainer suit or otherwise, without demand or notice of any kind to Club and without terminating this Lease, without acceptance of surrender of possession of the Stadium or the Offsite Parking Area, and without becoming liable for damages or guilty of trespass, in which event City shall make commercially reasonable efforts to relet the Stadium and the Offsite Parking Area or any part thereof for the account of Club for a period equal to or lesser or greater than the remainder of the Term on whatever terms and conditions City, in City's sole discretion, deems advisable. Club shall be liable for and shall pay to City all Rent payable by Club under this Lease plus an amount equal to (i) the reasonable cost of recovering possession of the Stadium and the Offsite Parking Area, (ii) the reasonable cost of removing and storing any of Club's or any other occupant's property left on the Stadium and the Offsite Parking Area after reentry, (iii) the cost of any increase in insurance premiums caused by the termination of possession of the Stadium and the Offsite Parking Area and (iv) the reasonable cost of any repairs, changes, alterations or additions necessary for reletting, all reduced by any sums received by City through any reletting of the Stadium and the Offsite Parking Area; *provided, however*, that in no event shall Club be entitled to any excess of any sums obtained by reletting over and above Rent provided in this Lease to be paid by Club to City. For the purpose of such reletting, City is authorized to make any repairs, changes, alterations or additions in or to the Stadium and the Offsite Parking Area that may be necessary. City may file suit to recover any sums falling due under the terms of this Section 20.2.1(b) from time to time. No reletting shall be construed as an election on the part of City to terminate this Lease unless a written notice of such intention is given to Club by City. Notwithstanding any such reletting without termination, City may at any time thereafter elect to terminate this Lease for such Club Default and exercise its rights under Section 20.1.1(a) of this Lease.

(c) City may (but under no circumstance shall be obligated to) enter upon the Stadium and the Offsite Parking Area and do whatever Club is obligated to do under the terms on this Lease, including taking all reasonable steps necessary to maintain and preserve the Stadium; and Club agrees to reimburse City on demand for any expenses which City may incur in effecting compliance with Club's obligations under this Lease (other than expenses of actually operating a business as opposed to maintenance, repair and restoration) plus interest at the Default Rate, and Club further agrees that City shall not be liable for any damages resulting to Club from such action. No action taken by City under this Section 20.2.1(c) shall relieve Club from any of its obligations under this Lease or from any consequences or liabilities arising from the failure to perform such obligations.

(d) City may exercise any and all other remedies available to City at law or in equity (to the extent not otherwise specified or listed in this Section 20.2), including enforcing specific performance of Club's (y) obligation to continuously operate the Stadium and the Offsite Parking Area in accordance with the Operating Standard and pursuant to Sections 8.1, 8.2 and 8.3 and (z) obligations under Section 8.3.7.

(e) Notwithstanding anything to the contrary in this Lease, in the event City terminates this Lease in connection with a Club Default after the Lease Commencement Date, Club shall be entitled to a credit against the damages incurred by City as a result of such Club Default in an amount equal to the Contributory Value of the Equity Contribution, provided that in the event that such damages incurred by City do not exceed the Contributory Value of the Equity Contribution, Club shall not be entitled to recover any portion of such Contributory Value of the Equity Contribution, irrespective of whether such amounts have been spent on the Project prior to the date of such termination.

20.2.2 Club's Remedies. Subject to this ARTICLE XX, upon the occurrence of any City Default, Club may, at its sole discretion, have the option to pursue any one or more of the following remedies without any Notice or demand whatsoever, other than any Notice expressly provided in this Lease:

(a) Club may terminate this Lease, whereupon the Contributory Value of the Equity Contribution shall become immediately due and payable by City to Club;

(b) If the City Default arises from the failure of the Controlling Body of City to make an Appropriation within sufficient time to fully and timely satisfy any monetary obligation of City under this Lease that is undisputed by City, Club may credit such amounts owed by City to Club against the installments of Base Rent and Participation Rent next coming due;

(c) Club may exercise any and all other remedies available to Club at law or in equity or otherwise provided in this Lease; and

(d) Club may exercise its applicable rights under Section 20.7.

20.2.3 Intentionally Deleted.

20.2.4 Cumulative Remedies. Subject to the provisions of this ARTICLE XX, each right or remedy of City and Club provided for in this Lease shall be cumulative of and shall be in addition to every other right or remedy of City or Club provided for in this Lease, and the exercise or the beginning of the exercise by City or Club of any one or more of the rights or remedies provided for in this Lease shall not preclude the simultaneous or later exercise by City or Club of any or all other rights or remedies provided for in this Lease or hereafter existing at law or in equity, by statute or otherwise.

20.3 No Indirect Damages. OTHER THAN IN CONNECTION WITH A BREACH BY CLUB OF THE TERMS OF SECTION 8.3.7 OR SECTION 23.19, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER ANY PROVISION OF THIS LEASE OR OTHERWISE FOR LOST PROFITS, INCLUDING LOST OR PROSPECTIVE PROFITS, OR FOR ANY OTHER SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, IN CONTRACT, TORT OR OTHERWISE, WHETHER OR NOT CAUSED BY OR RESULTING FROM SUCH PARTY'S OWN, SOLE OR CONCURRENT NEGLIGENCE OR THE NEGLIGENCE OF ANY OF ITS AFFILIATES OR RELATED PARTIES; PROVIDED THAT (I) THE FOREGOING SHALL

NOT APPLY TO ANY RENT (OR ANY CLAIMS THEREFOR) AND (II) WITHOUT LIMITING THE FOREGOING, THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS OF EACH PARTY ARISING OUT OF THIRD PARTY CLAIMS FOR ANY OF THE FOREGOING.

20.4 **Right to Injunction.** In addition to the remedies set forth in this ARTICLE XX, the Parties shall be entitled to seek injunctive relief prohibiting or mandating action by the other Party in connection with an Event of Default and to seek declaratory relief with respect to any matter under this Lease for which such remedy is available hereunder, at law or in equity. In connection with any such action by a Party, each Party (a) recognizes that the other Party has contributed significant capital costs to the construction of the Stadium and the Offsite Parking Area and related infrastructure, in material part in reliance on the agreements of the other Party contained in this Lease, and (b) acknowledges and agrees that monetary damages could not be calculated to compensate the other Party for any violation by such Party, its Affiliates or any Related Party of such Party of the covenants, duties and obligations contained in this Lease. Accordingly, each Party agrees that (i) the other Party may restrain or enjoin any violation as provided above in this Lease or threatened violation of any covenant, duty or obligation contained in this Lease without the necessity of posting a bond or other security and without any further showing of irreparable harm, balance of harms, consideration of the public interest or the inadequacy of monetary damages as a remedy, (ii) the administration of an order for injunctive relief would not be impracticable and, in the event of any violation of any covenant, duty or obligation contained in this Lease the balance of hardships would weigh in favor of entry of injunctive relief, (iii) the other Party may enforce any such covenant, duty or obligation contained in this Lease through specific performance, and (iv) the other Party may seek injunctive or other form of relief from a court of competent jurisdiction in order to maintain the status quo and enforce the terms of this Lease on an interim basis pending the outcome of the applicable Dispute or Controversy in connection with this Lease. Each Party further agrees and irrevocably stipulates that the rights of the other Party to injunctive relief pursuant to this Section 20.4 shall not constitute a “claim” pursuant to Section 101(5) of the United States Bankruptcy Code and shall not be subject to discharge or restraint of any nature in any bankruptcy proceeding involving such Party.

20.5 **No Waivers**

20.5.1 General. No failure or delay of any Party, in any one or more instances (i) in exercising any power, right or remedy under this Lease or (ii) in insisting upon the strict performance by the other Party of such other Party’s covenants, obligations or agreements under this Lease, shall operate as a waiver, discharge or invalidation thereof, nor shall any single or partial exercise of any such right, power or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the exercise of any other right, power or remedy. The covenants, obligations, and agreements of a defaulting Party and the rights and remedies of the other Party upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

20.5.2 No Accord and Satisfaction. Without limiting the generality of Section 20.5.1 above, the receipt by City of the Rent with knowledge of a breach by Club of any

covenant, obligation or agreement under this Lease shall not be deemed or construed to be a waiver of such breach (other than as to the Rent received). The payment by Club of the Rent with knowledge of a breach by City of any covenant, obligation or agreement under this Lease shall not be deemed or construed to be a waiver of such breach. No acceptance by City or Club of a lesser sum than then due shall be deemed to be other than on account of the earliest installment of the amounts due under this Lease, nor shall any endorsement or statement on any check, or any letter accompanying any check, wire transfer or other payment, be deemed an accord and satisfaction. City and Club may accept a check, wire transfer or other payment without prejudice to its right to recover the balance of such installment or pursue any other remedy provided in this Lease.

20.5.3 No Waiver of Termination Notice. Without limiting the effect of Section 20.6 below, the receipt by City of any Rent paid by Club after the termination in any manner of the Term, or after the giving by City of any Notice hereunder to effect such termination, shall not, except as otherwise expressly set forth in this Lease, reinstate, continue or extend the Term, or destroy, or in any manner impair the efficacy of, any such Notice of termination as may have been given hereunder by City to Club prior to the receipt of any such Rent or other consideration, unless so agreed to in writing and executed by City. Neither acceptance of the keys nor any other act or thing done by City or by its agents or employees during the Term shall be deemed to be an acceptance of a surrender of the Stadium or the Offsite Parking Area, excepting only an agreement in writing executed by City accepting or agreeing to accept such a surrender.

20.6 Effect of Termination. If City or Club elects to terminate this Lease, as provided herein (whether such termination occurs pursuant to this ARTICLE XX or any other provision hereof), this Lease shall, on the effective date of such termination, terminate with respect to all future rights and obligations of performance hereunder by the Parties (except for the rights and obligations herein that expressly are to survive termination hereof). Termination of this Lease shall not alter the then existing claims, if any, of either Party for breaches of this Lease occurring prior to such termination and the obligations of the Parties hereto with respect thereto shall survive termination.

20.7 Club's Self-Help Remedy. In the event (i) City fails to timely keep, observe or perform any of City's obligations under Section 3.2.2 of this Lease on City's part to be kept, performed or observed and (ii) such failure has a material adverse affect on Club's ability to use and operate the Stadium in accordance with the terms of this Lease, then, regardless of whether such failure has become or is a City Default (any such event, circumstance or failure by City being herein referred to as a "**City Failure**"), Club shall have the right, but not the obligation, upon the satisfaction of the requirements and conditions set forth in this Section 20.7, to take all commercially reasonable efforts and measures to remedy and cure such City Failure (such rights of Club being herein referred to as "**Club's Self-Help Rights**"). Prior to exercising Club's Self-Help Rights, Club shall deliver Notice to City of the relevant City Failure and Club's intention to exercise Club's Self-Help Rights with respect to such City Failure (a "**Club's Notice of Intent**"). Each Club's Notice of Intent shall describe, in reasonable detail, the particular City Failure for which Club intends to exercise Club's Self-Help Rights. In the event all of the following do not occur on or before twenty (20) calendar days after the date Club delivers Club's Notice of Intent to City and provided a City Failure has occurred, Club shall have the right to

exercise Club's Self-Help Rights with respect to the particular City Failure described in Club's Notice of Intent upon Club's delivery of a second Notice to City stating that the following have not occurred and that Club is exercising Club's Self-Help Rights with respect to the City Failure described in Club's Notice of Intent:

(a) City has (i) fully remedied or cured the City Failure described in Club's Notice of Intent or (ii) delivered to Club a commercially reasonable remedial plan to fully remedy and cure the City Failure described in Club's Notice of Intent in accordance with the terms of this Lease on or before the earliest reasonably possible date (a "**Remedial Plan**"); and

(b) Only if City has delivered a Remedial Plan to Club pursuant to the above clause (a), City has (i) commenced commercially reasonable efforts to fully cure and remedy the City Failure described in Club's Notice of Intent in accordance with the Remedial Plan so that such failure may be fully cured and remedied in accordance with the terms of this Lease at the earliest reasonably possible date without regard to City's access to, or the availability of, funds for same and (ii) thereafter continuously and diligently prosecutes the full cure and remedy of such City Failure.

In the event City timely delivers a Remedial Plan to Club pursuant to the above clause (a) and thereafter fails to continuously and diligently prosecute the full cure and remedy of the City Failure described in Club's Notice of Intent so that such City Failure may be fully cured and remedied at the earliest reasonably possible date, without regard to City's access to, or the availability of any funds for the same, Club shall have the right to exercise Club's Self-Help Rights with respect to the particular City Failure described in Club's Notice of Intent in question upon the delivery of a second Notice to City stating that such failure has occurred.

Notwithstanding the foregoing, in the event of an Emergency that is either created or perpetuated by City's failure to timely keep, observe or perform any of City's obligations under Section 3.2.2 of this Lease on its part to be kept, performed or observed (in such circumstance, also being a "**City Failure**" hereunder), Club's Self-Help Rights with respect to such City Failure shall not be conditioned upon satisfaction of the above requirements or conditions, except that in such circumstances Club shall (i) use reasonable efforts to notify City Representative by telephone of any such City Failure prior to Club exercising Club's Self-Help Rights with respect to the same and (ii) as soon as reasonably possible, but in no event later than ten (10) calendar days after Club commences to exercise Club's Self-Help Rights, deliver Notice to City of such City Failure and Club's exercise of Club's Self-Help Rights with respect to the same. Such Notice shall also describe, in reasonable detail, the particular City Failure and the steps Club has taken to cure or remedy the same.

ARTICLE XXI

INTENTIONALLY DELETED

ARTICLE XXII

MORTGAGES

22.1 Leasehold Mortgages Prohibited. Club shall not have the right to grant a Leasehold Mortgage.

ARTICLE XXIII

GENERAL PROVISIONS

23.1 No Broker's Fees or Commissions. Each Party hereto hereby represents to the other Party hereto that such Party has not created any liability for any broker's fee, broker's or agent's commission, finder's fee or other fee or commission in connection with this Lease.

23.2 Council Approval. Notwithstanding anything to the contrary set forth in this Lease, Club recognizes and agrees that any contracts or agreements, or amendments thereto, contemplated to be entered into by City under the terms of this Lease which are entered into after the date of this Lease will be subject to the prior Approval of the Controlling Body of City, but not Approvals and confirmations expressly permitted in this Lease to be given by City Representative.

23.3 Recording of Memorandum of Lease. Club may file of record a Memorandum of Lease in the form attached hereto as Exhibit B in the Real Property Records of Fort Bend County, Texas upon the Lease Commencement Date. Upon the Lease Expiration Date, Club shall execute such instruments reasonably requested by City in recordable form which are sufficient to release of record any rights or interests of Club in and to the Stadium or the Leasehold Estate. In this connection, Club irrevocably and unconditionally appoints City as its attorney-in-fact, coupled with an interest, which appointment shall survive the bankruptcy, insolvency or other legal disability of Club, to take all actions necessary to perform Club's obligations under this Section 23.3.

23.4 Interest on Overdue Obligations. In the event that City fails to pay Club any amount owed by City pursuant to the terms of this Lease on or before the date which is thirty (30) days after Club delivers Notice to City of such failure, then such amount shall bear interest at the Default Rate from the date due until paid. No breach of City's obligation to pay Club any amount owed by City pursuant to the terms of this Lease shall have been cured unless and until the interest accrued thereon under this Section 23.4 shall have been paid to Club. All payments shall first be applied to the payment of accrued but unpaid interest. In the event that Club fails to pay City any amount owed by Club pursuant to the terms of this Lease on or before the date which is thirty (30) days after City delivers Notice to Club of such failure, then such amount shall bear interest at the Default Rate from the date due until paid. No breach of Club's obligation to pay City any amount owed by Club pursuant to the terms of this Lease shall have

been cured unless and until the interest accrued thereon under this Section 23.4 shall have been paid to City. All payments shall first be applied to the payment of accrued but unpaid interest.

23.5 Employment of Consultants. City shall have the right, at its sole cost and expense unless otherwise expressly provided herein, to employ such consultants as City may deem necessary to assist in the review of any and all plans, specifications, reports, agreements, applications, bonds, statements and other documents and information to be supplied to City by Club under this Lease and, subject to ARTICLE XII, to perform any inspection rights on behalf of City. Club covenants and agrees to reasonably cooperate with such consultants in the same manner as Club is required to cooperate with City pursuant to the terms of this Lease.

23.6 Estoppel Certificate. Club and City shall, at any time and from time to time upon not less than ten (10) days' prior written request by the other Party, execute, acknowledge and deliver to City or Club, as the case may be, a statement in writing certifying (a) its ownership of the interest of City or Club hereunder (as the case may be), (b) that this Lease is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (c) the dates to which the Rent has been paid, and (d) that, to the best knowledge of City or Club, as the case may be, no default hereunder on the part of the other Party exists (except that if any such default does exist, the certifying Party shall specify such default).

23.7 Open Records. If any Person requests City to disclose any information of a confidential, proprietary or trade secret nature under the Texas Public Information Act (Tex. Gov't. Code Ann. Sec. 552.001 et seq.) or any equivalent or successor statute (the "**Open Records Act**") and such information is subject to, or potentially subject to, an exception under the Open Records Act, then prior to making any such disclosure and to the extent permitted under Applicable Law, City shall send Notice to Club of such request within five (5) Business Days of City's receipt of such request. Within three (3) Business Days of Club's receipt of such Notice from City, Club shall notify City in writing whether Club desires City to request a determination from the Texas Attorney General (an "**Opinion Request**") as to whether the requested information must be disclosed pursuant to the Open Records Act; *provided* that City shall only be required to comply with the foregoing to the extent that City, in good faith, believes there is a reasonable basis for claiming that the requested information is subject to an exception under the Open Records Act and the Open Records Act permits City to make an Opinion Request in the circumstance in question. Upon receipt of a request from Club for City to make an Opinion Request and provided City is required to act on same pursuant to the terms hereof, City, at Club's sole cost and expense, shall provide all commercially reasonable assistance to Club necessary to draft the Opinion Request so that it may be completed and filed within the time period prescribed by the Open Records Act. After the Opinion Request is so filed, each Party shall cooperate with each other Party in preparing appropriate responses or filings to the Texas Attorney General and to any other Person with respect to the information request and the Opinion Request, including any commercially reasonable appeals involved with respect thereto, to prevent the disclosure of such information. Each Party shall also cooperate with each other Party and use reasonable efforts to promptly identify any possible third Person whose privacy or property interests may be compromised by any such information request in order to enable City to timely furnish to any such third Person any statutory notice required by the Open Records Act and to seek any applicable exceptions from disclosure under the Open Records Act.

23.8 Intentionally Deleted.

23.9 Restrictions and Zoning. Club will not, without the prior Approval of City (or in the case of zoning variances only, the Approval of the City Representative), initiate, join in or consent to any zoning change, variance, private restrictive covenant or other public or private restriction as to the use of the Stadium or the Offsite Parking Area or any portion thereof, or any declaration, plat or other document having the effect of subjecting the Stadium to the condominium or cooperative form of ownership. Club shall, however, comply with all restrictive covenants which may at any time affect the Stadium and the Offsite Parking Area, zoning ordinances and other public or private restrictions relating to the use of the Stadium and the Offsite Parking Area.

23.10 Deleted.

23.11 Alcoholic Beverage Permits. If at any time before or during the Term, Club or any of its Subtenants, concessionaires or other users of the Stadium are denied the issuance or renewal of any permit or license required by applicable Governmental Rule in order for alcoholic beverages (including wine, beer and mixed beverages) to be sold in or upon the Stadium for consumption in or upon the Stadium, City, without cost to or liability of City, will cooperate with Club and any of its Subtenants, concessionaires or other users of the Stadium in their efforts to obtain any such permit or license for the sale of alcoholic beverages, and Club.

23.12 Assignment of License Agreements; Name of Project; Trademarks. Club hereby grants, conveys and assigns to City, effective as of the Lease Expiration Date, all license agreements, trademarks, logos and other images and intellectual property owned by Club or its Affiliates that are used to advertise or identify the Stadium and the Offsite Parking Area, including pursuant to Naming Rights, and all similar intangible rights relating to the Stadium and the Offsite Parking Area. This grant, conveyance and assignment does not include items not related to the Stadium and the Offsite Parking Area, including those relating to the Team.

23.13 Intentionally Deleted

23.14 Naming Rights. City hereby grants to Club (effective as of the Lease Commencement Date and until the Lease Expiration Date) the right to (i) name the Stadium ("**Naming Rights**"); provided, however, that the exercise by Club of the Naming Rights shall be subject to the prior written Approval of City; provided, further, that the Approval of City shall not be unreasonably withheld unless the proposed exercise of the Naming Rights (a) promotes a use of the Stadium other than a Permitted Use, (b) would reasonably cause embarrassment or disparagement to City (including, but not limited to, names containing slang, barbarisms, racial epithets, obscenities, profanity, or names relating to any tobacco, alcoholic beverages (provided, however, with respect to any alcoholic beverage containing less than five percent alcohol by weight, Club may seek the Approval of City therefor, which Approval may be withheld in City's sole and absolute discretion) or sexually-oriented business or enterprise or containing any overt political reference) or (c) includes the name of another city or Governmental Authority.

23.15 Owner Suite and Complimentary Tickets.

23.15.1 Owner Suite. Club shall enter into an agreement with City (a **“Owner Suite License Agreement”**) no later than five (5) Business Days after the Lease Commencement Date under which Club grants City a license during the Term to use a suite in the Stadium (the **“Owner Suite”**). The Owner Suite will be of a size and in a location reasonably acceptable to City. The Owner Suite will be used by City and any Affiliate of City for promotional and economic development activities and for other public and civic purposes during events at the Stadium, but shall not be subleased so as to compete with Club’s suite licensing at the Stadium. The Owner Suite License Agreement shall grant the same privileges to City, and be on the same terms and conditions, as Club or the Operator grants to the majority of third-Persons for other similarly located suites in the Stadium, except that, although City shall be obligated to pay for costs and expenses in connection with its use of the Owner Suite, including without limitation its share of food and beverage costs, service charges, telephone expenses, maintenance and repair costs and other charges imposed on the majority of suite users for services, costs and expenses (all such charges, costs and expenses being on a “cost” basis to the provider thereof), City shall not be obligated to pay (a) to acquire the Owner Suite, (b) any annual rent with respect thereto or (c) for tickets to any events in the Stadium. Further, Club shall remove the Owner Suite from the manifest for all events at the Stadium. City shall be entitled to the number of tickets to any event in the Stadium equal to the sum of the number of fixed seats and bar seats in the Owner Suite. Parking passes will be provided to City at no charge for events at the Stadium in the same proportion and on the same terms that other third Person suite holders in similarly located suites have parking rights.

23.15.2 Complimentary Tickets. Club shall, during each Lease Year, and at least seventy two (72) hours before each Club Event, provide City with two hundred (200) tickets, including tickets to handicapped accessible seating, without cost, for every Club Event scheduled at the Stadium. In the event City requests block seating greater than twenty-five (25) seats, Club shall accommodate such request, provided it receives at least two (2) weeks advance notice. In all other cases, Club shall use its best efforts to provide tickets in blocks of at least twenty-five (25) seats. All of such tickets provided to City shall be distributed by City free of charge. In no event shall tickets so provided to City be sold or subjected to a charge or fee by City. In addition, not more than once during any baseball season, Club shall accommodate a “City Employee Night” at a mutually agreeable Team home game. Club shall provide City with one thousand (1,000) tickets for such “City Employee Night,” without cost, to be distributed by City to its employees, their families and guests. In no event shall tickets so provided be sold or subjected to a charge or fee by City.

