

CONTRACT, EASEMENT, AND USE RESTRICTION

This Contract, Easement, and Use Restriction ("Contract") made and entered into by and between **AEP TEXAS INC.**, a Delaware Corporation, whose address is P.O. Box 2121, Corpus Christi, Texas 78403-2121, ("Company"), and **LAREDO PUBLIC FACILITY CORPORATION, A TEXAS PUBLIC FACILITY CORPORATION**, whose address is **1110 HOUSTON STREET, LAREDO, TEXAS 78040**, ("Owner").

WITNESSETH:

WHEREAS, Owner owns and is developing **AVANTI LEGACY ROSEWOOD APARTMENTS**, an individually metered apartment project in Webb County, Texas, (the "Project") to be located on the tract of land described in Exhibit A, attached hereto and made a part hereof by this reference for all purposes (the "Property"); and

WHEREAS, Company is a certified provider of retail electric delivery service to the Property, including electric connection service; and

WHEREAS, Company typically provides electric connection service utilizing Standard Facilities, which are overhead distribution facilities ("Standard Facilities"); and

WHEREAS, Owner has requested Company to provide electric connection service to the Project utilizing the underground delivery system described in Paragraph 1 below, instead of the Standard Facilities; and

WHEREAS, Company is willing to do so, but only in accordance with the terms and conditions contained in this Contract;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. DELIVERY SYSTEM-Company will furnish, install, own, maintain, and operate at the Project an Underground Delivery System consisting of the following components, as required: primary terminal pole(s) and raceway riser(s) on terminal pole(s); associated primary facilities located between the terminal pole(s) and the service transformer(s) including the primary cable that will be installed in the trenches and/or raceways to be provided by Owner; pad-mounted or other Company standard transformer foundation(s) and installation(s), secondary cable between transformer installation(s) and service pedestal (s); and service laterals from transformer(s) or service pedestal(s) to each metering location ("Underground Delivery System").

The Underground Delivery System will be installed in accordance with, and at the locations shown in the plat that is attached hereto as Exhibit B and made a part hereof by this reference for all purposes.

2. OWNER OBLIGATION TO COMPANY-Owner will stake all easements, appropriate control points and prepare the site at finish grade for the installation of the Underground Delivery System prior to initiation of any construction work by Company. Owner will be responsible for obtaining all necessary permits from governmental agencies. Owner will execute all contracts, deeds, easements, and other legal documents that the Company deems necessary or appropriate in a connection with the installation of the Underground Delivery Facilities.

Owner will locate and clearly mark all other underground facilities currently existing on the Property. Owner will furnish, in accordance with Company standards, all necessary trenching and backfilling for the installation of the Underground Delivery System including the primary and secondary cable, and in addition, Owner will furnish a rigid raceway, constructed in accordance with Company's standards, when required under paved, enclosed or otherwise inaccessible areas, or when required because of unstable soil conditions. All raceway **MUST** be specifically approved by Company. Such installations and routings must be in complete conformance with the drawings and details provided by Company.

Owner will maintain clearances for ventilation, operation and maintenance of each transformer as specified in attached Exhibit "C".

Owner will receive an allowance for the installation of the requested Underground Delivery System facilities in accordance with Company's tariffs. Owner will be responsible for the payment of all installation costs in excess of that allowance.

Owner will install necessary service lateral termination enclosures and meter sockets for each multiple meter location, and Owner will furnish and install a service entrance raceway as required by Company. Owner will furnish and install any needed main disconnect switch (es) and/or the meter wiring gutter for the line side wiring from each termination enclosure. Owner will furnish separately metered service distribution facilities to each individual apartment beyond the load terminals of the individual meters.

All installations by Owner or Applicant will conform to the current edition of the National Electrical Code, and National Electrical Safety Code, as applicable, together with current revisions thereof, and all other applicable codes or ordinances. Company will not be obligated to and does not hereby assume a duty to inspect or approve such installations.

OWNER OR APPLICANT AGREES TO INDEMNIFY AND HOLD HARMLESS COMPANY FOR AND FROM ALL CLAIMS FOR DAMAGES TO OTHER UNDERGROUND FACILITIES OR UTILITIES OF ANY NATURE, EXCEPT TO THE EXTENT THAT SUCH CLAIMS AND DAMAGES RESULT FROM COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT.

