

CAUSE NO. 23-1002-C

CITY OF SAN MARCOS	§	COUNTY COURT AT LAW
	§	
V.	§	NUMBER ONE (1) OF
	§	
TWO RIVERS INTERESTS, LP	§	HAYS COUNTY, TEXAS

MEDIATED SETTLEMENT AGREEMENT

Subject to approval by City Council, Plaintiff, City of San Marcos (the “City”), and Defendant, Two Rivers Interests, LP (the “Landowner”), agree to resolve all issues in dispute between them in the above-styled and numbered cause on the following terms and conditions:

1. The City agrees to pay total compensation of \$440,000 in complete settlement of any and all claims which have been made or which could have been made in this litigation or as a result of the events giving rise to this litigation, including but not limited to the compensation for the acquisition, any damages to the remainder, any and all costs to cure, as well as any and all other claims involved in this case. There shall be no prejudgment interest.
2. The City has previously deposited the award of the special commissioners in the amount of \$271,100, and the Landowner acknowledges that the City shall receive a credit for its deposit of these funds.
3. The City agrees to pay the unpaid amount of \$168,900 to Two Rivers Interests, LP on or before June 1, 2026. If the unpaid amount is not paid within that 90-day period, then the unpaid amount shall bear interest at the rate of 6.75% per annum from the date of this agreement is entered until the date on which payment is actually made.
4. An agreed judgment reflecting the terms of this agreement—other than the compensation paid—shall be prepared by the attorney for the City and delivered to the attorney for the Landowner for approval as to form, which approval will not be unreasonably withheld, within 14 days of this agreement.
5. The City’s sole compensation obligation in this litigation shall be the payment of \$440,000. The parties shall bear their own attorneys’ fees and costs of court as incurred.

6. In further consideration, the parties shall execute a License Agreement whereby Grantor/Defendant shall retain a license to maintain and occupy that certain 25' x 50' metal shop building located partially within the easement, as identified by Exhibit 1A of Plaintiff's Original Petition For Condemnation, until such time that the City needs access to its facilities within easement.
7. This agreement may be filed as a Rule 11 agreement only if there is a dispute as to its terms or enforceability.

Signed this 16th day of March, 2026.

AGREED:

/s/ Scott T. Doggett
Scott T. Doggett
Attorney for City of San Marcos

/s/ Charles McFarland
Charles B. McFarland
Attorney for Two Rivers Interests, LP