23.16 Community Uses. City, at no cost other than those expenses to be reimbursed to Club as described in this Section 23.16, shall be permitted, pursuant to Use Agreements to be entered into between Club and City (each, a **“City Use Agreement”**) on the terms set forth in this Section 23.16, but subject to the same other terms and conditions as are applicable to other Persons using the Stadium, to use (and lease out for use by others) the Stadium for charitable, educational, public or civic ceremonies, forums or other similar civic events and purposes, but not for Prohibited Uses (**“Community Uses”**) on dates reserved by City therefor, subject to the event schedule for the Stadium published from time to time (the **“City Dates”**). City may charge users of the Stadium and the Offsite Parking Area for Community Uses as City determines in its sole discretion. City or its designee shall be entitled to the parking, net ticket revenues and all other revenue, excluding concessions and merchandise sales from Club’s shops

and facilities, from Community Uses. Subject to the terms of Section 8.9, all agreements with vendors, suppliers, sponsors, concessionaires and advertisers shall remain in effect with respect to all of the City Dates, as will all policies established by Club for the Stadium including those regarding crowd control, maintenance, ticketing, access, building operations, broadcasting and operational matters. In lieu of a fee for the use of the Stadium on a City Date, City shall reimburse Club for the following expenses (all on a “cost” basis) attributable to the use of the Stadium on each City Date (each, a “Community Event”) pursuant to each City Use Agreement:

(a) direct costs of Club, including fully burdened salary expense, for set-up and breakdown for such Community Event, including floor or seating changeovers, repairs resulting from such Community Event (other than as a result of ordinary wear and tear), other costs directly related to or associated with a Community Event (including for ushers, security personnel, facility and system operators, janitorial personnel and other personnel), utility expenses and clean-up of the Stadium following such Community Event; and

(b) if tickets for a City Community Event are sold by Club and the revenues are to be retained by City or its designee as provided in this Section 23.16, the costs incurred by Club of ticket sales, including box office and ticket takers, agents or brokers expense.

The foregoing reimbursement obligation shall not apply to any of Club’s overhead costs or costs associated with Club’s operations of concessions and merchandise sales in connection with a Community Event or to any capital costs. In the event that Club determines that the expected attendance at a Community Event is such that it is not economically feasible for Club to operate food and beverage concessions at such Community Event, Club Agrees to permit the user to food and beverage at the Stadium during such Community Event and to retain the revenues therefrom. Club reserves the right to establish reasonable rules and regulations for such food and beverage concessions operations to be included in City Use Agreements.

23.17 Anti-Discrimination. In accordance with Applicable Laws, the Parties, in performing their respective obligations hereunder will not discriminate based on race, sex, religion, national or ethnic origin, age or disability. It is the intent of the Parties to encourage local participation, community involvement and diversity in the design, construction, development and management of the Stadium.

23.18 Non-Appropriation. Notwithstanding any other provision of this Lease, the City’s obligation to pay any money to Club under this Agreement is contingent upon an Appropriation of the money by City’s Controlling Body. City’s failure to make an Appropriation is not a Default under this Agreement, but Club, as its sole and exclusive remedy, may either terminate this Lease as a result thereof.

23.19 Other Houston-Area Minor League Teams and Facilities. City and Club understand and agree that having other minor league baseball teams in the Houston-area may present certain benefits to both Parties (such as creating local rivalries, for example); *provided, however*, that such additional teams are not located so as to result in a detrimental economic

effect on the Stadium and the Team. Accordingly, until the Lease Expiration Date, without prior Approval of City, which Approval shall not be unreasonably withheld, neither Club, nor any Affiliate of Club shall directly or indirectly, own, operate, lease, design, develop or construct, or assist any third Person with regard to, or solicit or entertain proposals from any third Persons with regard to, a minor league baseball stadium within a thirty (30) mile radius of the City Hall of the City of Sugar Land, Texas at its location as of the Execution Date.

ARTICLE XXIV

DELAYS AND EFFECT OF DELAYS

24.1 Excusable Club Delay. Regardless of the existence or absence of references to Excusable Club Delay elsewhere in this Lease, any deadline or time period within which Club must fulfill the obligations of Club elsewhere in this Lease shall each be adjusted as appropriate to include Excusable Club Delay Periods unless otherwise expressly provided in this Agreement to the contrary; *provided that* (i) the obligation to pay Rent as and when due pursuant to the terms of this Lease is not subject to adjustment or extension due to Excusable Club Delay and (ii) Club complies with the requirements of this ARTICLE XXIV.

With respect to each occurrence of Excusable Club Delay, Club shall, within thirty (30) days after Club's knowledge of the occurrence of such event of Excusable Club Delay, give Notice to City Representative of the event constituting Excusable Club Delay, Club's good faith estimate of the Excusable Club Delay Period resulting therefrom and the basis therefor, Club's good faith estimate of any adjustment resulting therefrom that is to be made to the time for performance, together with reasonable documentation supporting the adjustments proposed. If City Representative believes that the documentation supplied is not sufficient to justify the delay claimed or adjustments proposed, City Representative shall give Notice to Club of the claimed deficiency and Club shall have a reasonable period of time to more fully document the delay and adjustments claimed. Only one (1) Notice from Club shall be required with respect to a continuing Excusable Club Delay, except that Club shall promptly (and in no event less often than every thirty (30) days) give Notice to City Representative of any further changes in the additional time for performance claimed by reason of the continuing delay. City Representative shall have the right to challenge Club's assertion of the occurrence of an Excusable Club Delay, or Club's good faith estimate of the Excusable Club Delay Period or changes in the additional time for performance claimed by reason of the Excusable Club Delay if City Representative gives Notice to Club within thirty (30) days after receipt by City Representative of such claim of Excusable Club Delay or Notice from Club of further changes to such dates as a result of such Excusable Club Delay, as the case may be (which challenge shall be deemed to have been made if City Representative gives Notice to Club of any claimed deficiency in documentation as provided for above in this Section 24.1).

24.2 Excusable City Delay. Regardless of the existence or absence of references to Excusable City Delay elsewhere in this Lease, any deadline or time period within which City must fulfill the obligations of City in this Lease shall each be adjusted as appropriate to include Excusable City Delay Periods; *provided that* (i) the obligation to pay amounts when due pursuant to the terms of this Lease is not subject to adjustment or extension due to Excusable City Delay, and (ii) City complies with the requirements of this ARTICLE XXIV.

With respect to each occurrence of Excusable City Delay, City Representative shall, within thirty (30) days after City's knowledge of the occurrence of such event of Excusable City Delay, give Notice to Club of the event constituting Excusable City Delay, City Representative's good faith estimate of the Excusable City Delay Period resulting therefrom and the basis therefor, City Representative's good faith estimate of any adjustment resulting therefrom that is to be made in the time for performance, together with reasonable documentation supporting the adjustments proposed. If Club believes that the documentation supplied is not sufficient to justify the delay claimed or adjustment proposed, Club shall give Notice to City Representative of the claimed deficiency and City Representative shall have a reasonable period of time to more fully document the delay and adjustments claimed. Only one (1) Notice from City Representative shall be required with respect to a continuing Excusable City Delay, except that City Representative shall promptly (and in no event less often than every thirty (30) days) give Notice to Club of any further changes in the additional time for performance claimed by reason of the continuing delay. Club shall have the right to challenge City Representative's assertion of the occurrence of an Excusable City Delay, or City Representative's good faith estimate of the Excusable City Delay Period, or changes in the additional time for performance claimed by reason of Excusable City Delay if Club gives Notice to City Representative within thirty (30) days after receipt by Club of such claim of Excusable City Delay or Notice from City Representative of further changes to such dates as a result of such Excusable City Delay, as the case may be (which challenge shall be deemed to have been made if Club gives Notice to City Representative of any claimed deficiency in documentation as provided for above in this Section 24.2).

24.3 Continued Performance; Exceptions. Upon the occurrence of any Club Delay or City Delay, the Parties shall endeavor to continue to perform their obligations under this Lease so far as reasonably practicable. Toward that end, Club and City each hereby agrees that it shall make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any Club Delay or City Delay occasioned by an Excusable Club Delay or Excusable City Delay, and shall diligently and continuously use its commercially reasonable efforts to ensure resumption of performance of its obligations under this Lease after the occurrence of any Excusable Club Delay or Excusable City Delay. The Parties shall use and continue to use all commercially reasonable efforts to prevent, avoid, overcome and minimize any City Delay or Club Delay.

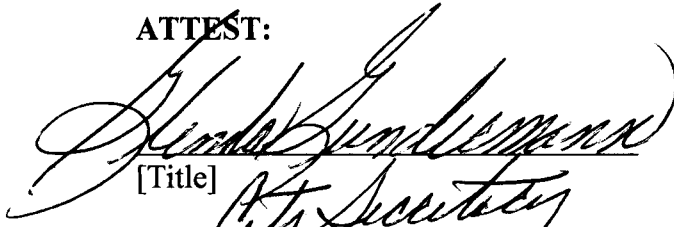
[Signature Page Follows]

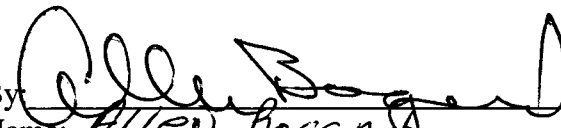
This Lease is executed to be effective for all purposes as of the Execution Date.

CITY:

CITY OF SUGAR LAND, TEXAS

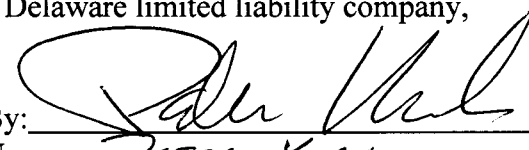
ATTEST:


[Title]
City Secretary

By: 
Name: Allen Rogers
Title: City Manager

CLUB:

OPENING DAY PARTNERS, LLC,
a Delaware limited liability company,

By: 
Name: PETER KIRK
Title: CHAIRMAN

**APPENDIX A
TO
LEASE AGREEMENT**

Rules as to Usage

The terms defined below have the meanings set forth below for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined.

(1) “Include”, “includes” and “including” shall be deemed to be followed by “, but not limited to,” whether or not they are in fact followed by such words or words of like import.

(2) “Writing”, “written” and comparable terms refer to printing, typing, and other means of reproducing in a visible form.

(3) Any agreement, instrument or Applicable Laws defined or referred to above means such agreement or instrument or Applicable Laws as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of Applicable Laws) by succession of comparable successor Applicable Laws and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein.

(4) References to a Person are also to its permitted successors and assigns.

(5) Any term defined above by reference to any agreement, instrument or Applicable Laws has such meaning whether or not such agreement, instrument or Applicable Laws are in effect.

(6) “Hereof”, “herein”, “hereunder” and comparable terms refer, unless otherwise expressly indicated, to the entire agreement or instrument in which such terms are used and not to any particular article, section or other subdivision thereof or attachment thereto. References in an instrument to “Article”, “Section”, “Subsection” or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section, subsection or subdivision of or an attachment to such agreement or instrument. All references to exhibits or appendices in any agreement or instrument that is governed by this Appendix are to exhibits or appendices attached to such instrument or agreement.

(7) Pronouns, whenever used in this Lease and of whatever gender, shall include natural Persons, corporations, limited liability companies, partnerships and associations of every kind and character.

(8) References to any gender include, unless the context otherwise requires, references to all genders.

(9) The word “or” will have the inclusive meaning represented by the phrase “and/or”.

(10) “Shall” and “will” have equal force and effect.

(11) Unless otherwise specified, all references to a specific time of day shall be based upon Central Standard Time or Central Daylight Savings Time, as applicable, on the date in question in Sugar Land, Texas.

(12) References to “\$” or to “dollars” shall mean the lawful currency of the United States of America.

(13) “Not to be unreasonably withheld” when used herein with respect to any Approval shall be deemed to be followed by “, conditioned or delayed” whether or not it is in fact followed by such words or words of like import.

GLOSSARY OF DEFINED TERMS

“**Accounting Standard**” has the meaning set forth in Section 5.6.

“**Action**” or “**Proceedings**” means any legal action, lawsuit, proceeding, arbitration, investigation by a Governmental Authority, hearing, audit, appeal, administrative proceeding or judicial proceeding.

“**Additional Addressees**” has the meaning set forth in Section 22 of Appendix B.

“**Additional Rent**” means has the meaning set forth in Section 5.5.

“**Additional Work**” has the meaning set forth in Section 11.2.

“**Adjacent Parking**” has the meaning set forth in the Development Agreement.

“**Advisory Committee**” has the meaning set forth in Section 8.8.

“**Affiliate**” of any Person means any other Person directly or indirectly controlling, directly or indirectly controlled by or under direct or indirect common control with such Person. As used in this definition, the term “control,” “controlling,” or “controlled by” shall mean the possession, directly or indirectly, of the power to (a) vote more than fifty percent (50%) of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of such Person or (b) direct or cause the direction of management or policies of such Person, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of such Person or any Affiliate of such lender.

“**Antiquities Code**” means the Antiquities Code of Texas as codified in Title 9, Chapter 191 of the Texas Natural Resource Code, as may be amended from time to time.

“**Applicable Laws**” means any and all laws, ordinances, statutes, regulations, judicial decisions, orders, injunctions, writs, rulings, interpretations, rules, permits or certificates of any court, arbitrator or other Governmental Authority and applicable to the Person or Property in question (including any activities or operations occurring on, under, over, upon, at or from such Property in question). Applicable Laws shall include the Antiquities Code, all City Codes, Environmental Laws and any applicable Federal wage requirements. Club acknowledges that

there may be certain “Applicable Laws” that apply to the Stadium, the Offsite Parking Area and the operation thereof as a result of same being owned by City or a local government corporation organized under the laws of the State of Texas.

“**Appropriation**” means with respect to any payment obligation or other monetary obligation of City that may from time to time exist or arise under this Lease during a fiscal year, the approval and setting aside by City of an adequate amount of funds to satisfy the payment obligation or other monetary obligation of City.

“**Approval**,” “**Approve**” or “**Approved**” means (a) with respect to any item or matter for which the approval of City or City Representative, as the case may be, is required under the terms of this Lease, the specific approval of such item or matter by City pursuant to a written instrument executed by City or City Representative, as applicable, delivered to Club, and shall not include any implied or imputed approval, and no approval by City or City Representative pursuant to this Lease shall be deemed to constitute or include any approval required in connection with any Governmental Functions of City, unless such written approval shall so specifically state; (b) with respect to any item or matter for which the approval of Club is required under the terms of the Lease, the specific approval of such item or matter by Club or the Club Representative, as the case may be, pursuant to a written instrument executed by a duly authorized officer of Club or the Club Representative, as permitted pursuant to the terms of this Lease, and delivered to City, and shall not include any implied or imputed approval; and (c) with respect to any item or matter for which the approval of any other Person is required under the terms of this Lease, the specific approval of such item or matter by such Person pursuant to a written instrument executed by a duly authorized representative of such Person and delivered to City or Club, as applicable, and shall not include any implied or imputed approval.

“**Base Rent**” has the meaning set forth in Section 5.3.1.

“**Baseball Home Games**” means any League baseball game in which the Club has the right to designate the location at which the game will be played or in which the Team acts as host for its opponent (e.g., the Team takes the baseball field in the first half of each inning and bat in the last half of each inning of such baseball game).

“**Baseball Season**” means the period during each calendar year of the Term beginning on April 1 and continuing through (i) September 30 of each calendar year, or (ii) the last date of any playoff game in said year if the Team is a participant, whichever date shall be last to occur.

“**Business Day**” shall mean a day of the year that is not a Saturday, Sunday, Legal Holiday or a day on which commercial banks are not required or authorized to close in Houston, Texas.

“**Business Hours**” means 9:00 a.m. through 5:00 p.m. on Business Days.

“**Capital Expenses**” shall mean all expenses incurred with respect to Capital Repairs.

“**Capital Fund**” shall mean a segregated and dedicated account into which funds are deposited to be used solely to pay Capital Expenses.

“Capital Fund Custodian” means a third party institution acceptable to City and Club who holds the Capital Fund.

“Capital Fund Deposits” has the meaning set forth in Section 10.1.5(a).

“Capital Repairs” shall mean any work (including all labor, supplies, materials, equipment and costs of permits and approvals of Governmental Authorities) reasonably necessary to repair, restore, refurbish or replace (in each case, in a manner that extends the useful life thereof) any equipment, facility, structure or other component of the Stadium or the Offsite Parking Area, if such work is necessitated by:

- (a) Any material defects in design, construction or installation of the Stadium and/or the Offsite Parking Area;
- (b) Physical Obsolescence;
- (c) Requirements imposed by the League as applicable to the Stadium;
- (d) Requirements imposed by Applicable Laws;
- (e) Requirements or recommendations of any insurance carrier insuring any portion of the Stadium or the Offsite Parking Area; or
- (f) Requirements of any manufacturer, supplier or installer of any component, system or equipment at the Stadium or the Offsite Parking Area stipulated in the operating manuals therefor.

Capital Repairs shall not include (i) any Maintenance, (ii) any Casualty Repair Work (except for Casualty Repair Work otherwise constituting Capital Repairs to the extent insurance proceeds are insufficient to complete such Casualty Repair Work for any reason other than as a result of a Club Default under this Lease) or (iii) any Condemnation Repair Work.

“Casualty” shall mean physical damage, physical destruction or other property casualty resulting from any fire or any other Force Majeure or other sudden, unexpected or unusual cause.

“Casualty Proceeds” has the meaning set forth in Section 14.2.1.

“Casualty Repair Work” has the meaning set forth in Section 14.1.

“Certificate” has the meaning set forth in Section 10.1.5(c).

“Change in Control” has the meaning set forth in Section 17.1(c).

“City” has the meaning set forth in the preamble to this Lease.

“City Codes” means all ordinances, codes and policies from time to time adopted by the City of Sugar Land, Texas, including, the [Sugar Land Code of Ordinances] and any building codes, fire or life safety codes, development codes, subdivision code, and zoning ordinances, as same may be amended from time to time.

“City Dates” has the meaning set forth in Section 23.17.

“City Default” has the meaning set forth in Section 20.1.2.

“City Delay” means any delay by City in achieving any of its deadlines for performance of obligations under this Lease.

“City Indemnitees” means City and its Affiliates and Related Parties.

“City Insured” means City and its Affiliates and Related Parties.

“City Representative” has the meaning set forth in Section 2.1.

“City Transfer” has the meaning set forth in Section 17.6.

“City Transferee” has the meaning set forth in Section 17.6.

“City Use Agreement” has the meaning set forth in Section 23.17.

“City’s Condemnation Award” has the meaning set forth in Section 16.2.1.

“City’s Improved Item Contribution” has the meaning set forth in Section 10.1.1.

“City’s Remedial Work” has the meaning set forth in Section 13.1.

“Claims” shall mean and include any and all actions, causes of action, suits, disputes, controversies, claims, debts, sums of money, offset rights, defenses to payment, agreements, promises, notes, losses, damages and demands of whatsoever nature, known or unknown, whether in contract or in tort, at law or in equity, for money damages or dues, recovery of property, or specific performance, or any other redress or recompense which have accrued or may ever accrue, may have been had, may be now possessed, or may or shall be possessed in the future by or in behalf of any Person against any other Person for, upon, by reason of, on account of, or arising from or out of, or by virtue of, any transaction, event or occurrence, duty or obligation, indemnification, agreement, promise, warranty, covenant or representation, breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, breach of funding commitment, undue influence, duress, economic coercion, conflict of interest, negligence, bad faith, malpractice, violations of any Applicable Law, intentional or negligent infliction of mental distress, tortious interference with contractual relations, tortious interference with corporate governance or prospective business advantage, breach of contract, deceptive trade practices, libel, slander, usury, conspiracy, wrongful acceleration of any indebtedness, wrongful foreclosure or attempt to foreclose on any collateral relating to any indebtedness, action or inaction, relationship or activity, service rendered, matter, cause or thing, whatsoever, express or implied.

“Club” has the meaning set forth in the preamble to this Lease.

“Club Default” has the meaning set forth in Section 20.1.1.

“Club Delay” means any delay by Club in achieving performance of its obligations under this Lease.

“Club Events” means minor league baseball exhibition, home and playoff games at the Stadium scheduled by Club, and related activities such as fireworks displays, clinics, team practices, sponsor and season ticket holder events, and such other similar events as are conducted by Club in Comparable Properties

“Club Representative” has the meaning set forth in Section 2.2.

“Club’s Condemnation Award” has the meaning set forth in Section 16.1.2

“Club’s Personal Property” means any and all movable equipment, furniture, fixtures and other tangible personal property that are owned by Club or its Subtenants and located on or within the Stadium or the Offsite Parking Area (including trade fixtures, but not other fixtures) and can be removed from the Stadium without material damage thereto. The term “Club’s Personal Property” does not include any of the Personal Property or any replacements of the Personal Property.

“Club’s Remedial Work” has the meaning set forth in Section 13.1.

“Club’s Risks” has the meaning set forth in Section 6.2.

“Community Event” has the meaning set forth in Section 23.17.

“Community Uses” has the meaning set forth in Section 23.17.

“Comparable Properties” means one or more first-class, Triple-A caliber, multi-purpose baseball stadiums that (i) have been constructed no earlier than five (5) years before the Execution Date of this Lease, (ii) are comparable in size and quality of construction to the Stadium and (iii) are located in the United States. For the purposes of this Lease, the term Comparable Properties shall include, as of the Execution Date (but which may not be included in the future if such properties no longer meet the definition of Comparable Properties): (1) Sovereign Bank Stadium in York, Pennsylvania, (2) Coca-Cola Park in Allentown Pennsylvania, (3) Gwinnett Stadium in Gwinnett County, Georgia, (4) Huntington Park in Columbus Ohio and (5) Aces Stadium in Reno, Nevada.

“Condemnation Actions” means a taking by any Governmental Authority (or other Person with power of eminent domain) by exercise of any right of eminent domain or by appropriation and an acquisition by any Governmental Authority (or other Person with power of eminent domain) through a private purchase in lieu thereof, but shall not include the dedication of any portion of the Stadium necessary to obtain Governmental Authorizations or to comply with any other Applicable Law respecting the construction of any Improvements on the Stadium.

“Condemnation Award” means all sums, amounts or other compensation for the Stadium payable to City or Club as a result of or in connection with any Condemnation Action.

“Condemnation Expenses” has the meaning set forth in Section 16.2.2.

“Condemnation Repair Work” has the meaning set forth in Section 16.2.2.

“Conditions to Commencement” has the meaning set forth in the Development Agreement.

“Construction Work” means, collectively, any Additional Work, any Maintenance and Repair Work, any Club’s Remedial Work, any Casualty Repair Work and any Condemnation Repair Work.

“Contractors’ Equipment” shall mean and refer to all equipment used by any contractor in connection with the Additional Work, as applicable, whether owned, hired or leased.

“Contributory Value of the Equity Contribution” means the unamortized portion of the Equity Contribution, such Equity Contribution to be amortized in equal monthly installments over the period beginning with the Lease Commencement Date and continuing for the twenty-five (25) year period thereafter. At the expiration of such twenty-five (25) year period, the Contributory Value of the Equity Contribution shall be deemed to be Zero and No/100 Dollars (\$0.00) and shall remain Zero and No/100 Dollars (\$0.00) for the balance of the Term.

“Controlling Body of City” means the City Council of the City of Sugar Land, Texas.

“Controlling Person of Club” means any Person that directly or indirectly controls Club. As used in the definition of Controlling Person of Club, the term **“control”** shall mean the possession, directly or indirectly, of the power to either (i) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of Club or (ii) acting alone and without the consent of other Persons, direct or cause the direction of management, policies or any of the Major Decisions of Club, whether through the ownership of voting securities or interests, by contract or otherwise.

“Default Rate” means the Prime Rate plus two percent (2%) per annum, not to exceed the Maximum Lawful Rate

“Design Builder” shall have the meaning set forth in the Design Build Contract.

“Dispute or Controversy” has the meaning set forth in Section 7.3.1.

“Dispute Resolution Procedures” means the dispute resolution procedures set forth in Section 7.3.1.

“Down Times” has the meaning set forth in Section 8.3.2.

“Emergency” means any circumstance in which (i) Club, City or the Person in question, as applicable, in good faith believes that immediate action is required in order to safeguard lives, property or the environment against the likelihood of injury, damage or destruction due to an identified threat or (ii) Applicable Laws require that immediate action be taken in order to safeguard lives, property or the environment.

“Encumbrances” means any defects in, easements, covenants, conditions or restrictions affecting, or Liens or other encumbrances on, the title to the Stadium or the Offsite Parking Area, whether evidenced by written instrument or otherwise evidenced.

“Environmental Claim” means any Action or Proceeding regarding the Stadium (i) arising under an Environmental Law or (ii) related to or arising out of an Environmental Event.

“Environmental Event” means the occurrence of any of the following: (i) any noncompliance with an Environmental Law; (ii) an environmental condition requiring responsive action, including an environmental condition at the Stadium caused by a third party; (iii) any event on, at or from the Stadium or related to the operation thereof of such a nature as to require reporting to applicable Governmental Authorities under any Environmental Law; (iv) an emergency environmental condition; or (v) the existence or discovery of any spill, discharge, leakage, pumpage, drainage, pourage, interment, emission, emptying, injecting, escaping, dumping, disposing, migration or other release or any kind of Hazardous Materials on, at or from the Stadium which may cause a threat or actual injury to human health, the environment, plant or animal life.

“Environmental Law(s)” means any applicable Federal, state or local statute, law (including common law tort law, common law nuisance law and common law in general), rule, regulation, ordinance, code, permit, concession, grant, franchise, license, policy or rule of common law now in effect or adopted in the future, and in each case as may be amended or replaced, and any judicial or administrative interpretation thereof (including any judicial or administrative order, consent decree or judgment) relating to (i) the environment, health, safety or Hazardous Materials, (ii) the storage, handling, emission, discharge, release and use of chemicals and other Hazardous Materials, (iii) the generation, processing, treatment, storage, transport, disposal, investigation, remediation or other management of waste materials of any kind, and (iv) the protection of environmentally sensitive areas, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§ 5101 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Endangered Species Act, as amended, 16 U.S.C. §§ 1531 et seq.; the Texas Solid Waste Disposal Act, Tex. Health & Safety Code Ann. Ch. 361 (Vernon 1990); the Texas Clean Air Act, Tex. Health & Safety Code Ann. Ch. 382 (Vernon 1990); the Texas Water Code, Tex. Water Code Ann. (Vernon 1988 and Supp. 1990); the Texas Hazardous Substances Spill Prevention and Control Act, Tex. Water Code Ann. (Vernon 1988 and Supp. 1990); the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et. seq.; and the Emergency Preparedness and Response Community Right-to-Know Act, 42 U.S.C. § 11001.

“Event of Default” has the meaning set forth in Section 20.1.1 and Section 20.1.2.

“Excess Proceeds” has the meaning set forth in Section 14.4.3.

“Excusable City Delay” means any City Delay which is caused by or attributable to (but only to the extent of) Force Majeure. No City Delay arising from the failure to make funds available for any purpose shall ever be an Excusable City Delay unless such failure, inability or refusal itself arises directly from, and is based upon, another event or circumstance which is an Excusable City Delay.

“Excusable Club Delay” means any Club Delay which is caused by or attributable to (but only to the extent of) Force Majeure. No Club Delay arising from the failure to make funds available for any purpose shall ever be an Excusable Club Delay unless such failure, inability or refusal itself arises directly from, and is based upon, another event or circumstance which is an Excusable Club Delay.

“Execution Date” has the meaning set forth in the preamble to the Lease.

“Expiration Date” has the meaning set forth in Section 2 of Appendix B.

“FF&E Requirements” means the specifications and requirements for the Personal Property to be part of the Stadium.

“Final Completion” means with respect to the Material Additional Work, (A) the final completion of the design, development, construction, furnishing and all other aspects of such work and Improvements substantially in accordance with the Material Additional Work Specifications, the Material Additional Work Plans, all Applicable Laws and all other requirements of this Lease, including the completion of the punch-list type items referred to in the definition of the term “Substantial Completion” and (B) the issuance of all Governmental Authorizations necessary to use, occupy and operate all aspects and areas of the Stadium in accordance with the terms of this Lease, including but not limited to, all Governmental Authorizations required to be issued to Club or its Affiliates to fulfill its obligations under this Lease. Substantial Completion of such work and Improvements is a prerequisite to Final Completion of the same.

“Force Majeure” means any act that (a) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Lease or delays such affected Party’s ability to do so, (b) is beyond the reasonable control of the affected Party, (c) is not due to the affected Party’s fault or negligence and (d) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts, including the expenditure of any reasonable sum of money. Subject to the satisfaction of the conditions set forth in (a) through (d) above, Force Majeure shall include: (i) natural phenomena, such as storms, floods, lightning and earthquakes; (ii) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (iii) transportation disasters, whether by ocean, rail, land or air; (iv) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (v) fires; (vi) actions or omissions of a Governmental Authority (including the actions of City in its capacity as a Governmental Authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Lease or any Applicable Law; and (vii) failure of either Party to perform any of its obligations under this Lease within the time or by the date required pursuant to the terms of this Lease for the performance thereof; *provided, however*, that under no circumstances shall Force Majeure

include any of the following events: (A) economic hardship; (B) any strike or labor dispute involving the employees of Club or any Affiliate of Club, other than industry or nationwide strikes or labor disputes; (C) weather conditions which could reasonably be anticipated by experienced contractors operating at the relevant location; or (D) any delay, default, or failure (financial or otherwise) of the Design/Builder or a subcontractor, vendor or supplier of Club or the Design/Builder that is not the result of an event that would otherwise be Force Majeure.

“Functionally Obsolete” or **“Functional Obsolescence”** means any Personal Property or other facility, surface, structure or component of the Stadium or the Offsite Parking Area that is not dysfunctional (and thus not Physically Obsolete), but is no longer reasonably optimal for its intended purposes by reason of (i) material innovations, inventions or improvements in the design, manufacture, operation or production of comparable equipment, systems or facilities which render more efficient, more satisfactory or more technologically advanced service or (ii) business patterns or practices that require the modification or addition of equipment or facility.

“GAAP” means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or their respective successors, which are applicable in the circumstances as of the date in question. Accounting principles are applied on a “consistent basis” when the accounting principles observed in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

“Governmental Authority” means any Federal, state, local or foreign governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof), including a local government corporation.

“Governmental Authorizations” means all approvals, consents, decisions, authorizations, certificates, confirmations, exemptions, applications, notifications, concessions, acknowledgments, agreements, licenses, permits, import permits, employee visas, environmental permits, decisions, right of ways, and similar items from any Governmental Authority, including a liquor license from the Texas Alcohol and Beverage Commission.

“Governmental Function” means any regulatory, legislative, permitting, zoning, enforcement (including police power), licensing or other functions which City is authorized or required to perform in its capacity as a Governmental Authority in accordance with Applicable Laws. The entering into this Lease and the performance by City of its obligations under this Lease shall not be considered a “Governmental Function.”

“Hazardous Materials” means (a) any petroleum or petroleum products, metals, gases, chemical compounds, radioactive materials, asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls, lead paint, putrescible and infectious materials, and radon gas; (b) any chemicals or substances defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “extremely hazardous wastes”, “restricted hazardous wastes”,

“toxic substances”, “toxic pollutants”, “contaminants” or “pollutants”, or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law or Governmental Authority or which is regulated because of its adverse effect or potential adverse effect on health and the environment, including soil and construction debris that may contain any of the materials described in this definition.

“Impositions” means all Property Taxes, all personal property taxes and all possessory interest taxes imposed or assessed upon the Leasehold Estate (including any interest of Club or City hereunder) or any interest of Club or City in the Stadium and the Offsite Parking Area, on any items of real property or Club’s Personal Property located on the Stadium or the Offsite Parking Area, all use and occupancy taxes, all excises, levies, license and permit fees, general and special, ordinary and extraordinary, foreseen and unforeseen, that are, with respect to this Lease, assessed, levied, charged, confirmed or imposed upon or with respect to or become payable out of or become a lien on the Leasehold Estate, the Stadium, the Offsite Parking Area or the appurtenances thereto, or for any use or occupation of the Stadium or the Offsite Parking Area, or such franchises, licenses and permits as may be appurtenant or related to the use of the Stadium or the Offsite Parking Area, this transaction or any documents to which Club is a party, creating or transferring an interest or estate in the Leasehold Estate, or any real estate taxes, assessments, excises, levies or fees, general or special, ordinary or extraordinary, foreseen or unforeseen (including assessments for public improvements and betterment, and any mass transit, park, child care and art contributions, assessments or fees) that are levied, imposed or assessed upon the fee simple estate of City in and to the Stadium (except any tax, assessment, excise, levy or fee payable with respect to the receipt of Rent or other sums due under this Lease). The term “Impositions” shall not mean or include, and City shall pay, prior to delinquency, any municipal, state, county or Federal income, excess profits or sales taxes assessed against City or any municipal, state, county or Federal capital, levy, estate, succession, inheritance, rent or transfer taxes of City (on a sale or other transfer of the fee estate in the Stadium or the Offsite Parking Area by City other than a transfer to Club) or any franchise or margin taxes imposed upon any corporate owner of the fee estate in the Stadium or the Offsite Parking Area or any part thereof; *provided, however*, that if, at any time during the Term, the methods or scope of taxation or assessment of real estate prevailing on the Execution Date shall be so changed that there shall be substituted for the whole or any part of the taxes, assessments, levies, impositions or charges now or hereafter levied, assessed or imposed on real estate and the Improvements thereon or upon the possessory interest of Club in the Leasehold Estate, or upon the Stadium or the Offsite Parking Area or any of Club’s Personal Property described above in this definition, a capital levy or other tax levied, assessed or imposed on any of the Rent payable by Club to City under this Lease, then all such capital levies or other taxes shall, to the extent that they are so substituted, be deemed to be included within the term “Impositions.”

“Improvements” means all improvements, structures, buildings and fixtures of any kind whatsoever, whether above or below grade, including buildings, the foundations and footings thereof, utility installations, storage, loading facilities, walkways, driveways, landscaping, signs, site lighting, site grading and earth movement, and all fixtures, plants, apparatus, appliances, furnaces, boilers, machinery, engines, motors, compressors, dynamos, elevators, fittings, piping, connections, conduits, ducts and equipment of every kind and description now or hereafter affixed or attached to any of such buildings, structures or improvements and used or procured for

use in connection with the heating, cooling, lighting, plumbing, ventilating, air conditioning, refrigeration, or general operation of any of such buildings, structures or improvements, and any exterior additions, changes or alterations thereto or replacements or substitutions therefore.

“Infrastructure Costs” means all documented, direct, out-of-pocket third party costs incurred or to be incurred by City in order for City to fulfill its obligations under the Development Agreement to design the Infrastructure Improvements and to cause Final Completion (as defined in the Development Agreement) of the Infrastructure Work.

“Infrastructure Improvements” means the Improvements described in the Infrastructure Specifications and the Plans for Infrastructure Improvements.

“Infrastructure Specifications” shall have the meaning set forth in the Development Agreement.

“Infrastructure Work” means the design, development and construction of the Infrastructure Improvements.

“Insolvency Event” means, with respect to any Person, (a) such Person’s or any of its Subsidiaries’ (i) failure to generally pay its debts as such debts become due, (ii) admitting in writing its inability to pay its debts generally or (iii) making a general assignment for the benefit of creditors; (b) any proceeding being instituted by or against such Person or any of its Subsidiaries (i) seeking to adjudicate it a bankrupt or insolvent, (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against such Person or any such Subsidiary, any such proceeding shall remain undismissed for a period of ninety (90) days or any of the actions sought in such proceeding shall occur; or (c) such Person’s or any of its Subsidiaries’ taking any corporate action to authorize any of the actions set forth above in this definition.

“Insurance Covenant” means all of the covenants and agreements of Club with respect to insurance policies and coverages to be maintained by Club pursuant to and in accordance with this Lease.

“Land” means the tract of land consisting of approximately 20 acres depicted in Exhibit A.

“League” means the Atlantic League of Professional Baseball Clubs, Inc.

“Lease” has the meaning set forth in the preamble to this Lease.

“Lease Commencement Date” has the meaning set forth in Section 4.1.

“Lease Expiration Date” has the meaning set forth in Section 4.1.

“Lease Year” means each twelve (12) full calendar month period beginning on January 1 and ending on December 31 during the Term; *provided, however*, if the first day of the Term is not January 1st, (x) the first Lease Year of the Term shall be a period shorter than a calendar year and shall conclude as of December 31st of the calendar year of commencement of the Term and (y) thereafter, a “Lease Year” shall be each calendar year during the Term or, if the Lease Expiration Date occurs during the middle of a calendar year, such portion of such calendar year.

“Leasehold Estate” means all rights, titles and interest granted to Club under this Lease.

“Leasehold Mortgage” means any mortgage, deed of trust or other instrument in the nature thereof which encumbers any of Club’s rights, titles and interests in and to use the Stadium or the Offsite Parking Area (but not City’s fee estate in the Stadium or the Offsite Parking Area), including, without limiting the generality of the foregoing, its right to use and occupy the Stadium or the Offsite Parking Area and all of its rights, titles and interests, if any, in and to any and all Improvements.

“Legal Holiday” means any day, other than a Saturday or Sunday, on which City’s administrative offices are closed for business.

“Lien” means any mortgage, charge, pledge, lien, privilege, security interest, hypothecation or other encumbrance upon or with respect to any property or assets or any kind, whether real or personal tangible or intangible, now owned or hereafter acquired.

“Marquee Sign” has the meaning set forth in Section 3.2.3.

“Maintenance” means all work (including all labor, supplies, materials and equipment) which is of a routine nature and is reasonably necessary for the cleaning and routine care of and preventative maintenance and repair for any property, structures, surfaces, facilities, fixtures, equipment, furnishings, improvements and components that form any part of the Stadium or the Offsite Parking Area in a manner reasonably consistent with the standards at other Comparable Facilities. Maintenance shall include the following: (i) preventative or routine maintenance that is stipulated in the operating manuals for the Stadium; (ii) periodic testing of building systems, such as mechanical, card-key security, fire alarm, lighting and sound systems; (iii) ongoing trash removal; (iv) regular maintenance procedures for heating, ventilation and air-conditioning, plumbing, electrical, roof and structural systems and vertical lift systems (e.g., escalators and elevators); (v) painting or application of protective materials; (vi) cleaning prior to, during and following, and necessary as a direct result of, all events at the Stadium; and (vii) routine changing of light bulbs, ballasts, fuses and circuit breakers as they fail in normal use.

“Maintenance and Repair Work” has the meaning set forth in Section 10.1.1.

“Major Decisions” shall mean and be limited to the approval of (i) any Transfer or Permitted Transfer, (ii) any pledge or encumbrance of Club’s assets as security for any debt, (iii) any amendment to this Lease, (iv) any operating or capital budgets of Club, any Management Agreement or any amendment thereto or (vi) any booking policies or procedures for the Stadium.

“Management Agreement” has the meaning set forth in Section 8.3.6.

“Maximum Lawful Rate” means the maximum non usurious interest rate, if any, that at any time, or from time to time, may be contracted for, taken, reserved, charged or received on any indebtedness or other sum becoming due and owing under this Lease, under Applicable Laws with respect to the Person entitled to collect such interest and such indebtedness or, to the extent permitted by Applicable Law, under such Applicable Laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than Applicable Laws now allow.

“Mechanic’s Lien” has the meaning set forth in Section 11.3.

“Naming Rights” has the meaning set forth in Section 23.14.

“Naming Rights Payments” means all fees or revenue received by Club in connection with the exercise of Naming Rights.

“Notice” has the meaning set forth in Section 22 of Appendix B.

“Offsite Parking Area” means the property (and the Improvements thereon) depicted and more specifically described on Exhibit C.

“Offsite Parking Area Operating Standard” has the meaning set forth in Section 10.1.1.

“Open Records Act” has the meaning set forth in Section 23.7.

“Operating Standard” means the continuous operation, maintenance and repair of the Project on a full-service basis in a manner consistent with the standards of operations, maintenance and operating and maintenance plans that a Qualified Operator, acting as a Reasonable and Prudent Operator, would reasonably be expected to undertake and follow for the operation, maintenance and repair of a Comparable Property.

“Other Event” means events at the Stadium other than Community Events and Club Events.

“Owner Suite” has the meaning set forth in Section 23.16.

“Owner Suite License Agreement” has the meaning set forth in Section 23.16.

“Participation Rent” has the meaning set forth in Section 5.4.1.

“Participation Rent Payment Date” has the meaning set forth in Section 5.4.2.

“Parties” or **“Party”** has the meaning set forth in the preamble to this Lease.

“Permitted Exceptions” means (i) those certain Encumbrances upon and/or exceptions to the title to the Stadium or the Offsite Parking Area that are referenced and/or described on Exhibit D attached hereto and (ii) the Reservations and all rights to use the Stadium and the Offsite Parking Area pursuant thereto.

“Permitted Investments” means (i) obligations of, or guaranteed as to interest and principal by, the United States of America or agencies thereof and maturing not more than ninety (90) days after such investment; (ii) open market commercial paper of any corporation that was incorporated under the laws of the United States of America or any State thereof and that is not an Affiliate of the Tenant, which paper is rated “P-1” or its equivalent by Moody’s Investors’ Service or “A-1” or its equivalent by Standard & Poor’s Ratings Group; (iii) banker’s acceptances and certificates of deposit issued by any bank or trust company having capital, surplus and undivided profits of at least Five Hundred Million Dollars (\$500,000,000) whose long-term debt is rated “A” or better by Standard & Poor’s Ratings Group and “A-2” or better by Moody’s Investors’ Service and maturing within ninety (90) days of the acquisition thereof; and (iv) money market funds consisting solely (except that no more than ten percent (10%) thereof may be held in cash) of obligations of the type described in clauses (a) through (c) above and the shares of such money market funds can be converted to cash within ninety (90) days. Payments under the instruments described in clauses (i), (ii), (iii) and (iv) above may not be linked to any variable other than the principal amount thereof and the fixed or floating interest rate thereon.

“Permitted Transfer” has the meaning set forth in Section 17.1.

“Permitted Use” has the meaning set forth in Section 8.1.

“Person” means any individual, corporation, limited or general partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other form of entity.

“Personal Property” means any and all movable equipment, furniture, fixtures and other tangible personal property that are owned by City as of the Lease Commencement Date or otherwise purchased as part of Project Costs and located on or within the Stadium or the Offsite Parking Area (and that do not constitute fixtures) and can be removed from the Stadium without damage thereto. The term “Personal Property” includes any replacements of the Personal Property by City, Club or otherwise.

“Physically Obsolete” or **“Physical Obsolescence”** means any Personal Property or other facility, component, structure or surface of the Stadium or the Offsite Parking Area which does not comply with Applicable Laws or has become dysfunctional due to defects in design, materials or workmanship or ordinary wear and tear other than as a result of Club’s failure to perform its maintenance and other obligations under this Lease. For purposes of determining Physical Obsolescence or Physically Obsolete, any Personal Property or other facility, component, structure or surface of the Stadium or the Offsite Parking Area shall be deemed dysfunctional if such has deteriorated to a degree that cannot be remedied through Maintenance (including replacement necessitated by repeated breakdown of a component despite efforts to repair or restore it short of replacement).

“Plans for Infrastructure Improvements” means the detailed working construction drawings for the Infrastructure Improvements prepared by or on behalf of City.

“Plans for Stadium Improvements” means the “bridging documents” for the Stadium Improvements (including the Personal Property listed in the FF&E Requirements) provided, or to be provided, to the Design/Builder upon which the Design/Builder based, or will base, its guaranteed maximum price as to the Stadium Improvements.

“Prime Rate” means the rate of interest from time to time published or otherwise announced by the Reference Bank, as its “prime rate” or “base rate” of interest (or, if it does not announce such a rate of interest, the most comparable rate of interest announced by it from time to time).

“Prohibited Uses” has the meaning set forth in Section 8.2.

“Project Budget” has the meaning set forth in the Development Agreement.

“Project Costs” means the Stadium Costs and the Infrastructure Costs collectively.

“Project Plans” means collectively, the Plans for Stadium Improvements, the Plans for Infrastructure Improvements and the FF&E Requirements.

“Property Taxes” means any real estate ad valorem taxes and assessments, or any other similar form of tax or assessment now or hereinafter levied and assessed against the property in question.

“Qualified Operator” means a nationally recognized multi-purpose project operator (or, if its parent company has and continues to unconditionally guarantee the full payment and performance of all of such multi-purpose project operator’s obligations under or in connection with the Management Agreement, such parent company meets) that (a) as of the effective date of the Management Agreement then in effect, operates, on a full-service basis, either directly or through its Subsidiaries (as defined below) at least three (3) facilities that are comparable to the Comparable Properties; and (b) an Insolvency Event with respect to such multi-purpose project operator or, in the case of the foregoing guaranty, its parent company does not exist. Additionally, an Affiliate of any entity meeting the foregoing criteria shall be a Qualified Operator, provided that the applicable entity meeting the foregoing criteria becomes or remains liable for the obligations of the “Operator” under the Management Agreement.

“Rate Card” has the meaning set forth in Section 8.9.1

“Reasonable and Prudent Developer” means a developer of projects similar in scope, size and complexity to the Stadium seeking in good faith to perform its contractual obligations and in so doing and in the general conduct of its undertakings, exercises that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced developer of projects similar to the Stadium complying with all Applicable Laws and engaged in the same type of undertaking.

“Reasonable and Prudent Operator” means an operator of projects similar in scope, size and complexity to the Stadium seeking to perform its contractual obligations and in so doing and in the general conduct of its undertakings exercises that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced

Qualified Operator of Comparable Properties complying with all Governmental Rules and engaged in the same type of undertaking.

“Reference Bank” means Bank of America, N.A. (or its successor, by merger or acquisition) or a banking institution designated by City, subject to the Approval of Club, not to be unreasonably withheld.

“Related Party” or **“Related Parties”** means with respect to any Person, such Person’s partners, directors, officers, shareholders, members, agents, employees, auditors, advisors, consultants, servants, counsel, contractors, subcontractors (of any tier), tenants, subtenants (of any tier), licensees, sublicensees (of any tier), lenders, successors, assigns, legal representatives, elected and appointed officials, volunteers and Affiliates, and for each of the foregoing their respective partners, directors, officers, shareholders, members, agents, employees, auditors, advisors, counsel, consultants, contractors, subcontractors, licensees, sublicensees, tenants, and subtenants.

“Rent” has the meaning set forth in Section 5.2.

“Reservations” has the meaning set forth in Section 3.3.

“Responsible Officer” means with respect to the subject matter of any certificate, representation or warranty of any Person contained in this Lease, an authorized officer of such Person (or in the case of a partnership, an individual who is a general partner of such Person or such an authorized officer of a general partner of such Person) who, in the normal performance of his operational responsibility, would have knowledge of such matter and the requirements with respect thereto.

“Review and Approval or Consent Rights” has the meaning set forth in Section 7.1.1.

“Reviewing Party” has the meaning set forth in Section 7.1.1.

“Right of First Negotiation” has the meaning set forth in Section 4.2.

“ROFN Exercise Notice” has the meaning set forth in Section 4.2.

“Schematics for Stadium Improvements” means any concept drawings, schematic drawings and preliminary elevations for the Stadium Improvements (including Personal Property listed in the FF&E Requirements) which have been Approved by Club and City.

“Stadium” means, collectively, the Land and all components thereof, including the Stadium Improvements, and the Adjacent Parking, and all rights, privileges, easements, tenements, hereditaments and appurtenances pertaining thereto, all development, utility, mineral, water, irrigation and air rights running with or otherwise pertaining thereto, and all rights in and to any strips and gores adjoining the Land and the Adjacent Parking.

“Stadium Construction Documents” means any and all contracts, documents or other instruments entered into by or on behalf of City or any Affiliates thereof for the development, design, construction or furnishing of the Stadium, including the Stadium Design/Build Contract.

“Stadium Costs” means all documented, direct, out-of-pocket third party costs incurred or to be incurred by City in order for City to fulfill its obligations under the Development Agreement to design the Stadium Improvements and to cause Final Completion (as defined in the Development Agreement) of the Stadium Improvements Work, including all amounts payable to a third party under any of the Stadium Construction Documents and including any “savings” shared with and payable to the Design/Builder under the Stadium Design/Build Contract.

“Stadium Design/Build Contract” shall have the meaning set forth in the Development Agreement.

“Stadium Improvements” means the Improvements and the Personal Property located on that portion of the Land shown on Exhibit E and described in the Stadium Specifications, the Schematics for Stadium Improvements, the Plans for Stadium Improvements and the FF&E Requirements.

“Stadium Improvements Work” means the design, development and construction of the Stadium Improvements in accordance with the terms of this Lease.

“Stadium Specifications” shall have the meaning set forth in the Development Agreement.

“Submitting Party” has the meaning set forth in Section 7.1.1.

“Subsidiary” means, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person, one or more Subsidiaries of such person, or by such Person and one or more Subsidiaries of such Person.

“Substantial Completion” means when used with respect to Additional Work or any component of Additional Work, (A) the substantial completion of all aspects of such work and Improvements substantially in accordance with all Applicable Laws and substantially in accordance with the requirements for the same contained in this Lease such that, subject only to minor punch-list type items, all such work and Improvements are complete and, regardless of such punch-list type items, all of the Improvements are ready for use and occupancy for their intended purposes and are operational in accordance with the Operating Standard and (B) the receipt of all Governmental Authorizations then necessary to commence or resume, as applicable, operations of the Stadium pursuant to the terms of this Lease.

“Substantial Completion Date” has the meaning set forth in the Development Agreement.

“Substantially All of the Improvements” has the meaning set forth in Section 16.1.3.

“Subtenant” means any Person in possession of any portion of the Stadium pursuant to a Use Agreement.

“Suite License Sales” means all revenue received by Club from the sale, lease or license of all suites, luxury suites and party suites located at the Stadium from time to time.

“Tax Proceeding” has the meaning set forth in Section 9.2.1.

“Team” means the expansion baseball team owned by Club who is a member of the League, or such other replacement professional baseball team as shall be Approved by City.

“Term” has the meaning set forth in Section 4.1.

“Ticket” means tickets or other indicia of admission issued to a patron for a particular event.

“Ticket Sales” means all revenue received by Club from the sale of any Ticket.

“Transfer” has the meaning set forth in Section 17.1.

“Untenantable Condition” means the existence of a condition (but only to the extent the same is not the result of the failure of Club to perform its obligations under this Lease) pursuant to which the operation of Stadium, in Club’s commercially reasonable business judgment, cannot be practically and profitably conducted at the Stadium, due to physical constraints, Applicable Laws, provisions of any insurance policy required to be maintained by Club pursuant to the terms of this Lease, in substantially the same manner as conducted immediately prior to the event giving rise to such condition.

“Use Agreement” means a use, lease, sublease, license, concession, occupancy or other agreement for the use or occupancy of any designated space or designated facilities within the Stadium for any Permitted Use.

APPENDIX B
TO
LEASE AGREEMENT

Governing Provisions

The following Governing Provisions shall apply to and govern this Lease.

1. **Accounting Terms and Determinations.** Unless otherwise specified, all accounting terms used in this Lease shall be interpreted, all determinations with respect to accounting matters thereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with GAAP.

2. **Survival.** Upon expiration or termination of this Lease, it is understood and agreed that this Lease shall continue in full force and effect with respect to all claims made in writing by either Party on or before the Lease Expiration Date until such claims are paid in full. In addition, the following terms and provisions of this Lease shall survive any expiration or termination of this Lease: ARTICLE I, Sections 5.1 through Section 5.5, (as to payments applicable to the periods included in the Term), ARTICLE IX (as to periods included in the Term), Section 11.1.1, Section 14.4.2, Section 14.4.3, Section 15.1, Section 16.1.2, Section 16.2.1, ARTICLE XVIII, ARTICLE XX, Section 23.4, Section 23.5, Appendix A (as to provisions that survive termination or expiration of this Lease), Appendix B, and Appendix C.

3. **Severability.** If any term or provision of this Lease, or the application thereof to any Person or circumstances, shall to any extent be invalid or unenforceable in any jurisdiction, as to such jurisdiction, the remainder of this Lease, or the application of such term or provision to the Persons or circumstances other than those as to which such term or provision is held invalid or unenforceable in such jurisdiction, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by Applicable Law and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, the Parties hereby waive any provision of law that renders any provision thereof prohibited or unenforceable in any respect.

4. **Entire Agreement; Amendment.** This Lease constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior written and oral agreements and understandings with respect to such subject matter. Neither this Lease nor any of the terms thereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, waiver or modification shall be sought.

5. **Table of Contents; Headings; Exhibits.** The table of contents, if any, and headings, if any, of the various articles, sections and other subdivisions of this Lease are for convenience of reference only and shall not modify, define or limit any of the terms or provisions of this Lease. All Appendices and Exhibits attached to this Lease are incorporated herein by reference in their entirety and made a part hereof for all purposes; *provided, however*,

that in the event of a conflict between the terms of the text of this Lease and any Appendices or Exhibits, the text of this Lease shall control.

6. **Parties in Interest; Limitation on Rights of Others.** The terms of this Lease shall be binding upon, and inure to the benefit of, the Parties and their permitted successors and assigns. Nothing in this Lease, whether express or implied, shall be construed to give any Person (other than the Parties and their permitted successors and assigns and as expressly provided herein) any legal or equitable right, remedy or claim under or in respect of this Lease or any covenants, conditions or provisions contained therein or any standing or authority to enforce the terms and provisions of this Lease.

7. **Counterparts.** This Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. All signatures need not be on the same counterpart.

8. **Governing Law.** **THIS LEASE AND THE ACTIONS OF THE PARTIES SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS (EXCLUDING PRINCIPLES OF CONFLICT OF LAWS).**

9. **Court Proceedings.** Any suit, action or proceeding against any Party arising out of or relating to this Lease, any transaction contemplated hereby or any judgment entered by any court in respect of any thereof may be brought in any Federal court whose jurisdiction includes Fort Bend County or any state court located in the City of Sugar Land, Texas, and the Parties hereby submit to the nonexclusive jurisdiction of such courts for the purpose of any such Suit, action or proceeding. To the extent that service of process by mail is permitted by Applicable Law, the Parties irrevocably consents to the service of process in any such Suit, action or proceeding in such courts by the mailing of such process by registered or certified mail, postage prepaid, at its address for Notice provided for in this Lease. The Parties irrevocably agree not to assert any objection that they may ever have to the laying of venue of any such suit, action or proceeding in any Federal or state court located in the City of Sugar Land, Texas, and any claim that any such Suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each Party agrees not to bring any action, suit or proceeding against the other Party arising out of or relating to this Lease or any transaction contemplated hereby except in a Federal court whose jurisdiction includes Fort Bend County or a state court located in the City of Sugar Land, Texas.

10. **Limitation to Capacity as City.** The Parties acknowledge that all references to "City" herein (which, for the purposes of this provision, shall be deemed to include any references in this Lease to City as the owner of the fee interest in the Stadium) shall refer only to City in its capacity as City under this Lease. The term "City" and the duties and rights assigned to it under this Lease, thus exclude any action, omission or duty of City when performing its Governmental Functions. Any action, omission or circumstance arising out of the performance of City's Governmental Functions may prevent City from performing its obligations under this Lease and shall not cause or constitute a default by City under this Lease or give rise to any rights or Claims against City in its capacity as the "City" hereunder, it being acknowledged that

Club's remedies for any injury, damage or other Claim resulting from any such action, omission or circumstances arising out of City's Governmental Functions shall be governed by the laws and regulations concerning Claims against City as a Governmental Authority. In addition, no setoff, reduction, withhold, deduction or recoupment shall be made in or against any payment due by Club to City under this Lease as a result of any action or omission of City when performing its Governmental Function.

11. **Capacity of Persons Acting on Behalf of City.** Notwithstanding anything to the contrary in this Lease, all references in this Lease to employees, agents, representatives, contractors and the like of City shall refer only to Persons acting in City's capacity as the "City" hereunder and thus all such references specifically exclude any employees, agents, representatives, contractors and the like acting in connection with the performance of City's Governmental Functions. Without limiting the foregoing, all police, fire, permitting, regulatory, water and power, health and safety and sanitation employees of City shall be deemed to be acting in connection with the performance of City's Governmental Functions.

12. **No Limitation on City's Governmental Functions.** The Parties acknowledge that City is a Governmental Authority in addition to being the owner of the Stadium, and that no representation, warranty, Approval or agreement in this Lease by City shall be binding upon, constitute a waiver by or estop City from exercising any of its rights, powers or duties in connection with its Governmental Functions nor will any portion of this Lease be deemed to waive any immunities granted to City when performing its Governmental Functions, which are provided under Applicable Law. Any consent to jurisdiction by City is only with respect to matters arising in its capacity as a Party to this Lease and expressly does not constitute a waiver of City's legal immunity or a consent to jurisdiction for any actions, omissions or circumstances, in each case solely arising out of the performance of City's Governmental Functions.

13. **Non-liability of City's Officials and Club's Employees.** No member of any legislative, executive, or administrative body of, or affiliated with, City or its Affiliates, and no official, agent, employee or representative of City or such body or any of its Affiliates (whether acting in the performance of City's Governmental Functions or otherwise) shall be personally liable to Club or any Person holding by, through or under Club, for any actions taken in his or her capacity as an official, agent, employee or representative of such Person in the event of any default or breach by City, or for any amount which may become due to Club or any Person holding by, through or under Club, or for any other obligation, under or by reason of this Lease. No officer, director, shareholder, member, agent, employee or representative of Club or its Affiliates shall be personally liable to City or any Person holding by, through or under City, for any actions taken in his or her capacity as an officer, director, shareholder, agent, employee or representative of such Person in the event of any default or breach by Club, or for any amount which may become due to City or any Person holding by, through or under City, or for any other obligation, under or by reason of this Lease.

14. **Payment on Business Days.** If any payment under such instrument is required to be made on a day other than a Business Day, the date of payment shall be extended to the next Business Day.

15. **Time.** Times set forth in this Lease for the performance of obligations shall be strictly construed, time being of the essence of this Lease. All provisions in this Lease which specify or provide a method to compute a number of days for the performance, delivery, completion or observance by a Party of any action, covenant, agreement, obligation or Notice hereunder shall mean and refer to calendar days, unless otherwise expressly provided. However, in the event the date specified or computed under such instrument for the performance, delivery, completion or observance of a covenant, agreement, obligation or notice by either Party, or for the occurrence of any event provided for herein, shall be a day other than a Business Day, then the date for such performance, delivery, completion, observance, or occurrence shall automatically be extended to the next calendar day that is Business Day. All references in this Lease to times or hours of the day shall refer to Central Standard Time.

16. **Joint and Several Liability.** If Club at any time comprises more than one Person, all such Persons shall be jointly and severally liable for payment of Rent and for performance of every obligation of Club under this Lease.

17. **Attorneys' Fees.** If any Party to this Lease defaults in the performance of any covenants, obligations or agreements of such Party contained in this Lease and the other Party hereto places the enforcement of this Lease, or any part thereof, or the exercise of any other remedy therein provided for such default, in the hands of an attorney who files suit upon the same (either by direct action or counterclaim), the non-prevailing Party shall pay to the prevailing Party its reasonable attorneys' fees and costs of court. In addition to the foregoing award of attorneys' fees to the prevailing Party, the prevailing Party shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Lease into any judgment on this Lease.

18. **Relationship of the Parties; No Partnership.** The relationship of Club and City under this Lease is that of independent parties, each acting in its own best interests, and notwithstanding anything in this Lease to the contrary, neither the obligation to pay City a rental based on Ticket Sales, Suite License Sales or Naming Rights Payments nor any other aspect of this Lease shall create or evidence, nor is it intended to create or evidence, a partnership, joint venture or other business relationship or enterprise between Club and City. As such, City shall have no direct supervision of or obligation to the employees of Club and any communication of employee matters shall be through the Club Representative.

19. **Non-Merger of Estates.** The interests of City and Club in the Stadium shall at all times be separate and apart, and shall in no event be merged, notwithstanding the fact that this Lease or the Leasehold Estate created hereby, or any interest therein, may be held directly or indirectly by or for the account of the Person who shall own the fee title to the Stadium or any portion thereof; and no such merger of estates shall occur by operation of law, or otherwise, unless and until all Persons at the time having any interest in the Stadium shall join in the execution of a written instrument effecting such merger of estates.

20. **Covenants Running with the Estates in Land.** The Parties covenant and agree that all of the conditions, covenants, agreements, rights, privileges, obligations, duties, specifications and recitals contained in this Lease, except as otherwise expressly stated herein,

shall be construed as covenants running with title to the Stadium, the Offsite Parking Area and the Leasehold Estate, respectively, which shall extend to, inure to the benefit of and bind, City and Club, and their permitted successors and assigns, to the same extent as if such successors and assigns were named as original parties to this Lease, such that this Lease shall always bind the owner and holder of any fee or leasehold interest in or to the Stadium, the Offsite Parking Area or any portion thereof, and shall bind predecessors thereof except as otherwise expressly provided herein.

21. **Payments by Either Party.** All payments required to be made by either Party to the other Party pursuant to the terms of this Lease shall be paid in such freely transferable coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts at the receiving Party's address for payments as set forth in Appendix C, or at such other address as such Party may specify from time to time in accordance with the terms and conditions of Section 22 below. Notwithstanding the provisions of Section 22 below and for the purposes of this Lease, all payments shall be deemed paid and received only when actually received by the other Party and, in the event of payment by check, other than a cashier's check or certified check, shall not be considered to have been actually received in the event of the failure of such check to clear the receiving Party's account.

22. **Notice.** Each provision of this Lease and other requirements with reference to the sending, mailing or delivery of any notice, direction, Approval, instructions, request, request, reply, advice, confirmation and other communications (hereinafter severally and collectively called "**Notice**"), or with reference to the making of any payment by Club to City, shall have been complied with when and if the procedures described in this Section 22 have been complied with by the Party giving such Notice. Subject to Section 9 above, all Notices must be in writing and given to a Party under this Lease at the address set forth in Appendix C to this Lease for such Party or at such other address as such Party shall designate by Notice to the other Party and in all cases shall be (i) sent by pre-paid, registered or certified U.S. Mail with return receipt requested, (ii) delivered personally with receipt of delivery, (iii) sent by nationally recognized overnight courier (e.g. Federal Express) with electronic tracking or (iv) sent by facsimile (with confirmation of receipt by the sending machine and a copy to follow by U.S. Mail postage prepaid) to the Party entitled thereto. Such Notices shall be deemed to be duly given or made (i) in the case of U.S. mail in the manner provided above, three (3) Business Days after posting, (ii) if delivered personally with receipt of delivery, when actually delivered by hand and receipted unless such day is not a Business Day, in which case such delivery shall be deemed to be made as of the next succeeding Business Day, (iii) if sent by nationally recognized overnight courier with electronic tracking service, the next Business Day after depositing same with such overnight courier before the overnight deadline, and if deposited with such overnight courier after such deadline, then the next succeeding Business Day or (iv) in the case of facsimile (with confirmation of receipt by the sending machine and a copy to follow by U.S. Mail, postage prepaid), when sent so long as it was received during normal Business Hours of the receiving Party on a Business Day and otherwise such delivery shall be deemed to be made as of the next succeeding Business Day. Each Party hereto shall have the right at any time and from time to time to specify additional parties ("**Additional Addressees**") to whom Notice thereunder must be given, by delivering to the other Party five (5) days Notice thereof setting forth a single address for each such Additional Addressee; *provided, however*, that no Party shall have the right to designate more than two (2) such Additional Addressees.

APPENDIX C
TO
LEASE AGREEMENT

Address for Payment and Notices

A. **CITY: CITY OF SUGAR LAND, TEXAS**

- (1) **Payment to City.** All payments to City shall be given to City at the following address:

City of Sugar Land
2700 Town Center N. Blvd.
Sugar Land, Texas 77479
Attention: City Manager
(281) 275-2721 (Fax)

with sufficient information to identify the source of such funds.

- (2) **Notices.** All notices to City shall be sent to:

City of Sugar Land
2700 Town Center N. Blvd.
Sugar Land, Texas 77479
Attention: Director of Economic Development
(281) 275-2217 (Fax)

with copies of all notices to City relating to defaults, remedies or indemnification being sent to:

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
Attention: Mark B. Arnold
(713) 238-7295 (Fax)

B. **CLUB: OPENING DAY PARTNERS, LLC**

- (1) **Payments to Club.** All payments to Club shall be given to Club at the following address:

Opening Day Partners, LLC
921 Childs Point Road
Annapolis, Maryland 21401
Attention: Peter Kirk, Chairman
(410) 263-2243 (Fax)

with sufficient information to identify the source of such funds.

- (2) Notices. All notices to Club shall be sent to:

Opening Day Partners, LLC
921 Childs Point Road
Annapolis, Maryland 21401
Attention: Peter Kirk, Chairman
(410) 263-2243 (Fax)

with a copy to:

Opening Day Partners, LLC
650 North Prince Street
Lancaster, Pennsylvania 17603
Attention: Jon Danos, President
(717) 509-8476 (Fax)

**EXHIBIT A
TO
LEASE AGREEMENT**

Land (20-acre site)

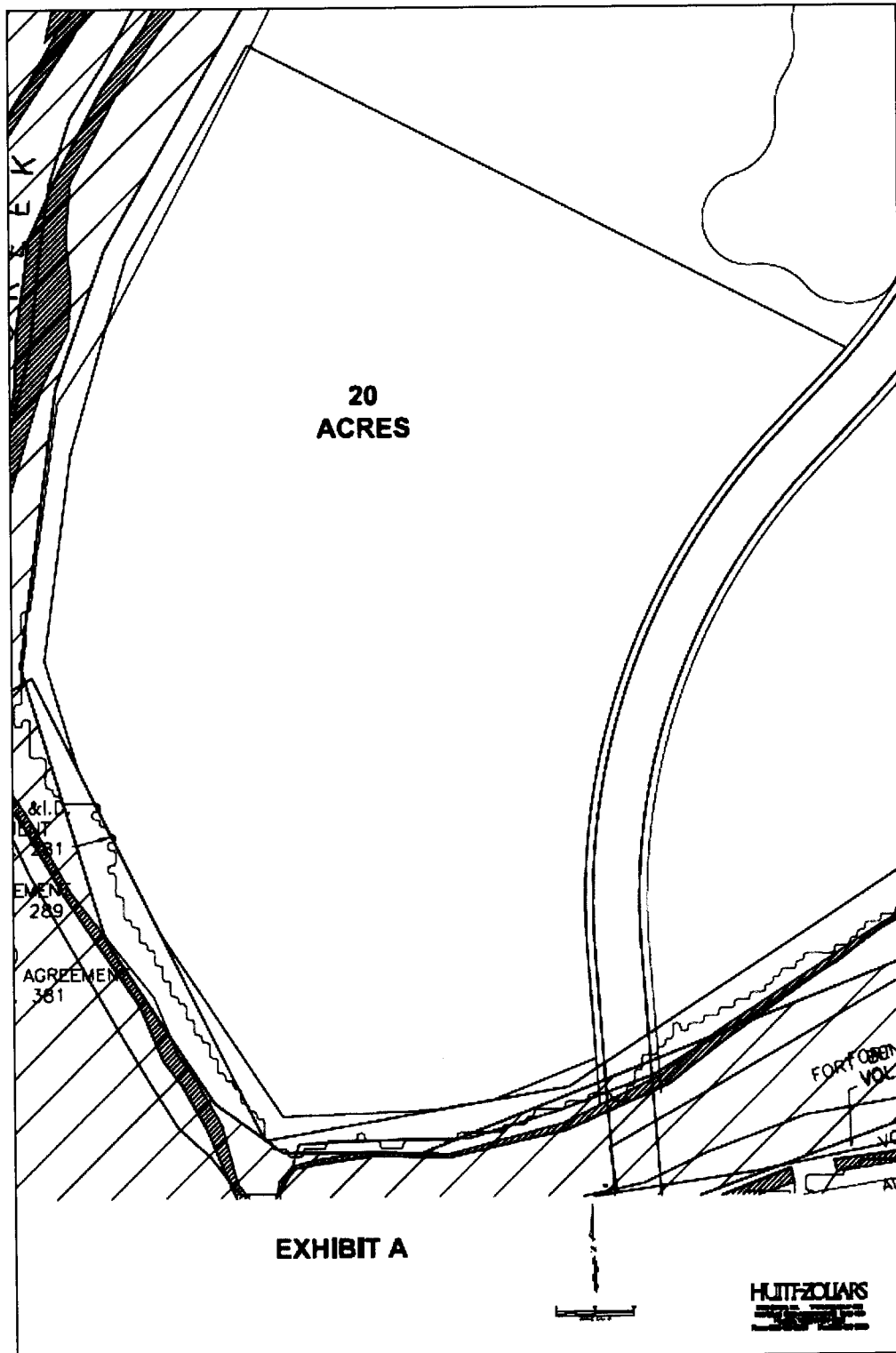


EXHIBIT B
TO
LEASE AGREEMENT

Memorandum of Lease

MEMORANDUM OF LEASE

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

THIS MEMORANDUM OF LEASE (this “**Memorandum**”) is made and entered into effective as of the ____ day of _____, 200__, by and between the **CITY OF SUGAR LAND, TEXAS** (“**City**”) and **OPENING DAY PARTNERS, L.L.C.** a Delaware limited liability company (“**Club**”).

A. City and Club have entered into that certain LEASE AGREEMENT (the “**Lease**”) having an execution date of _____, 201__, pursuant to which City has leased to Club and Club has leased from City the real property located in Fort Bend County, Texas described on **Exhibit A** attached hereto (the “**Stadium**”) pursuant to the terms and conditions of the Lease; and

B. City and Club desire to execute this Memorandum to provide notice of Club’s rights, titles and interest under the Lease and in and to the Stadium.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

Section 1. Definitions and Usage. Unless the context shall otherwise require, capitalized terms used in this Memorandum shall have the meanings assigned to them in the Lease, which also contains rules as to usage that shall be applicable herein.

Section 2. Lease. The Stadium have been leased to Club and pursuant to the terms and conditions of the Lease, which is incorporated by reference in its entirety in this Memorandum. In the event of any conflict or inconsistency between this Memorandum and the Lease, the Lease shall control.

Section 3. Lease Term. City has leased the Stadium to Club for an initial Term commencing at 12:00 a.m. on [_____], 201__ and ending, unless sooner terminated in accordance with the provisions of the Lease, at 11:59 p.m. on [_____, 21__].

Section 4. Successors and Assigns. This Memorandum and the Lease shall bind and inure to the benefit of the Parties and their respective successors and assigns, subject however, to the provisions of the Lease regarding assignment.

CITY:

CITY OF SUGAR LAND, TEXAS

By: _____
Name: _____
Title: _____

CLUB:

OPENING DAY PARTNERS, LLC,
a _____ limited liability company

By: _____
Name: _____
Title: _____

STATE OF [] §
COUNTY OF [] §

This instrument was acknowledged before me on [], 201__ by [], _____ of CITY OF SUGAR LAND, TEXAS, a municipal corporation organized under the laws of the State of Texas, on behalf of said municipal corporation.

Printed Name: _____
Notary Public in and for the State of Texas
My Commission Expires: _____

STATE OF [] §
COUNTY OF [] §

This instrument was acknowledged before me on [], 201__ by [], [] of OPENING DAY PARTNERS, L.L.C., a _____ limited liability company, on behalf of such company.

Printed Name: _____
Notary Public in and for the State of Texas
My Commission Expires: _____

After recording, return to:

City of Sugar Land, Texas

**EXHIBIT C
TO
LEASE AGREEMENT**

Offsite Parking Area (Approximately 6 Acres)



**EXHIBIT D
TO
LEASE AGREEMENT**

Permitted Exceptions

**EXHIBIT E
TO
LEASE AGREEMENT**

Land Containing Stadium Improvements

September 30, 2010
Job No. 1290-1003

**DESCRIPTION OF
15.000 ACRES**

Being 15.000 acres of land located in the Alexander Hodge League, Abstract 32, Fort Bend County, Texas, more particularly being a portion of that certain called 60.770 acre tract (described as Tract "B") with half (1/2) percent interest conveyed from the State of Texas Permanent School Fund to Cherokee Sugar Land, L.P., by instrument of record in File Number 2007084091, Official Public Records, of said Fort Bend County (F.B.C.O.P.R.), and the remaining half (1/2) interest retained by the State of Texas Permanent School Fund, of record in File Number 2007088839, F.B.C.O.P.R., and being a portion of that certain called 497.696 acre tract (described as Tract "F") with half (1/2) percent interest conveyed from the State of Texas Permanent School Fund to Cherokee Sugar Land, L.P., by instrument of record in File Number 2007088840, F.B.C.O.P.R. and the remaining half (1/2) interest retained by the State of Texas Permanent School Fund, of record in File Number 2003023371 and corrected in File Number 2008070584, F.B.C.O.P.R., and being a part and out of Tract 3A, Part 2 as shown on State of Texas Department of Transportation Partition Plat, a subdivision of record in Slide Numbers 1832B, 1833A, and 1833B, Plat Records, of said Fort Bend County, Texas, said 15.000 acres being more particularly described by metes and bounds as follows (all bearings based on the Texas Coordinate System, South Central Zone, NAD 83 (1993 adj.):

COMMENCING for reference at a previously found 1-inch iron pipe for the southwest corner of the aforementioned 497.696 acre tract, same point being the southwest corner of said Tract 3A, Part 2 as shown on State of Texas Department of Transportation Partition Plat, and being on the east right-of-way line of State Highway 6 (width varies), from which a previously found 1-inch iron pipe for an angle point on said east right-of-way line bears North 02° 17' 43" West, 765.19 feet;

Thence, along said east right-of-way line and along the west line of said 497.696 acre tract and Tract 3A, Part 2, North 02° 17' 43" West, 424.26 feet to point;

Thence, leaving said east right-of-way line and said west line of 497.696 acre tract, North 87° 42' 17" East, 564.95 feet the POINT OF BEGINNING of the herein described tract;

Page 1 of 3

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Exhibit E
Page 1

15.000 acre

September 30, 2010
Job No. 1290-1003

Thence, North 26° 20' 00" West, at 84.05 feet passing the common line of said 60.770 and 497.896 acre tracts, in all a total distance of 214.86 feet to a point for corner;

Thence, North 16° 45' 37" West, 147.57 feet to a point for corner;

Thence, North 07° 36' 51" East, 269.74 feet to a point for corner;

Thence, North 16° 11' 53" East, 261.67 feet to a point for corner;

Thence, North 29° 58' 56" East, 318.98 feet to a point for corner;

Thence, South 62° 50' 50" East, 869.08 feet to a point for corner, the beginning of a curve;

Thence, 35.83 feet along the arc of a non-tangent curve to the right having a radius of 810.00 feet, a central angle of 02° 32' 03", and a chord that bears South 42° 38' 08" West, 35.82 feet to a point for corner;

Thence, South 43° 54' 09" West, 100.00 feet to a point for corner, the beginning of a curve;

Thence, along the arc of a tangent curve to the left having a radius of 890.00 feet, at 148.06 feet passing the common line of said 60.770 and 497.896 acre tracts, in all a total distance of 313.58 feet a central angle of 20° 11' 15", and a chord that bears South 33° 48' 31" West, 311.96 feet to a point for corner;

Page 2 of 3

F:\Project\1\SURVEY\1290\1003\WMB\Ball Park 15.00ac.doc

15.000 acre

September 30, 2010
Job No. 1290-1003

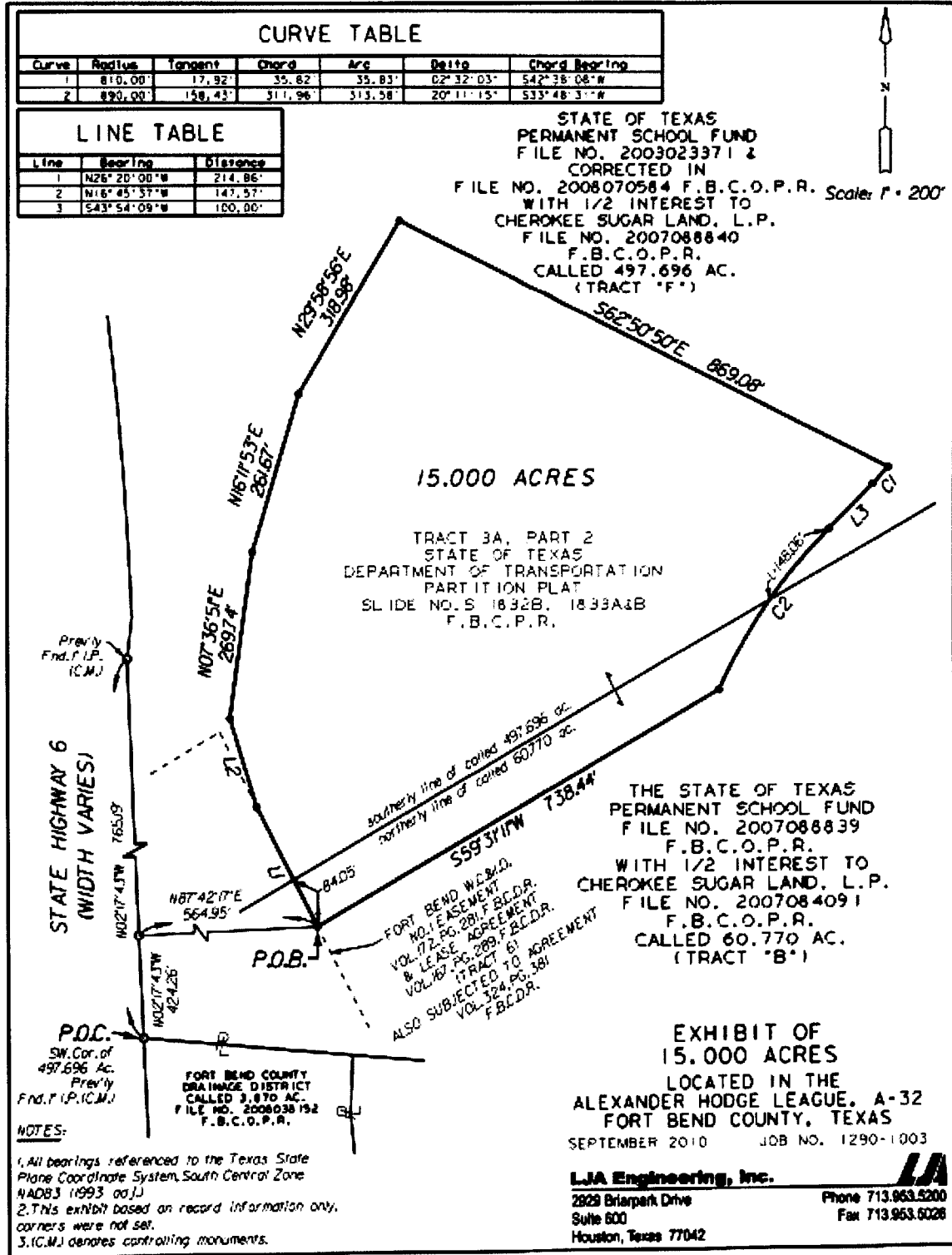
Thence, South 59° 31' 11" West, 738.44 feet to the POINT OF BEGINNING and
containing 15.000 acres of land.

Based upon record information only, corners were not set.

LJA Engineering & Surveying, Inc

Page 3 of 3

I:\Projects\1\SURVEY\1290\1003\W&B\Ball Park 15.00ac.doc



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9/29/2010

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "**First Amendment**") is made and entered into as of July 15, 2014 (the "**Effective Date of this First Amendment**") by and between THE CITY OF SUGAR LAND, TEXAS, acting by and through its governing body, the City Council ("**City**"), and SL BASEBALL, LLC, as assignee of OPENING DAY PARTNERS, LLC, a Texas limited liability company ("**Club**").

WITNESSETH:

WHEREAS, by that certain Lease Agreement dated effective as of October 5, 2010 (the "**Original Agreement**"), City, as landlord, and Club, as tenant, agreed to certain rights and obligations in connection with the lease of a minor league baseball stadium; and

WHEREAS, Opening Day Partners, LLC has heretofore assigned the Lease to its Affiliate SL Baseball, LLC in accordance with a certain Assignment and Assumption Agreement dated October 27, 2010, made pursuant to Section 17.1(z) of the Lease (and Section 14.1(z) of the associated Development Agreement);

WHEREAS, City and Club have heretofore entered into a certain Lease Commencement Date Agreement dated April 21, 2012, that certain letter agreement dated November 11, 2013 (the "**First Letter Agreement**"), that certain Project Close-Out Agreement dated November 19, 2013, and that certain letter agreement dated January 17, 2014.

WHEREAS, as contemplated by the Original Agreement, City has caused or is causing the design, construction, development and installation of the Marquee Sign (as defined below) described on Exhibit E attached hereto and located on the Offsite Parking Area described on Exhibit F attached hereto, which Marquee Sign shall promote the Stadium and other events in and around the City of Sugar Land, Texas, all as described below.

WHEREAS, City and Club desire to amend the Original Agreement to, among other things, reflect the parties' agreements regarding the Marquee Sign, and are willing to agree to such an amendment upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Club agree to amend, and do hereby amend, the Original Agreement as follows:

1. The final sentence of Section 3.2.3 of the Original Agreement is hereby deleted in its entirety.
2. Marquee Sign. A new Section 3.2.4 is hereby added following Section 3.2.3 of the Agreement, which Section 3.2.4 shall read as follows:

"3.2.4 Marquee Sign. City and Club agree that City shall diligently pursue the construction of an electronic marquee sign that changes its message or copy by programmable electronic processes (the "**Marquee Sign**"), which Marquee Sign shall be

(a) constructed by the City in accordance with the plans and specifications described on Exhibit E attached hereto, (b) meet all governmental rules, laws and ordinances, including but not limited to the City's Electronic Sign Code and Marquee Operating Agreement, and (c) located within the Offsite Parking Area as depicted on Exhibit F attached hereto. The plans, specifications and location of the Marquee Sign described on Exhibit E are hereby agreed to and approved by each of City and Club. Costs and expenses associated with the construction (but not the operation) of the Marquee Sign in accordance with Exhibit E shall be allocated to the City as follows: (X) City shall contribute to such construction \$150,000 plus fifty percent (50%) of City's Project Savings (as defined in the First Letter Agreement) in excess of the Project Savings needed to pay for certain roof-screening required by certain applicable deed restrictions, all as more particularly described in the First Letter Agreement, and (Y) City shall be responsible for all remaining costs and expenses. Club may not move, relocate, alter or modify the Marquee Sign in any manner without the written consent of City Representative, which consent shall not be unreasonably withheld. City may not move, relocate, alter or modify the Marquee Sign in any manner without the written consent of Club Representative, which consent shall not be unreasonably withheld. In no event shall Club install or utilize any equipment which may or will exceed or overload the capacity of any utilities furnished or servicing the Marquee Sign. Title to the Marquee Sign shall be and shall remain in City for, during and after the Term and in no event shall the Marquee Sign constitute Club's Personal Property."

3. Advertising. Section 8.10 of the Original Agreement is hereby deleted in its entirety and replaced with the following (showing changes to the original Section):

"8.10.1 Certain Advertising. Club shall have the sole and exclusive advertising privileges on the interior and exterior of the Stadium, including billboard and program advertising, but specifically excluding the Marquee Sign (which is covered by the terms of the Operating Agreement), which advertising shall remain in place and not be disturbed (other than as described below) during Other Events and Community Events, and all revenue derived therefrom shall be retained by or paid to Club. Neither City nor Club shall place, or authorize any other party to place, any permanent or temporary advertising on or about the Marquee Sign. Club acknowledges that City and other users of the Stadium shall have advertising privileges for Other Events and Community Events, including use of the electronic scoreboards and the Marquee Sign (subject to the terms of the Operating Agreement), which advertising shall be temporary in nature, and all revenues derived therefrom shall be retained by or paid to City or such other users. In addition, City shall have the right to turn off or cover certain signage during Other Events or Community Events in which advertising is prohibited by applicable law. Other than as set forth in the immediately preceding sentence, unless otherwise agreed to by Club in writing prior to an Other Event or Community Event, which agreement shall not be unreasonably withheld or delayed, or unless as described in the Operating Agreement with respect to the Marquee Sign, City shall not have the right to turn off or cover any signage during Other Events or Community Events. Such agreement by Club for any Other Event or Community Event shall not provide a waiver of Club's rights regarding future Other Events or Community Events. City shall have the non-exclusive right to require certain public service announcements be made during Club Events, at no charge,

upon the agreement of Club Representative, which agreement shall not be unreasonably withheld; provided that such public service announcements are limited to no more than three (3) per Club Event.” ~~There shall be no permanent or temporary advertising located or displayed on the Marquee Sign, and no off-site events shall be displayed or advertised on the Marquee sign.~~

4. Operation of Marquee Sign. The Club shall use and operate the Marquee Sign in accordance with the terms of the Operating Agreement.

5. Definition of Marquee Sign. The reference to Section 3.2.3 of the Agreement in the definition of the term “Marquee Sign” in Appendix A of the Agreement is hereby replaced with a reference to Section 3.2.4.

6. Definition of Offsite Parking Area. The definition of the term “Offsite Parking Area” in Appendix A of the Lease is hereby deleted in its entirety and replaced with the following:

“Offsite Parking Area” means (a) the property (and the Improvements thereon) depicted and more specifically described on Exhibit C and (b) the Marquee Sign area described on Exhibit F.

7. Incorporation of Marquee Sign into Offsite Parking Area. City and Club hereby acknowledge and agree that the Marquee Sign shall for all purposes be included within the premises defined as the “Offsite Parking Area” in the Agreement as more fully described in the Operating Agreement.

8. Additional Definitions. The following definitions are hereby added to Appendix A in their appropriate alphabetical positions:

“Operating Agreement” means that certain Marquee Sign Operating Agreement dated as of July __, 2014, by and between Club and City and relating to the Club’s use and operation of the Marquee Sign.

9. Exhibit E. Exhibit E attached hereto and made a part hereof is hereby added to the Agreement as Exhibit E.

10. Exhibit F. Exhibit F attached hereto and made a part hereof is hereby added to the Agreement as Exhibit F.

11. Miscellaneous.

(a) Amendment to Agreement. The parties acknowledge and agree that the Original Agreement has not been amended or modified in any respect, other than by this First Amendment. The term “Agreement” as used herein shall mean the Original Agreement as amended by this First Amendment, unless the context requires otherwise.

(b) Counterparts. This First Amendment may be executed in multiple counterparts, and each counterpart when fully executed and delivered shall constitute an

original instrument, and all such multiple counterparts shall constitute but one and the same instrument.

(c) Entire Agreement. This First Amendment sets forth all covenants, agreements and understandings among the parties with respect to the subject matter hereof and there are no other covenants, conditions or understandings, either written or oral, between the parties hereto except as set forth in this First Amendment.

(d) Full Force and Effect. Except as expressly amended hereby, all other items and provisions of the Agreement, as amended, remain unchanged and continue to be in full force and effect.

(e) Conflicts. The terms of this First Amendment shall control over any conflicts between the terms of the Agreement and the terms of this First Amendment.

(f) Capitalized Terms. Capitalized terms used herein but not defined herein shall have the same meanings assigned to such terms in the Agreement.

(g) Successors and Assigns. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns under the Agreement.

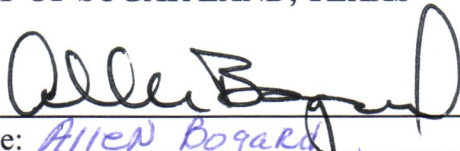
(h) Governing Law. This First Amendment shall be governed by, and construed in accordance with, the laws of the State of Texas.

[END OF TEXT]

This First Amendment is executed effective as of the Effective Date of this First Amendment.

CITY:

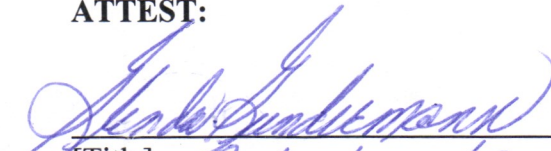
CITY OF SUGAR LAND, TEXAS

By: 

Name: Allen Bogard

Title: City Manager

ATTEST:


[Title] City Secretary

TENANT:

SL BASEBALL, LLC

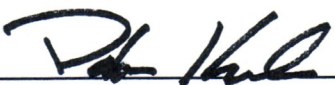
a Texas limited liability company

By: 
Name: Peter Kirk
Title: Chairman

**ACCEPTED AND AGREED TO BY OPENING
DAY PARTNERS AS ORIGINAL LESSE:**

OPENING DAY PARTNERS

a Delaware limited liability company

By: 
Name: Peter Kirk
Title: Chairman

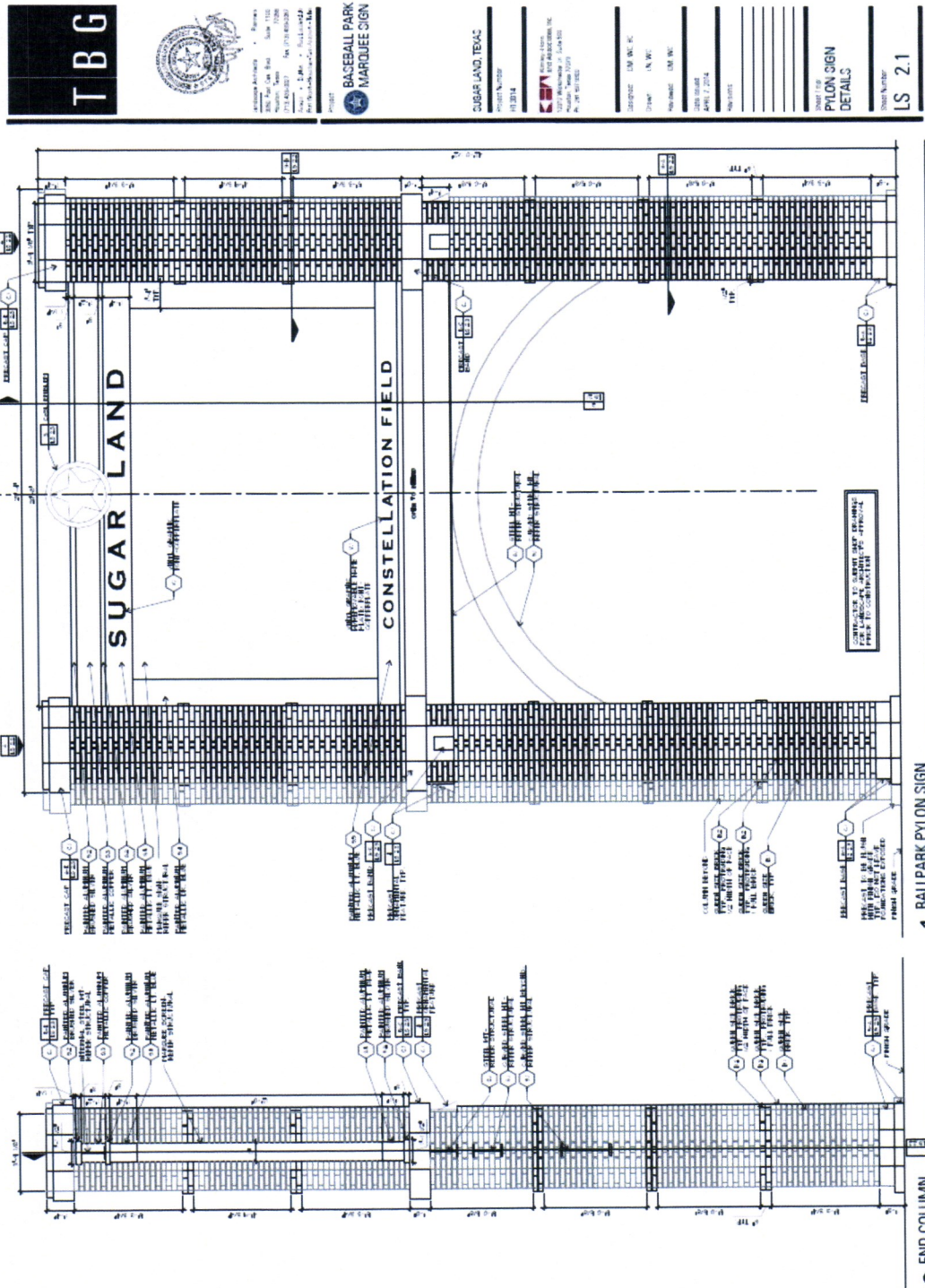
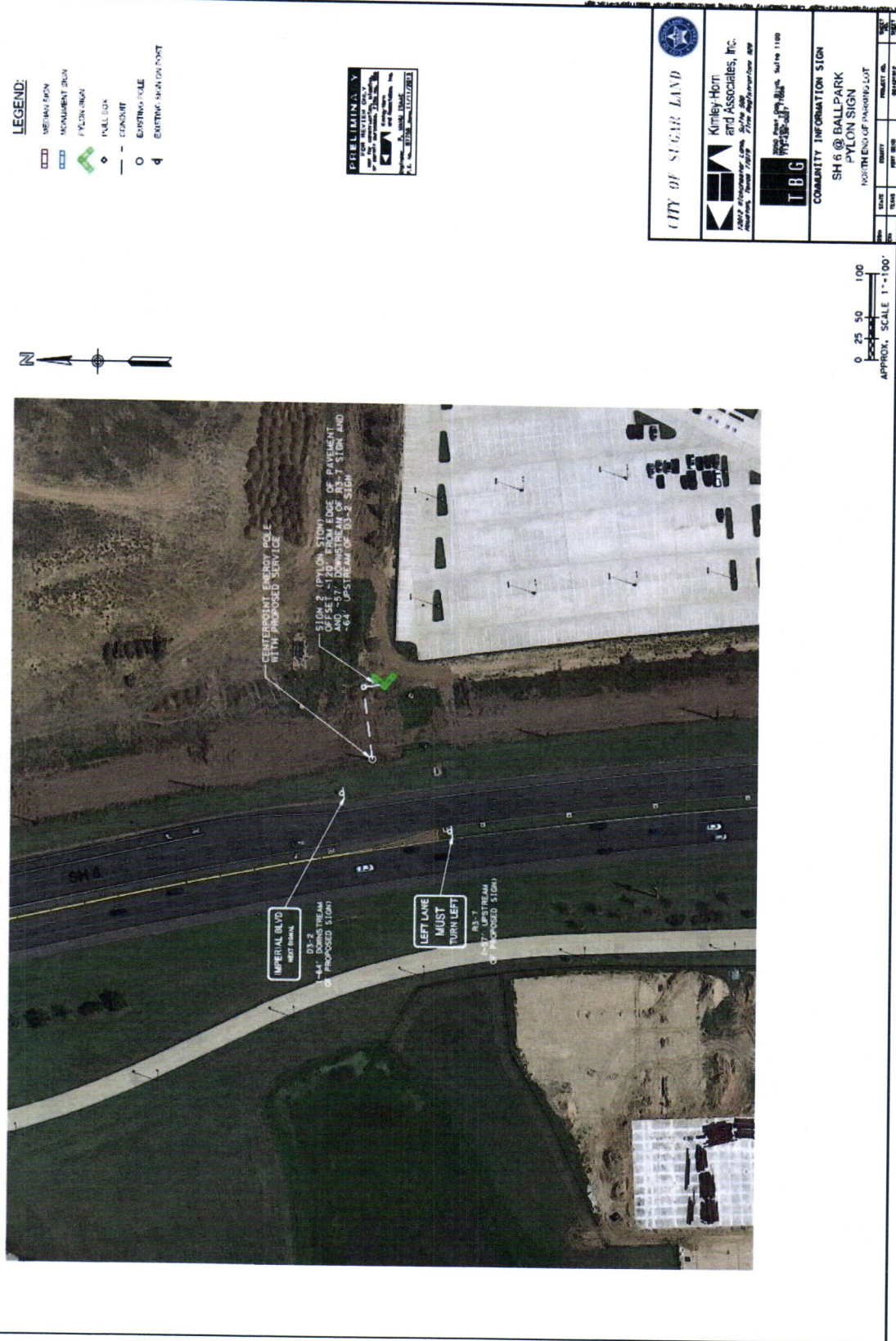


EXHIBIT F Location of Marquee Sign



CONSENT AGREEMENT AND SECOND AMENDMENT TO LEASE
AGREEMENT

This CONSENT AGREEMENT AND SECOND AMENDMENT TO LEASE AGREEMENT (this "Agreement") is entered into on the 20th day of April, 2021 (the "Execution Date"), by and between **THE CITY OF SUGAR LAND, TEXAS**, acting by and through its governing body, the City Council ("City"), **SL BASEBALL, LLC**, as assignee of OPENING DAY PARTNERS, LLC, a Texas limited liability company ("SL Baseball") and **SUGAR LAND ASTROS, LLC**, a Texas limited liability company ("Proposed Assignee").

BACKGROUND

A. City and SL Baseball (as assignee from Opening Day Partners, LLC) are parties to that certain Lease Agreement dated as of October 5, 2010 (the "Original Lease"), as amended by (i) that certain Assignment and Assumption Agreement dated October 27, 2010, (ii) that certain Lease Commencement Date Agreement dated April 21, 2012, (iii) that certain letter agreement dated November 11, 2013, (iv) that certain letter agreement dated January 17, 2014, (v) that certain Marquee Sign Operating Agreement dated July 15, 2014, (vi) that certain First Amendment to Lease Agreement dated July 15, 2014, (vii) that certain Lease Estoppel, Consent and Agreement dated October 28, 2014, (viii) that certain Consent Agreement dated February 18, 2015 (Roof Work) and (ix) that certain Consent Agreement dated May 20, 2015 (Landscaping Work) (as so amended, modified, assigned and assumed, collectively, the "Lease"), in connection with the lease of a minor league baseball stadium in Sugar Land, Fort Bend County, Texas (as more particularly described in the Lease, the "Stadium").

B. City and SL Baseball hereby acknowledge that it has been their mutual goal, as stated in Section 8.3.7(d) of the Lease, to have a Triple-A baseball team affiliated with the Houston Astros Major League Baseball Club play their home games at the Stadium.

C. The parties now desire to amend the Lease to provide for the Stadium to be the home stadium of a Triple-A baseball team affiliated with the Houston Astros Major League Baseball Club and consent to and confirm certain matters with regard to the Lease.

AGREEMENT

In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound, do hereby agree as follows:

1. Confirmations. City, SL Baseball and Proposed Assignee hereby agree that except as modified pursuant to this Agreement, the Lease is unmodified and in full force and effect. Further, as of the Execution Date, to the best knowledge of City, no default under the Lease on the part of SL Baseball exists, and, as of the Execution Date, no Rent remains unpaid. In addition, as of the Execution Date, to the best knowledge of SL Baseball, no default under the Lease on the part of City exists. Proposed Assignee hereby represents and warrants to City that Proposed Assignee has received all PDL Approvals necessary for Proposed Assignee to execute this

Agreement and become the “Club” under the Lease, and for Proposed Assignee, as the “Club” under the Lease, and Team to perform their respective obligations under the Lease.

2. Consent to Transfer of SL Baseball’s Leasehold Estate. SL Baseball desires to assign one hundred percent (100%) of its Leasehold Estate under the Lease to Proposed Assignee, an entity controlled by SL Astros LLC (“SL Astros”), an entity that is wholly owned by Houston Baseball Partners LLC (“HBP”), the entity that wholly owns Houston Astros, LLC (“Astros LLC”), with both SL Astros and Astros LLC being managed and controlled by James Robert Crane, who is the MLB Control Person of the Houston Astros Major League Baseball Club (the “Proposed Transfer”). Pursuant to the terms of Section 17.1 of the Lease, the Proposed Transfer constitutes a Transfer that is not permitted without the prior written Approval of City. City hereby Approves the Proposed Transfer with the understanding that Proposed Transferee is controlled by SL Astros, an entity that is wholly owned by HBP, the entity that wholly owns Astros LLC, with both SL Astros and Astros LLC being managed and controlled by James Robert Crane, who is the MLB Control Person of the Houston Astros Major League Baseball Club. City’s Approval herein does not waive City’s right to Approve any other Transfer to the extent provided pursuant to the terms of the Lease. Notwithstanding anything herein or in the Lease to the contrary (including, but not limited to, Section 17.1 of the Lease), any change to the MLB Control Person that is approved by Major League Baseball shall not constitute a Change in Control or Transfer to which City’s right to Approval applies. Proposed Assignee hereby agrees that, upon the assignment of SL Baseball’s Leasehold Interest under the Lease to Proposed Assignee, Proposed Assignee shall be deemed to have assumed all obligations of SL Baseball as “Club” under the Lease from the Execution Date through the Lease Expiration Date. City’s Approval of the Proposed Transfer as provided herein does not constitute a release by City of SL Baseball for liabilities and obligations under the Lease for periods prior to the Execution Date, and SL Baseball (not Proposed Assignee) hereby remains responsible for such liabilities and obligations.

3. Amendments to Lease.

(a) The first paragraph of Section 4.1 is hereby deleted in its entirety and replaced with the following:

“**4.1 Term.** The term of this Lease (the “Term”) shall commence on the Substantial Completion Date (the “Lease Commencement Date”), and expire on December 31, 2045, unless this Lease is sooner terminated pursuant to any applicable provision hereof, whereupon such date of termination shall be the “Lease Expiration Date.””

(b) The first and second sentences of Section 5.4.1 are hereby deleted in their entirety and replaced with the following sentences:

“Commencing with the Lease Commencement Date and continuing thereafter for all Lease Years ending on or prior to December 31, 2020, Club shall pay City annually (in addition to the Base Rent) Participation Rent (herein so called) equal to forty percent (40%) of all gross revenues from Ticket Sales, Suite License Sales and Naming Rights Payments collected during the previous Lease Year in excess of Two Million Six Hundred

Thousand and No/00 Dollars (\$2,600,000.00). Commencing with the Lease Year beginning on January 1, 2021 and continuing thereafter for the remainder of the Term, Club shall pay to City annually (in addition to Base Rent) Participation Rent (herein so called) equal to ten percent (10%) of all gross revenues from Ticket Sales, Suite License Sales and Naming Rights Payments collected in a Lease Year in excess of Three Million Eight Hundred Thousand and No/100 Dollars (\$3,800,000.00)."

(c) The last sentence of Section 5.7.2 is hereby deleted in its entirety.

(d) Section 8.1 is hereby deleted in its entirety and replaced with the following:

"8.1 Permitted Uses. After the Lease Commencement Date and throughout the remainder of the Term, the Stadium and Offsite Parking Area shall be used and occupied solely as a multi-purpose Triple-A caliber baseball stadium as a venue primarily for professional and amateur baseball games but also incidentally for conventions, concerts, movies, meetings, festivals and fundraising galas consistent with uses of Comparable Properties and in accordance with the Operating Standard, Applicable Laws, the Plans for Stadium Improvements and otherwise pursuant to the terms of this Lease, and, subject to the terms of Section 8.2 below, for the conducting of any and all indoor and outdoor activities reasonably relating or incidental thereto (the "**Permitted Use**")."

(e) The following sentence is added to the end of Section 8.3.7(a) of the Lease:

"The Team is the exclusive Triple-A level professional baseball team affiliate of the Houston Astros Major League Baseball Club. The name of the Team will always include the words "Sugar Land." The name of the Team will not include the name of any other city, county, region or political subdivision."

(f) Section 8.3.7(d) is hereby deleted in its entirety from the Lease.

(g) The first two sentences of Section 10.1.5(a) are hereby deleted in their entirety and replaced with the following:

"Prior to May 30, 2021, City will deposit, or cause to be deposited, the sum of One Million and No/100 Dollars (\$1,000,000.00) into the Capital Fund. At the end of each fifth (5th) Lease Year period during the Term beginning with the five-year period ending on December 31, 2025 and every five (5) years thereafter, the balance in the Capital Fund must be at least One Million and No/100 Dollars (\$1,000,000.00). Should the balance of the Capital Fund at the time of calculation as provided in the immediately preceding sentence be less than One Million and No/100 Dollars (\$1,000,000.00), then Club shall pay unto the Capital Fund, without offset or deduction, the sum of 50/100 Dollars (\$0.50) per person attending Club Events,

annually, on the Participation Rent Payment Date (the “**Capital Fund Deposits**”) until the amount therein is again equal to One Million and No/100 Dollars (\$1,000,000.00).

(h) The final sentence of Section 10.1.5(a) shall be deleted in its entirety and replaced with the following: “Club may use the Capital Fund for paying or reimbursing itself for Capital Expenses during the final two (2) years of the Term without any obligation for replenishing the Capital Fund. Any balance in the Capital Fund on the Lease Expiration Date shall belong to City and may be withdrawn by City upon the request of an Responsible Officer of the City.”

(i) A new Section 10.1.8 is hereby added to the Lease as follows:

“10.1.8 Additional Club Obligation. In addition to amounts spent from funds in the Annual Fund (as defined herein), beginning with the Lease Year commencing on January 1, 2021, Club will spend an average of Three Hundred Thousand and No/100 Dollars (\$300,000.00) per Lease Year during the Term on Stadium Enhancement Expenses, with such annual average being measured on a rolling five (5) year basis with the first measurement occurring in December 2025. Notwithstanding anything in this Lease to the contrary, if Club fails to meet such annual average described in the preceding sentence, Club will be unable to use the Capital Fund to pay for or be reimbursed for Capital Expenses until Club meets the annual average described in the preceding sentence on the next occurring measurement date. Within ninety (90) days after the end of each Lease Year, Club shall furnish City with a certificate of a Responsible Officer of Club certifying to the expenses incurred and paid by Club during the previous Lease Year for projects described in this Section 10.1.8 allocated by applicable project. City may, at City’s expense, engage an accounting firm to verify the accuracy of the certificate by reviewing the portion of Club’s books and records that are necessary to verify the accuracy of the certificate.”

(j) A new Section 10.1.9 is hereby added to the Lease as follows:

“10.1.9 Annual Fund.

(a) **Annual Fund.** Prior to May 30, 2021 and prior to April 1 of each Lease Year thereafter, City will cause the Sugar Land 4B Corporation (the “**SL4B**”) to contribute the following sums to be used by Club in each calendar year for the payment of approved Capital Expenses:

2021: \$2,500,000.00
2022: \$2,500,000.00
2023: \$1,000,000.00
2024: \$2,000,000.00
2025: \$2,000,000.00

Prior to, and as a condition of, the contribution of such funds by SL4B in each Lease Year, City and Club shall agree on the scope and budget for the Capital Repairs to be accomplished with the applicable funds in such Lease Year. Upon approval of such scope and budget, SL4B shall deposit the applicable funds into a segregated and dedicated account (the “**Annual Fund**”) to be held by City. Further, Club agrees that Two Million and No/100 Dollars (\$2,000,000.00) of the Annual Fund shall be designated for the payment of Capital Expenses for public-facing fan experience amenities that either expand the capacity of the Stadium or improve the fan experience (the “**Fan Experience Projects**”). Prior to the contribution of such funds for Fan Experience Projects, by SL4B, the City and Club shall agree on the scope and budget for the Fan Experience Projects to be accomplished with the applicable funds. For clarification purposes, prior to the execution of the Consent Agreement and Second Amendment to Lease Agreement dated as of April 20, 2021, City received and reviewed Club’s proposed renovations for the Stadium and hereby confirms that all proposed renovations are Capital Expenses as defined in this Lease; provided, however, this confirmation does not override the requirement that (i) City and Club agree annually on the scope and budget for Capital Repairs and (ii) City and Club agree on the scope and budget for Fan Experience Projects, each as provided above.

(b) **Club’s Access to the Annual Fund.** Subject to all of the provisions and limitations set forth in this **Section 10.1.9**, from time to time during the Term, Club may withdraw funds available in the Annual Fund but only for the purpose of paying or reimbursing itself for Capital Expenses in accordance with the applicable approved scope and budget (the “**Eligible Capital Expenses**”). To withdraw funds from the Annual Fund, a Responsible Officer of Club must execute and deliver to City a Certificate requesting withdrawal of an amount from the Annual Fund to either (i) reimburse Club for Eligible Capital Expenses incurred by Club as described in the Certificate or (ii) disburse all or a portion of such amount to the third Persons specified in the Certificate to pay those third Persons for Eligible Capital Expenses for which Club has liability. Each Certificate shall include (w) a statement certified by a Responsible Officer of Club that the particular Eligible Capital Expenses covered by the Certificate (1) have been or will be completed in compliance with the terms of this Lease, (2) have been Approved by City, (3) have not been previously reimbursed or paid out of the Capital Fund as of the date of the Certificate and (4) have been incurred for Capital Repairs set forth in the applicable approved scope and budget and (x) proof of insurance and such invoices, purchase orders, bills of sale or other documents that reasonably evidence Club’s incurrence of such expenses and completion or undertaking to complete such Capital Repairs set forth in the applicable approved scope and budget. Absent manifest error, upon receipt of a Certificate, City shall promptly (and in no event

more than ten (10) Business Days after receipt of such Certificate) withdraw from the Annual Fund the amount specified in such Certificate and disburse such amount to (y) Club to reimburse Club for the amount of Eligible Capital Expenses incurred by Club as specified in such Certificate or (z) the third Persons specified in such Certificate to pay such third Persons the amounts specified in such Certificate. Notwithstanding anything to the contrary contained in this Section 10.1.9 in the event Club submits a Certificate under this Section 10.1.9 and an uncured Club Default shall then exist, City shall not be obligated to draw against the Annual Fund for the funds requested or otherwise reimburse Club unless and until such uncured Club Default is cured or otherwise resolved. City and Club intend for the procedure described in this Section 10.1.9 to be ministerial in nature so that Club may receive prompt reimbursement and payment of expenses described in this Section 10.1.9 incurred by Club or for which the Club has liability. In the event any Certificate submitted by Club under this Section 10.1.9 does not include documents that reasonably evidence Club's completion of the Capital Repairs set forth in the applicable approved scope and budget and covered by such Certificate, Club shall provide City with such documents within thirty (30) days after the completion of such Capital Repairs. Club will be responsible for any Capital Expenses related to the approved scope and budget described in Section 10.1.9(a) above to the extent that such are in excess of either the funds on deposit in the Annual Fund or the approved budget therefor; provided, however, (i) if City approves a scope with a budget (or a portion thereof) that exceeds the funds then on deposit in the Annual Fund, Club shall be reimbursed for such approved excess Eligible Capital Expenses paid by Club in accordance with the approved scope and budget from funds on deposit in the Annual Fund in subsequent years and (ii) if Club expends funds with regard to an approved scope in excess of the approved budget therefor, Club shall be reimbursed for such excess costs (or the applicable portion thereof) spent by Club from funds on deposit in the Annual Fund in subsequent years but only if such excess costs result from unforeseen conditions that should not have been reasonably anticipated and only if City has approved Club's expenditure of such excess (or an applicable portion thereof).

(c) **Verification of Eligible Capital Expenses.** Within ninety (90) days after the end of each Lease Year, Club shall furnish to City a certificate of a Responsible Officer of Club, setting forth, all Club's withdrawals or transfers from the Annual Fund, how the proceeds were applied, and all Eligible Capital Expenses incurred by Club during that Lease Year in excess of the aggregate of all such withdrawals. City may, at its expense engage an accounting firm to verify the accuracy of the certificate by reviewing the portion of Club's books and records that are necessary to verify the accuracy of the certificate. After the review, the accountants will deliver their report to City and Club advising whether there were any errors in the certificate and what adjustments should be made to correct the errors. Within ten (10)

days after delivery of the report, Club shall deposit such amount (or, if applicable, deliver to City notice that the excess of Eligible Capital Expenses over the aggregate withdrawals made by Club, as described above, has been reduced by such amount). If the amount finally determined to be owed by Club exceeds \$25,000, Club shall reimburse City for the reasonable costs of such accountants' review."

(k) The following sentence is hereby added to the end of Section 23.15.1 of the Lease:

"City shall receive a Three Hundred and No/100 Dollar (\$300.00) catering credit for each Baseball Home Game held at the Stadium for use by City to defray the food and beverage costs and service charges for which City is liable during City's use of the Owner Suite."

(l) Section 23.15.2 of the Lease is revised to (i) reduce the number of complimentary tickets that Club must provide to City from two hundred (200) to fifty (50) for every Club Event scheduled at the Stadium and (ii) to increase the number of complimentary tickets for each City Employee Night from one thousand (1,000) to one thousand two hundred (1,200).

(m) A new Section 23.20 is hereby added to the Lease as follows:

"23.20 Sales Tax. City and Club intend for all local sales and use taxes arising from sales at the Stadium are to be allocated to the City, as specifically required by 34 Texas Administrative Code §§3.298(a)(1)(C) and 3.334; provided, however, nothing herein shall be deemed to prohibit or restrict Club from effecting sales of tickets through offices or services which are not located in City. Should Club do so, Club will in good faith attempt to do so in a manner which permits City to collect the sales taxes generated therefrom. In all events, all telephone solicitations and sales shall be made in a manner which permits City to collect the sales taxes generated therefrom."

(n) A new Section 23.21 is hereby added to the Lease as follows:

"23.21 Approved Hotels. City and the Club will work together in good faith to develop a list of approved hotels in the City that Club will recommend out-of-town teams and visitors patronize when those teams and visitors are planning to be at the Stadium. City and Club acknowledge that all such hotels must be approved in advance by the League prior to the start of each season."

(o) A new Section 23.22 is hereby added to the Lease as follows:

"23.22 Aviation and Additional Development. Club and its Affiliates shall in good faith explore the possibility of (i) using Sugar Land Regional Airport (the "Airport") for its aviation travel needs and (ii) developing

vacant land identified as non-aviation commercial property and owned by the Airport for uses that complement the Stadium such as hotels and retail use. However, nothing in this Section shall prevent Club and its Affiliates from participating in the development of land that is not owned by the Airport.”

(p) A new Section 23.23 is hereby added to the Lease as follows:

“23.23 Philanthropic and Community Endeavors. Club shall cause Houston Astros, LLC (“**HALLC**”) to ask the major league players of the Houston Astros to participate in opportunities that City presents to HALLC that benefit the local Sugar Land community including opportunities for such players to volunteer in the local Sugar Land community. Subject to PDL Rules and Regulations, Club will, in either 2022, 2023 or 2024, hold an exhibition game at the Stadium whose participants are the Houston Astros and the Team. Subject to PDL Rules and Regulations and the rules and regulations of Major League Baseball, Club agrees to consider, in good faith, playing periodically throughout the Term additional exhibition games whose participants are the Houston Astros and the Team. Club shall continue to use the Stadium for special events similar to Club’s present practices. It is a goal of Club and HALLC for the Astros Foundation to provide charitable gifts to local Sugar Land philanthropic causes.”

(q) A new Section 23.24 is hereby added to the Lease as follows:

“23.24 Sales Tax Exemption. To the extent not prohibited by Applicable Laws, all property and services purchased through the use of funds on deposit in the Annual Fund or the Capital Fund will be deemed purchases by City and title to all of such property and services shall be and remain in City and shall not be considered Club’s Personal Property. City’s purchase of such property and services is made solely as the landlord hereunder and not as a developer or operator of the Stadium, and such acceptance shall in no way be deemed, interpreted or construed to modify, reduce or compromise in any manner whatsoever Club’s obligations or liabilities set forth in this Lease or relieve Club from any such obligations or liabilities, including the insurance requirements set forth in this Lease. Further, City makes no representation or warranty whatsoever as to the tax consequences of such property and service purchases contemplated by the terms of this Section 23.24. As long as such property and service purchases are consistent with the Additional Work approved by City, incorporated into the Improvements, installed in a good and workmanlike manner, or used in the operation of the Stadium, City shall not have the right to reject title to any of such property or services, and City’s rights and powers with respect to such property and services purchased are subject to the terms and limitations of this Lease. If requested by Club, City and Club shall, at Club’s expense, cooperate in seeking a determination from the Comptroller of Public Accounts of the State of Texas confirming that the property and

services purchased through the use of funds on deposit in the Annual Fund, and/or the Capital Fund are exempt from sales and use taxes. In addition, City and Club shall, at Club's expense, take appropriate or necessary steps to establish and maintain the foregoing exemption should such exemption be permitted by Applicable Laws, including (i) executing an appropriate agency agreement regarding Club's purchase of property and services on behalf of City and (ii) City's confirming in writing to Club City's acceptance of such property and services.

(r) A new Section 23.25 is hereby added to the Lease as follows:

"Section 23.25 PDL Approvals. Notwithstanding anything herein to the contrary, this Lease may not be amended, supplemented or otherwise modified, and no provision herein may be waived, unless all necessary PDL Approvals have been obtained in advance thereof. Any amendment, supplement, waiver or other modification of this Agreement made without first obtaining all necessary PDL Approvals shall be null and void *ab initio*."

(s) A new Article XXV is hereby added to the Lease as follows:

ARTICLE XXV

Professional Development League Requirements

25.1 Professional Development League Requirements. Any contrary provisions contained herein notwithstanding:

(a) This Lease and any rights granted to City or Club hereunder shall in all respects be subordinate to the PDL Rules and Regulations. The issuance, entering into, amendment or implementation of any of the PDL Rules and Regulations shall be at Club's sole cost and expense (subject to approved reimbursement from the Annual Fund), and at no cost or liability to any MLB PDL Entity or City or to any individual or entity related thereto. The territory within which City is granted rights under this Lease is limited to, and nothing herein shall be construed as conferring on City rights in areas outside of, the PDL Club Marketing Territory, as established and amended from time to time. No rights, exclusivities or obligations involving the Internet or any interactive or on-line media (as defined in the applicable PDL Rules and Regulations) are conferred by this Lease, except as are specifically approved in writing by MLB PDL. Club hereby represents and warrants to City that, as of April 20, 2021, the terms of this Lease are not inconsistent with the terms of any PDL Rules and Regulations or any current interpretations thereof.

(b) Club agrees that if compliance by it with PDL Rules and Regulations (including future PDL Rules and Regulations) results in a failure of Club to fulfill its obligations under this Lease, City may enforce

remedies for Club's failure to fulfill its obligations as provided in this Lease including pursuant to Sections 20.2 and 20.4 of this Lease.

(c) City agrees that if the date upon which any termination or suspension of this Lease falls during the regular season or postseason, the effective date of such termination or suspension shall be the first day of the month following the final home game of such season, and, in no event, shall City terminate or suspend Club's rights under this Lease during any regular season or postseason.

(d) If, at any time, Club is no longer party to a PDL Agreement for a full season professional baseball team to play its home games at the Stadium, then, subject to Section 25.1(a) above and in addition to all other rights and remedies of City under this Lease, City may terminate this Lease upon thirty (30) days' written notice to Club and MLB PDL; provided that upon delivery of any such termination notice, City agrees that MLB PDL shall have the right to require that City transfer this Lease to another PDL Club that is party to a PDL Agreement pursuant to which a full season professional baseball team plays its home games at the Stadium as selected by MLB PDL within such time so long as the conditions in Section 17.4 of this Lease are satisfied and such PDL Club is Approved by City, with City to have deemed to Approve such PDL Club unless City can reasonably demonstrate that the replacement PDL Club does not have the financial resources to perform its obligations as tenant under this Lease. Club agrees that it shall use good faith efforts to effect any such assignment within thirty (30) days of MLB PDL's selection of such other PDL Club, the Approval of City and the satisfaction of the conditions set out in Section 17.4 hereof; provided, however, that if such assignment is not effected and this Lease is terminated, City agrees for a period of one hundred and eighty (180) days after any actual termination of this Lease by City to offer a lease on substantially the same terms as this Lease for a full season professional baseball team to play its home games at the Stadium to the PDL Club assignee selected by MLB PDL and Approved by City, with City to have deemed to Approve such PDL Club unless City can reasonably demonstrate that the replacement PDL Club does not have the financial resources to perform its obligations as tenant under this Lease. Houston Astros, LLC shall use good faith efforts to advocate that such assignee shall be assigned by MLB PDL to the Triple-A level.

(e) Club will immediately pay to City the following sums under the following circumstances and schedule:

- If a Triple-A level professional baseball team is no longer playing its home games in the Stadium (regardless of whether this Lease has been terminated by the City) prior to the end of the 2031 MLB Regular Season, Club shall pay the sum of the lesser of \$10,000,000

and the aggregate amount of funds then deposited by or on behalf of City into the Annual Fund.

- If neither a Triple-A level nor Double-A level professional baseball team is playing its home games in the Stadium (regardless of whether this Lease has been terminated by the City) after the end of the 2031 MLB Regular Season but before the end of the 2041 MLB Regular Season, Club shall pay the sum of \$5,000,000.
- If a Triple-A level professional baseball team is no longer playing its home games in the Stadium (regardless of whether this Lease has been terminated by the City), but a Double-A level professional baseball team is playing its home games at the Stadium after the end of the 2031 MLB Regular Season but before the end of the 2041 MLB Regular Season, Club shall pay the sum of \$2,500,000.
- If a Triple-A level professional baseball team is no longer playing its home games in the Stadium (regardless of whether this Lease has been terminated by the City) after the end of the 2041 MLB Regular Season, Club shall pay the sum of \$500,000.

Houston Astros, LLC hereby guarantees to City the payment of such sums and hereby waives all suretyship defenses with regard to such payment. Houston Astros, LLC shall use good faith efforts to advocate for the Club to remain at the Triple-A level at all times throughout the Term.

(f) MLB PDL is an intended third party beneficiary of the provisions of this Section 25.1 and each other provision in this Lease that prohibits action without first obtaining PDL Approval and, in addition to its right to waive or enforce the provisions of this Section 25.1, MLB PDL shall be entitled and have the right to waive or enforce such other provisions that prohibit action without first obtaining PDL Approval directly against any party hereto (or their successors and permitted assigns) to the extent that any such other provision is for the benefit of MLB PDL or any other MLB PDL Entity.

(g) Neither MLB PDL nor any other MLB PDL Entity shall have any liability whatsoever to any Person for actions taken pursuant to this Section 25.1, and City hereby releases MLB PDL and each other MLB PDL Entity from any and all claims arising out of any such actions. Nothing contained in this Lease shall create any duty on behalf of MLB PDL or any other MLB PDL Entity to any other Person. Notwithstanding anything contained herein to the contrary, City is not releasing MLB PDL or any other MLB PDL Entity from any claims arising out of the fraudulent acts or willful misconduct with respect to actions taken by MLB PDL or any other MLB PDL Entity with respect to its rights under this Section 25.1.

(t) The definitions of "Additional Capital Expenses", "Airport", "Annual Fund", "BOC", "Eligible Capital Expenses", "Executive Council", "Fan Experience Projects", "HALLC", "Major League Club", "Major League Constitution", "MLB PDL",

“MLB PDL Entity”, “PDL Agreement”, “PDL Approval”, “PDL Club”, “PDL Club Marketing Territory”, “PDL Governing Documents”, “PDL License”, “PDL Operating Guidelines”, “PDL Rules and Regulations”, “Professional Development League System”, “SL4B” and “Stadium Enhancement Expenses” are hereby added to Appendix A of the Lease as follows:

“Additional Capital Expenses” has the meaning set forth in Section 10.1.5(f).

“Airport” has the meaning set forth in Section 23.22.

“Annual Fund” has the meaning set forth in Section 10.1.9(a).

“BOC” means the Office of the Commissioner of Baseball, an unincorporated association comprised of the Major League Clubs who are party to the Major League Constitution, and any successor organization thereto.

“Eligible Capital Expenses” has the meaning set forth in Section 10.1.9(b).

“Executive Council” means the Executive Council of Major League Baseball that is governed by the Major League Constitution, and any successor body thereto.

“Fan Experience Projects” has the meaning set forth in Section 10.1.9(a).

“HALLC” has the meaning set forth in Section 23.23.

“Major League Club” means any professional baseball club that is entitled to the benefits of, and bound by the terms of, the Major League Constitution.

“Major League Constitution” means the Major League Constitution adopted by the Major League Clubs, as the same may be amended, supplemented or otherwise modified from time to time in the manner provided therein and all replacement or successor agreements that may in the future be entered into by the Major League Clubs.

“MLB PDL” shall mean, depending on the context, any or all of (i) MLB Professional Development Leagues, LLC, a Delaware limited liability company, or its successor and/or (ii) the boards, committees and subcommittees related thereto.

“MLB PDL Entity” shall mean each of MLB PDL, the BOC, MLB Advanced Media, L.P. and/or any of their respective present or future affiliates, assigns or successors.

“PDL Agreement” means a Player Development License Agreement pursuant to which a professional baseball club has been granted the right to compete within the Professional Development League System.

“PDL Approval” shall mean any approval, consent or no-objection letter required to be obtained from MLB PDL or any other MLB PDL Entity pursuant to the PDL License.

“PDL Club” shall mean a professional baseball club participating in the Professional Development League System pursuant to a player development license agreement between the owner of such club and MLB PDL pursuant to which such owner has been granted the right to participate in the Professional Development League System.

“PDL Club Marketing Territory” means the geographic area in which the Club is permitted to exploit certain marketing, advertising, promotional and/or sponsorship rights, as set forth more specifically set forth in the PDL Rules and Regulations or the PDL Agreement to which Club is a party.

“PDL Governing Documents” shall mean the following documents as in effect from time to time and any amendments, supplements or other modifications thereto and all replacement or successor documents thereto that may in the future be entered into: (i) the Major League Constitution, (ii) the Major League Rules (and all attachments thereto), (iii) the PDL Operating Guidelines and (iv) the Governance Agreement.

“PDL License” shall mean (i) that certain player development license agreement entered into between the Company and MLB PDL pursuant to which the Club has been granted the right to participate in the Professional Development League System and (ii) the PDL Rules and Regulations.

“PDL Operating Guidelines” shall mean the operating guidelines referenced in that certain player development license agreement entered into between the Company and MLB PDL pursuant to which the Club has been granted the right to participate in the Professional Development League System.

“PDL Rules and Regulations” shall mean (i) the PDL Governing Documents, (ii) any present or future agreements or arrangements entered into by, or on behalf of, MLB PDL or any other MLB PDL Entity or the Major League Clubs acting collectively that are specifically related to or generally applicable to the Professional Development League System or the PDL Clubs, including, without limitation, agreements or arrangements entered into pursuant to the PDL Governing Documents, and (iii) the present and future mandates, rules, regulations, policies, practices, bulletins, by-laws, directives or guidelines issued or adopted by, or on behalf of, the Commissioner, the BOC, MLB PDL or any other MLB PDL Entity as in

effect from time to time that are specifically related to or generally applicable to the Professional Development League System or one or more of the PDL Clubs.

“Professional Development League System” shall mean a system of professional baseball leagues established by MLB PDL that is comprised of professional baseball clubs that compete at different levels and serve to assist with the development of players for Major League Clubs.

“SL4B” has the meaning set forth in Section 10.1.9(a).

“Stadium Enhancement Expenses” shall mean (i) Capital Expenses or (ii) expenses incurred on upgrades and improvements to the Stadium so long as such upgrades and improvements (A) have a useful life of at least two (2) years or extend the useful life of an existing asset at the Stadium by at least two (2) years, (B) materially enhance the value of the Stadium or the existing asset affected (rather than keeping such asset in its current condition) and (C) cannot be consumed, unduly altered or materially reduced in value immediately by use. Stadium Enhancement Expenses exclude for example (i) cleaning and routine care of property, structures, surfaces, facilities, fixtures, equipment, furnishings, improvements and components of the Stadium necessary to keep such in operating condition, (ii) periodic testing of building systems, such as mechanical, card key security, fire alarm, lighting and sound systems, (iii) ongoing trash removal, (iv) regular maintenance procedures for heating, ventilation and air-conditioning, plumbing, electrical, roof and structural systems and vertical lift systems (e.g., escalators and elevators), (vi) cleaning prior to, during and following, and necessary as a direct result of, all events at the Stadium and (vii) routine changing of light bulbs, ballasts, fuses and circuit breakers as they fail in normal use.

(u) The definition of **“Physically Obsolete”** or **“Physical Obsolescence”** is hereby amended by adding the phrase “or reached the end of its expected useful life” after the word “dysfunctional.”

(v) The definition of **“League”** is hereby deleted in its entirety from Appendix A of the Lease and replaced with the following:

“League” means any professional baseball league that Club certifies to City is a nationally recognized baseball league that is affiliated with Major League Baseball, is part of the Professional Development League System and sanctions professional baseball teams at the Triple-A level, subject to the terms of Section 25.1 hereof.”

(w) The definition of "Team" is hereby deleted in its entirety from Appendix A of the Lease and replaced with the following:

"Team" means the professional baseball team owned by Club who is a member of the League, or such other replacement professional baseball team as shall be Approved by City."

(x) The definition of "Controlling Person of Club" is hereby amended by adding the following sentence to the end thereof:

"In all events, the MLB Control Person shall be considered a Controlling Person of Club and shall be deemed to control Club."

(y) The following definition of "MLB Control Person" is hereby added to Appendix A of the Lease:

"MLB Control Person" means the single individual who is accountable for the operation of a Major League Club and for the compliance with all rules and regulations of Major League Baseball and who is the single individual with the ultimate authority and responsibility for making all Major League Club decisions."

(z) Section B of Appendix C of the Lease is hereby amended and restated in its entirety as follows:

CLUB: Sugar Land Astros, LLC

(1) Payments to Club. All payments to Club shall be given to Club at the following address:

Sugar Land Astros, LLC
501 Crawford, Suite 500
Houston, Texas 77002
Attn: James R. Crane

with sufficient information to identify the source of such funds.

(2) Notices. All notices to Club shall be sent to:

Sugar Land Astros, LLC
501 Crawford, Suite 500
Houston, Texas 77002
Attn: James R. Crane

with a copy to:

Giles Kibbe
501 Crawford, Suite 500
Houston, Texas 77002

4. Club Representative. Pursuant to the terms of Section 2.2 of the Lease, Proposed Assignee hereby designates Giles Kibbe as the Club Representative under the terms of the Lease effective as of the date hereof.

5. Conditions Precedent. This Agreement shall not be effective until (i) SL Baseball has assigned the Lease and the Development Agreement to Proposed Assignee and Proposed Assignee has assumed in writing each and every one of the terms, covenants and provisions of SL Baseball contained in the Lease and the Development Agreement, each by written instruments delivered to City as required in Section 17.4 of the Lease (for clarification, City understands that Proposed Assignee is entering into a separate agreement with BZMZ Triple-A, LLC ("BZMZ Triple-A"), the parent entity and 100% owner of SL Baseball, whereby BZMZ Triple-A is assigning all of the membership interests and equity securities of SL Baseball to Proposed Assignee and, pursuant to that certain Amended and Restated Limited Liability Company Agreement of Proposed Assignee ("Company Agreement"), BZMZ Triple-A is agreeing, as among BZMZ Triple A, SL Baseball and Proposed Assignee, to be responsible for and to indemnify Proposed Assignee and SL Baseball for certain "Pre-Closing Liabilities" as that term is defined in the Company Agreement), (ii) any existing Club Default or default by "Club" under the terms of the Lease for which City has given SL Baseball Notice is fully cured, (iii) Proposed Assignee has provided City with evidence reasonably acceptable to City that Proposed Assignee has received all PDL Approvals necessary for Proposed Assignee to execute this Agreement and become the "Club" under the Lease, and for Proposed Assignee, as "Club" under the Lease, and Team to perform their respective obligations under the Lease and (iv) Proposed Assignee shall have paid to City all reasonable costs and expenses incurred by City in connection with the transactions contemplated in this Agreement as required by Section 17.4 of the Lease.

6. Lease Remains in Effect. Except as expressly modified and amended hereby, the terms and provisions of the Lease shall remain in full force and effect as therein provided, and the Lease as amended hereby is ratified in all respects by the parties hereto. All references herein to the Lease shall mean the Lease as amended by this Agreement.

7. Entire Agreement. The Lease as amended hereby represents the entire agreement between the parties hereto, and all prior correspondence, memoranda, agreements or understandings (written or oral) with respect to the transaction contemplated by the Lease are hereby merged into and superseded by the Lease as amended hereby.

8. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Lease.

9. Conflicts. The terms of this Agreement shall control over any conflicts between the terms of the Lease and this Agreement.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

12. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one document. This Agreement may be executed electronically (including images of manually executed signatures transmitted by facsimile or other electronic format such as "pdf", "tif" or "jpg", as well as other electronic signatures such as DocuSign and AdobeSign) and each party hereby waives any objection to such electronic signatures and transmittal of signatures.

[Signature pages follow]

EXECUTED to be effective as of the date set forth above.

CITY:

CITY OF SUGAR LAND, TEXAS

By: _____
Name: _____
Title: _____

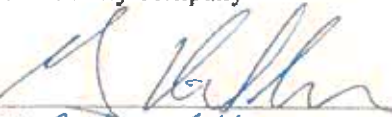
SL BASEBALL:

SL BASEBALL, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

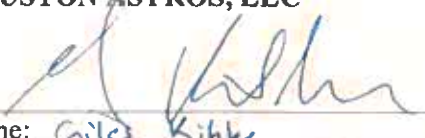
PROPOSED ASSIGNEE:

SUGAR LAND ASTROS, LLC, a Texas limited liability company

By: 
Name: Giles Kibbe
Title: SVP + General Counsel

Executing solely for the purposes of agreeing to the terms applicable to it in Sections 25.1(d) and 25.1(e) of the Lease including, without limitation, guaranteeing the obligations of Club in Section 25.1(e) of the Lease and Approving any assignee or transferee selected by MLB PDL under Section 25.1(d) of the Lease:

HOUSTON ASTROS, LLC

By: 
Name: Giles Kibbe
Title: SVP + General Counsel

Signature Page to Consent Agreement and Second Amendment to Lease Agreement

EMF_US 82869189v28

EXECUTED to be effective as of the date set forth above.

CITY:

CITY OF SUGAR LAND, TEXAS

By: _____
Name: _____
Title: _____

SL BASEBALL:

SL BASEBALL, LLC, a Texas limited liability company

By: [Signature]
Name: Robert S. Zucchin
Title: Managing Partner

PROPOSED ASSIGNEE:

SUGAR LAND ASTROS, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

Executing solely for the purposes of agreeing to the terms applicable to it in Sections 25.1(d) and 25.1(e) of the Lease including, without limitation, guaranteeing the obligations of Club in Section 25.1(e) of the Lease and Approving any assignee or transferee selected by MLB PDL under Section 25.1(d) of the Lease:

HOUSTON ASTROS, LLC

By: _____
Name: _____
Title: _____

Signature Page to Consent Agreement and Second Amendment to Lease Agreement

EMF_US \$2869189v28

EXECUTED to be effective as of the date set forth above.

CITY:

CITY OF SUGAR LAND, TEXAS

By: 
Name: Michael W. Goodrum
Title: City Manager

SL BASEBALL:

SL BASEBALL, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

PROPOSED ASSIGNEE:

SUGAR LAND ASTROS, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

Executing solely for the purposes of agreeing to the terms applicable to it in Sections 25.1(d) and 25.1(e) of the Lease including, without limitation, guaranteeing the obligations of Club in Section 25.1(e) of the Lease and Approving any assignee or transferee selected by MLB PDL under Section 25.1(d) of the Lease:

HOUSTON ASTROS, LLC

By: _____
Name: _____
Title: _____

Signature Page to Consent Agreement and Second Amendment to Lease Agreement



City Council Agenda Request December 16, 2025

Agenda Request No: IX.B.

Agenda of: City Council Meeting

Initiated by: Robert Wilson, Assistant City Engineer

Presented by: Robert Wilson, Assistant City Engineer

Responsible Department: Engineering

Agenda Caption:

CONTRACT ASSIGNMENT FROM MUD NO. 269

Consideration of and action on acceptance of the assignment of three (3) construction contracts from MUD 269 for the Ryehill Water Plant (\$12,813,148.00), South of the Brazos Wastewater Treatment Plant (\$52,198,815.00), and Mass Grading and Detention Pond (\$1,705,322.00), in the total amount of \$66,717,285.00; and authorization of budget amendments to reallocate funding among CIP projects CWA2506, CSW2501, CWW2503, and CWWCONT.

Recommended Action:

Accept the assignment of three (3) construction contracts from MUD 269 for the construction of the Ryehill Water Plant (\$12,813,148.00), South of the Brazos Wastewater Treatment Plant (\$52,198,815.00) and the Mass Grading and Detention Pond (\$1,705,322.00), in the total amount of \$66,717,285.00 and authorize budget amendments to transfer \$1,048,342 from CIP CWA2506 Water South of the Brazos - Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant, to transfer \$2,783,000 from CIP CSW2501 Reclaimed Water - South of the Brazos Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant and to transfer \$575,000 from CWWCONT Wastewater Project Contingency to CWW2503 South of the Brazos Wastewater Treatment Plant.

Executive Summary:

The City entered into a Development Agreement (DA) and Utilities Service Agreement (USA) with MUD 269 in 2023 to provide utility service to South of the Brazos. The DA authorizes the City to be the retail provider of water and wastewater services to the new Ryehill Development area, served by MUD 269. The DA provided the City with the ability to offset the long term cost of regional facilities and accelerate the availability of additional utility capacity South of the Brazos. It also allows the City to mitigate aging wastewater facilities that were inherited from the Greatwood MUD annexation which need significant investment to continue operations, and allow the City to extend and build on the Sugar Land brand and service reputation South of the Brazos.

The DA and USA include provisions for the MUD to bid for the water and wastewater plant facilities, award the contracts, and assign the contracts to the City. MUD 269 bid the Wastewater Treatment Plant and Mass Grading and Detention Pond projects in July 2025, and the Ryehill Water Plant Phase 1A project in September 2025. Per the DA, the MUD must assign the contracts to the City for administration within 30 days of entering the contract.

The MUD 269 Board has approved the award of the contracts to the low bidder for each of the three (3) contracts as follows on November 10, 2025:

Project Bidder Contract Amount

Mass Grading and Detention DC Contracting Services \$1,705,322.00

Ryehill Water Plant Phase 1A R & B Group \$12,813,148.00

South of the Brazos Wastewater Treatment Plant Reytec \$52,198,815.00

Total

\$66,717,285.00

The available funding for the acceptance of the contracts is as follows:

Capital Improvement Plan (CIP) Project Number	Project Name	Available Funding	Required Funding
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CWA2506	Water South of the Brazos	\$13,945,800.00	\$12,813,148.00
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CWW2503	South of the Brazos Wastewater Treatment Plant	\$49,740,000.00	\$52,198,815.00
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CSW2501	Reclaimed Water - South of the Brazos	\$2,783,000.00	\$0*
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CWWCONT	Wastewater Project Contingency	\$1,265,000.00	\$575,000.00
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Total		\$67,733,800.00	\$66,717,285.00
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*The reclaimed water plant facilities were combined with the Wastewater Treatment Plant Facility to save costs and were bid as part of the plant package.

In order to track the project costs with the available project funding, a budget amendment is proposed to align costs with the projects, reallocating \$1,048,342 from CIP CWA2506 Water South of the Brazos - Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant, \$2,783,000 from CIP CSW2501 Reclaimed Water - South of the Brazos Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant and \$575,000 from CWWCONT Wastewater Project Contingency to CWW2503 South of the Brazos Wastewater Treatment Plant.

In accordance with Policy CO-110, Notification of Construction Impacts and Service Interruptions, this is classified as a Neighborhood project. Staff will coordinate with impacted residents, businesses and homeowner's associations on an as-needed basis through door hangers and one-on-one communication. A project website has been created and will be kept up to date throughout the project, and communication throughout the project will be provided to the adjacent homeowner's associations and adjacent residents through City media platforms. Staff anticipates the notice to proceed to be issued in November 2025 by MUD 269, with a contract length of 14 months for substantial completion for the water plant and 24 months for the wastewater plant.

The Utilities Department and Engineering Department recommend City Council accept the assignment of three (3) construction contracts from MUD 269 for the construction of the Ryehill Water Plant Phase 1A (\$12,813,148.00), South of the Brazos Wastewater Treatment Plant (\$52,198,815.00) and the Mass Grading and Detention Pond (\$1,705,322.00), in the total amount of \$66,717,285.00 in accordance with the Development Agreement and authorize budget amendments to transfer \$1,048,342 from CIP CWA2506 Water South of the Brazos - Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant, to transfer \$2,783,000 from CIP CSW2501 Reclaimed Water - South of the Brazos Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant and to transfer \$575,000 from CWWCONT Wastewater Project Contingency to CWW2503 South of the Brazos Wastewater Treatment Plant.

Budget

Expenditure Required: \$66,717,285.00

Current Budget: \$66,468,800.00

Additional Funding: Transfer \$1,048,342 from CIP CWA2506 Water South of the Brazos - Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant, to transfer \$2,783,000 from CIP CSW2501 Reclaimed Water - South of the Brazos Phase 1 to CWW2503 South of the Brazos Wastewater Treatment Plant and to transfer \$575,000 from CWWCONT Wastewater Project Contingency to CWW2503 South of the Brazos Wastewater Treatment Plant.

Funding Source: Utility Revenues, Connection Fees

Account Number (ORG-OBJ-Project): TBD

Attachments

None



City Council Agenda Request December 16, 2025

Agenda Request No: X.A.

Agenda of: City Council Meeting

Initiated by: Michelle Carroll, Administrative Manager

Presented by: Briana Williams, Assistant Director of Parks & Recreation

Responsible Department: Parks

Agenda Caption:

FIRST CONSIDERATION: Consideration of and action on: **CITY OF SUGAR LAND ORDINANCE NO. 2379**: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AMENDING CHAPTER 5, ARTICLE XIII (SPECIAL EVENTS ORDINANCE).

Recommended Action:

The Parks and Recreation Department recommends approval of Ordinance No. 2379, regarding proposed changes to the Special Event Ordinance.

Executive Summary:

The purpose of this agenda item is for the City Council to hold a public hearing and first consideration of Ordinance No. 2379 amending Chapter 5, Article 13 of the City's Code of Ordinances.

Background:

The Parks and Recreation Department recently assumed responsibility for permitting all Special Events as well as overseeing the management and operation of the Event Review Committee. As part of this transition, staff have reviewed and streamlined the existing processes to better align with the department's procedures. Accordingly, amendments to the Special Events ordinance and related policies are being recommended.

In 2016, the City adopted Ordinance No. 2065, governing special events within the City of Sugar Land. Since its adoption, the ordinance has been updated to reflect procedural changes related to the application and issuance of special event permits, most recently amended in 2021 through Ordinance No. 2241.

Ordinance No. 2379:

The proposed amendments to the Special Events Ordinance include refining definitions, clarifying exceptions, updating procedural steps, incorporating language related to deposits, fees,

and refunds, and streamlining the denial and termination processes.

Staff will provide a presentation outlining the proposed changes to the Code of Ordinances under Ordinance No. 2379.

Budget

Expenditure Required: N/A

Current Budget: N/A

Additional Funding: N/A

Funding Source: N/A

Account Number (ORG-OBJ-Project): N/A

Attachments

1. 1.9 Special Events Ordinance Amendment - DSS rev 12-10-25
2. 1.10 Special Events Ordinance Amendment - Final 12-10-25

ORDINANCE NO. 2379

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AMENDING CHAPTER 5, ARTICLE XIII OF THE CODE OF ORDINANCES BY REMOVING THE DEFINITION OF STREET FESTIVAL, AMENDING THE DEFINITION OF STREET EVENT, ADDING A DEFINITION OF EVENT REVIEW COMMITTEE, AMENDING THE EXCEPTIONS, AMENDING THE PERMIT APPLICATION PROCESS, AMENDING PROVISIONS REGARDING PAYMENT FOR CITY SERVICES, ADDING NEW PROVISIONS FOR DEPOSITS, AND REFUNDS, AMENDING PROVISIONS REGARDING THE DENIAL OF A SPECIAL EVENT PERMIT AND APPEALS FROM DENIAL, AND AMENDING THE PROVISIONS FOR TERMINATION OF A SPECIAL EVENT.

WHEREAS, in 2016 the City adopted Ordinance No. 2065, governing special events in the City (the “Special Events Ordinance”); and

WHEREAS, the Council desires to amend the Special Events Ordinance to reflect changes in procedure and process relating to the application and issuance of special event permits; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

Section 1. That Chapter 5, Article XIII, Section 5-501 of the Code of Ordinances is amended to remove the definition of street festival.

Section 2. That Chapter 5, Article XIII, Section 5-501 of the Code of Ordinances is amended to amend the definition of street event to read as follows:

Street event means a planned gathering of persons and property occupying or using one or more streets for a party, celebration, neighborhood gathering, or similar happening that is likely to substantially interfere with the normal use of one or more streets.

Section 3. That Chapter 5, Article XIII, Section 5-501 of the Code of Ordinances is amended to add the following definition:

Event Review Committee means the designated, internal, multi-departmental team responsible for evaluating and coordinating special events that take place within the city. The Event Review Committee ensures that proposed events comply with city ordinances, public safety standards, and logistical requirements. The Event Review Committee reviews event applications, assesses potential community and operational impacts, and provides recommendations or conditions for event approval.

Section 4. That Chapter 5, Article XIII, Section 5-503, subsection (2) is amended to read as follows:

- (2) A special event sponsored and supervised by an Independent School District (ISD) and located at an ISD facility or on ISD property designed and constructed for that use.

Section 5. That Chapter 5, Article XIII, Section 5-503, subsection (4) is amended to read as follows:

- (4) A street event that will have less than 100 participants, whose participants primarily reside or have a business adjacent to the location of the street event, and which is operated in a manner to allow one lane of the street to be open at all times to allow emergency access to lots abutting the closed street.

Section 65. That Chapter 5, Article XIII, Section 5-505, is amended to read as follows:

An applicant seeking a special events permit must file an application with the administrator on the city issued form provided for that purpose and accompanied with the appropriate permit fee. A complete application must be filed not less than 60 calendar days before the first date of the proposed date of the special event. The application must be completed online and submitted by the applicant for the special event and must include at a minimum the following information:

- (1) The name, mailing address, email and telephone number, including cellular, of the applicant seeking to conduct the special event. If it is an entity, local, regional or national headquarters, information shall be provided as well as the name of the individual making application on behalf of such entity, identifying in what capacity and under what authority such person is representing the entity;
- (2) The name, address, email and telephone number, including cellular, of the applicant's employees or agents(s) who will be present and in charge during the entire special event including setup and breakdown, and including the specific day and times such employee(s) or agent(s) will be present;
- (3) A description of activities planned during the special event;
- (4) The number of attendees (including peak attendance and peak time for attendance) expected to attend the special event, including participants and spectators;
- (5) The location, requested date(s) and time of the special event;
- (6) If food or beverages will be served or sold, copies of any licenses or permits issued by the appropriate agencies for such vendors, or if pending agency approval, applications for such licenses or permits;

- (7) A proposed event operating plan in accordance to the location, type, and size of the event. The event operating plan must include a detailed site plan, traffic plan, parking plan, and safety and security plan, if applicable; and
- (8) The applicant must submit the required application processing fee in full at the time of application submission. Applications will not be considered for review until the payment has been received..

Section 76. That Chapter 5, Article XIII, Section 5-508 is retitled and amended to read as follows:

Sec. 5-508. Expedited processing fee, city services fee, cost recovery, deposits, and refunds.

- (a) Expedited processing fee. Applications submitted less than 60 days before the event may be subject to an expedited application processing fee. This fee is in addition to the standard application processing fee and reflects the additional staff time and resources necessary to review and process the application on an accelerated timeline. Submission within this shortened timeframe does not guarantee approval and is subject to the discretion of the Event Review Committee and staff capacity to complete a timely review.
- (b) City services fee. When a special event is foreseen to involve the city's direct costs for providing city services, a city services fee is required. The amount of the fee will be based upon the estimated costs the city will incur arising out of its services attributable to the special event in accordance with this article and with the city's policies. Such costs will be based upon needs directly associated with the special event, and not on the basis of possible disruption, reaction or activities of others. City services fees must be paid to the city within 30 days after the date of the event.
- (b) Cost recovery. When a city services fee was not originally required, or when an unpermitted event resulted in the utilization of city services, the city will bill the permit holder or violator for all city services that were required to be provided as a result of the event. Such payment will be due and payable to the city within 30 days of the date the city services were rendered.
- (c) Refundable Deposit. A refundable deposit is required for all permitted special events held at non-city-owned locations. This deposit is intended to cover non-compliance with the terms of the event permit. City-owned event locations are subject to a separate fee structure and are not covered by this deposit. This deposit may be refunded within 30 days following the event, pending completion of a post-event review by the Event Review Committee. The refund is contingent upon the Event Review Committee's determination that the event was conducted in accordance with all permit requirements and applicable city

ordinances. Partial or full forfeiture of the deposit may occur if the event results in damages, violations, or failure to comply with approved permit conditions.

- (d) Refund. Any violation(s) of an issued special event permit and its conditions will result in fees associated with the violation(s) to be deducted from the deposit on file. If the deposit is expended, the remaining balance will be invoiced to the permit holder and payment must be remitted no less than 30 days after the invoice date.

Section 87. That Chapter 5, Article XIII, Section 5-510, subsection (b) is amended to read as follows:

- (a) Permit denial. The administrator reserves the right to deny the issuance of a permit if one or more of the following exists:
 - (1) The application submitted is not sufficient or complete, is not submitted within the established time frame of 60 calendar days prior to the first date of the proposed event, provides false information, does not comply with this article or a rule adopted hereunder, or was not submitted with the required documents, fees or deposits.
 - (2) The special event will substantially interfere with an event at a city owned venue that was previously planned and scheduled, or substantially interfere with another special event, park event, or other event for which a permit has already been granted, or substantially interfere with the provision of public safety or other city services in support of such other previously-scheduled event or events.
 - (3) The applicant has failed to arrange or provide for adequate parking, trash cleanup, security, medical care or other arrangements to ensure that the special event will be safe, secure and healthful for the participants thereof.
 - (4) The special event will not comply with this article, rules adopted hereunder, rules contained elsewhere in the city's codes, state or federal laws or regulations, or a reasonable condition imposed by the administrator for issuance of a permit.
 - (5) The applicant has held a prior special event for which the applicant failed to comply with a requirement of this article, failed to pay any required fees, charges or deposits, failed to comply with all the conditions of the permit, failed to pay for or remedy damage incurred to public property, created a dangerous condition or situation, failed to comply with reasonable requests of the administrator, or otherwise violated the intent of this article.

- (6) The proposed use would present an unreasonable danger to the health or safety of the applicant or special event attendees.
- (7) The Special Event will have an unmitigatable adverse impact upon residential or business access and traffic circulation in the area in which it is to be conducted; or will have an unmitigatable adverse impact upon the remaining portions of the city and community including unsafe conditions for the general public as to the provision of proper fire, EMS and police services in and around the special event and the city as a whole.
- (8) The proposed use or activity is incompatible with the location requested.
- (9) The applicant fails to receive approval of the required event operating plan.
- (10) The city does not have adequate resources to support the special event.
- (11) The permit was issued in error or in conflict with law.
- (12) Failure of a background check. The city reserves the right to conduct background checks and request references for any event producer, organizer, or applicant seeking a special event permit. In determining whether or not to grant a permit, the city may consider the following factors: (1) a history of non-compliance with city ordinances; (2) previous violations of permit conditions; (3) financial irresponsibility, including but not limited to failure to pay related fees for prior events both inside and outside of the city; (4) public safety concerns; or (5) any other factors deemed detrimental to the public interest, the city may deny the permit application at its discretion.

Section 98. That Chapter 5, Article XIII, Section 5-510, subsection (e) is amended to read as follows:

- (e) Appeals from denial. An applicant may appeal a permit denial by filing a written appeal with the city. The Event Review Committee will conduct an initial review of the appeal and make a recommendation to the city manager. The city manager or designee will review the appeal and provide a final review within five business days after its filing to determine whether the denial meets the standards imposed by this article. The appeal provisions in this section govern over any other conflicting provisions in this Code.

Section 109. That Chapter 5, Article XIII, Section 5-512 is amended to read as follows:

The administrator and/or representatives of the city's fire department, police department, and office of emergency management may require a special event to be immediately shut down if conditions at the special event exist that are perceived to pose a significant threat of harm or damage to the facilities, event staff, volunteers or attendees or if the applicant is not in compliance with all conditions of the special events permit.

Section 119. That any person found guilty of violating this ordinance will be fined not less than \$200.00 and no more than \$500.00 for each offense. Notice of the enactment of this ordinance will be given by publishing the ordinance or its descriptive caption and penalty in the City's official newspaper one time within thirty days of passage.

Section 124. That the provisions of this ordinance are severable and the invalidity of any part of this ordinance will not affect the validity of the remainder of the ordinance.

APPROVED on first consideration on _____, 2025.

ADOPTED on second consideration on _____, 2025.

Carol K. McCutcheon, Mayor

ATTEST:

Linda Mendenhall, City Secretary

APPROVED AS TO FORM:

DAnn Shea Smith

ORDINANCE NO. 2379

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS AMENDING CHAPTER 5, ARTICLE XIII OF THE CODE OF ORDINANCES BY REMOVING THE DEFINITION OF STREET FESTIVAL, AMENDING THE DEFINITION OF STREET EVENT, ADDING A DEFINITION OF EVENT REVIEW COMMITTEE, AMENDING THE EXCEPTIONS, AMENDING THE PERMIT APPLICATION PROCESS, AMENDING PROVISIONS REGARDING PAYMENT FOR CITY SERVICES, ADDING NEW PROVISIONS FOR DEPOSITS, AND REFUNDS, AMENDING PROVISIONS REGARDING THE DENIAL OF A SPECIAL EVENT PERMIT AND APPEALS FROM DENIAL, AND AMENDING THE PROVISIONS FOR TERMINATION OF A SPECIAL EVENT.

WHEREAS, in 2016 the City adopted Ordinance No. 2065, governing special events in the City (the “Special Events Ordinance”); and

WHEREAS, the Council desires to amend the Special Events Ordinance to reflect changes in procedure and process relating to the application and issuance of special event permits; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

Section 1. That Chapter 5, Article XIII, Section 5-501 of the Code of Ordinances is amended to remove the definition of street festival.

Section 2. That Chapter 5, Article XIII, Section 5-501 of the Code of Ordinances is amended to amend the definition of street event to read as follows:

Street event means a planned gathering of persons and property occupying or using one or more streets for a party, celebration, neighborhood gathering, or similar happening that is likely to substantially interfere with the normal use of one or more streets.

Section 3. That Chapter 5, Article XIII, Section 5-501 of the Code of Ordinances is amended to add the following definition:

Event Review Committee means the designated, internal, multi-departmental team responsible for evaluating and coordinating special events that take place within the city. The Event Review Committee ensures that proposed events comply with city ordinances, public safety standards, and logistical requirements. The Event Review Committee reviews event applications, assesses potential community and operational impacts, and provides recommendations or conditions for event approval.

Section 4. That Chapter 5, Article XIII, Section 5-503, subsection (2) is amended to read as follows:

- (2) A special event sponsored and supervised by an Independent School District (ISD) and located at an ISD facility or on ISD property designed and constructed for that use.

Section 5. That Chapter 5, Article XIII, Section 5-503, subsection (4) is amended to read as follows:

- (4) A street event that will have less than 100 participants, whose participants primarily reside or have a business adjacent to the location of the street event, and which is operated in a manner to allow one lane of the street to be open at all times to allow emergency access to lots abutting the closed street.

Section 6. That Chapter 5, Article XIII, Section 5-505, is amended to read as follows:

An applicant seeking a special events permit must file an application with the administrator on the city issued form provided for that purpose and accompanied with the appropriate permit fee. A complete application must be filed not less than 60 calendar days before the first date of the proposed date of the special event. The application must be completed online and submitted by the applicant for the special event and must include at a minimum the following information:

- (1) The name, mailing address, email and telephone number, including cellular, of the applicant seeking to conduct the special event. If it is an entity, local, regional or national headquarters, information shall be provided as well as the name of the individual making application on behalf of such entity, identifying in what capacity and under what authority such person is representing the entity;
- (2) The name, address, email and telephone number, including cellular, of the applicant's employees or agents(s) who will be present and in charge during the entire special event including setup and breakdown, and including the specific day and times such employee(s) or agent(s) will be present;
- (3) A description of activities planned during the special event;
- (4) The number of attendees (including peak attendance and peak time for attendance) expected to attend the special event, including participants and spectators;
- (5) The location, requested date(s) and time of the special event;
- (6) If food or beverages will be served or sold, copies of any licenses or permits issued by the appropriate agencies for such vendors, or if pending agency approval, applications for such licenses or permits;

- (7) A proposed event operating plan in accordance to the location, type, and size of the event. The event operating plan must include a detailed site plan, traffic plan, parking plan, and safety and security plan, if applicable; and
- (8) The applicant must submit the required application processing fee in full at the time of application submission. Applications will not be considered for review until the payment has been received..

Section 7. That Chapter 5, Article XIII, Section 5-508 is retitled and amended to read as follows:

Sec. 5-508. Expedited processing fee, city services fee, cost recovery, deposits, and refunds.

- (a) Expedited processing fee. Applications submitted less than 60 days before the event may be subject to an expedited application processing fee. This fee is in addition to the standard application processing fee and reflects the additional staff time and resources necessary to review and process the application on an accelerated timeline. Submission within this shortened timeframe does not guarantee approval and is subject to the discretion of the Event Review Committee and staff capacity to complete a timely review.
- (b) City services fee. When a special event is foreseen to involve the city's direct costs for providing city services, a city services fee is required. The amount of the fee will be based upon the estimated costs the city will incur arising out of its services attributable to the special event in accordance with this article and with the city's policies. Such costs will be based upon needs directly associated with the special event, and not on the basis of possible disruption, reaction or activities of others. City services fees must be paid to the city within 30 days after the date of the event.
- (b) Cost recovery. When a city services fee was not originally required, or when an unpermitted event resulted in the utilization of city services, the city will bill the permit holder or violator for all city services that were required to be provided as a result of the event. Such payment will be due and payable to the city within 30 days of the date the city services were rendered.
- (c) Refundable Deposit. A refundable deposit is required for all permitted special events held at non-city-owned locations. This deposit is intended to cover non-compliance with the terms of the event permit. City-owned event locations are subject to a separate fee structure and are not covered by this deposit. This deposit may be refunded within 30 days following the event, pending completion of a post-event review by the Event Review Committee. The refund is contingent upon the Event Review Committee's determination that the event was conducted in accordance with all permit requirements and applicable city

ordinances. Partial or full forfeiture of the deposit may occur if the event results in damages, violations, or failure to comply with approved permit conditions.

- (d) Refund. Any violation(s) of an issued special event permit and its conditions will result in fees associated with the violation(s) to be deducted from the deposit on file. If the deposit is expended, the remaining balance will be invoiced to the permit holder and payment must be remitted no less than 30 days after the invoice date.

Section 8. That Chapter 5, Article XIII, Section 5-510, subsection (b) is amended to read as follows:

- (a) Permit denial. The administrator reserves the right to deny the issuance of a permit if one or more of the following exists:
 - (1) The application submitted is not sufficient or complete, is not submitted within the established time frame of 60 calendar days prior to the first date of the proposed event, provides false information, does not comply with this article or a rule adopted hereunder, or was not submitted with the required documents, fees or deposits.
 - (2) The special event will substantially interfere with an event at a city owned venue that was previously planned and scheduled, or substantially interfere with another special event, park event, or other event for which a permit has already been granted, or substantially interfere with the provision of public safety or other city services in support of such other previously-scheduled event or events.
 - (3) The applicant has failed to arrange or provide for adequate parking, trash cleanup, security, medical care or other arrangements to ensure that the special event will be safe, secure and healthful for the participants thereof.
 - (4) The special event will not comply with this article, rules adopted hereunder, rules contained elsewhere in the city's codes, state or federal laws or regulations, or a reasonable condition imposed by the administrator for issuance of a permit.
 - (5) The applicant has held a prior special event for which the applicant failed to comply with a requirement of this article, failed to pay any required fees, charges or deposits, failed to comply with all the conditions of the permit, failed to pay for or remedy damage incurred to public property, created a dangerous condition or situation, failed to comply with reasonable requests of the administrator, or otherwise violated the intent of this article.

- (6) The proposed use would present an unreasonable danger to the health or safety of the applicant or special event attendees.
- (7) The Special Event will have an unmitigatable adverse impact upon residential or business access and traffic circulation in the area in which it is to be conducted; or will have an unmitigatable adverse impact upon the remaining portions of the city and community including unsafe conditions for the general public as to the provision of proper fire, EMS and police services in and around the special event and the city as a whole.
- (8) The proposed use or activity is incompatible with the location requested.
- (9) The applicant fails to receive approval of the required event operating plan.
- (10) The city does not have adequate resources to support the special event.
- (11) The permit was issued in error or in conflict with law.
- (12) Failure of a background check. The city reserves the right to conduct background checks and request references for any event producer, organizer, or applicant seeking a special event permit. In determining whether or not to grant a permit, the city may consider the following factors: (1) a history of non-compliance with city ordinances; (2) previous violations of permit conditions; (3) financial irresponsibility, including but not limited to failure to pay related fees for prior events both inside and outside of the city; (4) public safety concerns; or (5) any other factors deemed detrimental to the public interest, the city may deny the permit application at its discretion.

Section 9. That Chapter 5, Article XIII, Section 5-510, subsection (e) is amended to read as follows:

- (e) Appeals from denial. An applicant may appeal a permit denial by filing a written appeal with the city. The Event Review Committee will conduct an initial review of the appeal and make a recommendation to the city manager. The city manager or designee will review the appeal and provide a final review within five business days after its filing to determine whether the denial meets the standards imposed by this article. The appeal provisions in this section govern over any other conflicting provisions in this Code.

Section 10. That Chapter 5, Article XIII, Section 5-512 is amended to read as follows:

The administrator and/or representatives of the city's fire department, police department, and office of emergency management may require a special event to be immediately shut down if conditions at the special event exist that are perceived to pose a significant threat of harm or damage to the facilities, event staff, volunteers or attendees or if the applicant is not in compliance with all conditions of the special events permit.

Section 11. That any person found guilty of violating this ordinance will be fined not less than \$200.00 and no more than \$500.00 for each offense. Notice of the enactment of this ordinance will be given by publishing the ordinance or its descriptive caption and penalty in the City's official newspaper one time within thirty days of passage.

Section 12. That the provisions of this ordinance are severable and the invalidity of any part of this ordinance will not affect the validity of the remainder of the ordinance.

APPROVED on first consideration on _____, 2025.

ADOPTED on second consideration on _____, 2025.

Carol K. McCutcheon, Mayor

ATTEST:

Linda Mendenhall, City Secretary

APPROVED AS TO FORM:

DAnn Shea Smith



City Council Agenda Request December 16, 2025

Agenda Request No: XII.A.

Agenda of: City Council Meeting

Initiated by: Ashley Newsome, Deputy City Clerk

Presented by: Carol McCutcheon, Mayor

Responsible Department: Council and Board

Agenda Caption:

Closed Executive Session as authorized by Chapter 551, Texas Government Code in accordance with:

Section 551.074 Personnel Matters:

For the purpose of discussion with respect to the City Manager annual performance evaluation.

Recommended Action:

Executive Summary:

Budget

Expenditure Required: n/a

Current Budget: n/a

Additional Funding: n/a

Funding Source: n/a

Account Number (ORG-OBJ-Project): n/a

Attachments

None



City Council Agenda Request December 16, 2025

Agenda Request No: XIII.A.

Agenda of: City Council Meeting

Initiated by: Ashley Newsome, Deputy City Clerk

Presented by: Carol McCutcheon, Mayor

Responsible Department: Admin

Agenda Caption:

CITY MANAGER FY26 COMPENSATION PACKAGE

Consideration of and action on the City Manager's Compensation Fiscal Year 2026.

Recommended Action:

Executive Summary:

The annual performance evaluation process for the City Manager began in October. On December 2, 2025, staff reviewed the results with the Council in Closed Executive Session. On December 16, 2025, after delivering and discussing the evaluation, Council will authorize the City Manager's FY26 compensation package, to be effective October 1, 2025.

Budget

Expenditure Required: n/a

Current Budget: n/a

Additional Funding: n/a

Funding Source: n/a

Account Number (ORG-OBJ-Project): n/a

Attachments

None