Owner and Applicant are and at all times shall be independent contractors, and neither Owner nor Applicant or any of their respective employees, contractors and subcontractors engaged in the performance of the work described hereinabove shall be considered employees of Company. The method and manner of performance of Owner and Applicant undertakings hereunder shall be under the exclusive control of the Owner and Applicant, and Company shall have only the right to require completion of the work in compliance with Owner undertakings hereunder. No provision contained in this Contract between Owner and Company and no action on the part of any of the parties hereto shall be construed as creating an employer/employee relationship, joint venture or any other relationship other than that of independent contractor.

3. SCOPE-The parties agree and stipulate that only the Underground Delivery System will be authorized and installed to serve the Project as shown on Exhibit "B". Owner hereby restricts the Project to underground electric delivery service and the parties agree and stipulate that the filing of this instrument in the real property records of the county in which the Project is located will have the same force and effect as a deed restriction running with the tract of land described in Exhibit "A" to the effect that only underground electric delivery service will be furnished thereto, except such overhead facilities as are shown on Exhibit "B". Areas in the Project not served from the Underground Delivery System will be served by Company from Standard Facilities.

4. **INDEMNITY-OWNER ASSUMES THE RISK OF, AND SHALL INDEMNIFY COMPANY AGAINST DAMAGES FOR INJURIES OR DEATH TO PERSON OR LOSS TO OWNER'S PROPERTY, OR TO THE PROPERTY OF COMPANY, WHEN OCCASIONED BY ACTIVITIES OF OWNER OR THIRD PARTIES ON OWNER'S PREMISES, RESULTING FROM THE INSTALLATION, EXISTENCE, REPLACEMENT OR REPAIR OF COMPANY'S UNDERGROUND DELIVERY SYSTEM AND IS IN ADDITION TO THE PROVISIONS LIMITING THE LIABILITY OF THE COMPANY AS SET OUT IN "LIMITS ON LIABILITY" SECTIONS 4.2 AND 5.2 OF COMPANY'S TARIFF FOR ELECTRIC DELIVERY SERVICE, INCORPORATED HEREIN FOR ALL APPLICABLE PURPOSES.**

5. **COMPANY OBLIGATION TO OWNER**-The parties agree that Company is obligated to furnish nominal 120/240-volt electric delivery service to the dwelling units or three phase, four wire service at 208Y/120 Volts to the commercial areas of the Project when applicable. In the event Owner, its heirs, successors or assigns, should desire a different type of service to the Project in the future, then Company will have a reasonable time after notice is given that such service is desired in which to submit the terms and conditions upon which it will furnish such service, but Company shall have no obligation to change the type of service until such terms and conditions covering the new service are met.

6. **COMPANY OBLIGATION TO APPLICANT**-Company will make underground electric delivery service available and provide delivery service to Applicant at the above described Project under Company's standard terms and conditions, at its regular published applicable delivery service rates at the nominal secondary service voltage specified in Paragraph 5 hereof, and at the load terminals of the individual meters or at an alternate delivery point acceptable to Company.

7. **EASEMENTS**-Owner hereby grants to Company and its successors and assigns, easements for the Underground Delivery System and the overhead electric system in, over, under and across those parts of the Project necessary for the purpose of installation, operation, inspection, repair, maintenance, replacement, enlargement, renewal, and removal of Company's facilities, as shown on Exhibit "B", together with the rights of ingress and egress thereto from any adjacent lands and easements to effect such purposes; the right to relocate along the same general direction of such lines and the right to remove from said lands all trees and parts thereof, using generally accepted vegetation management practices, structures or obstructions, which may, in Company's sole judgment, endanger or may interfere with the safe or efficient operation and maintenance of said lines or appurtenances. All of Company's lines and equipment are to be installed in the general location as shown on Exhibit "B", which locations are mutually acceptable to the parties hereto. Owner also grants to Company and its successors and assigns an easement and right of way for the installation, operation, inspection, repair, maintenance, replacement, renewal, and removal of an underground electric service lateral to each of the dwelling units shown on Exhibit "B", together with the rights of ingress and egress for such purposes, which easement and right of way will extend in as nearly a direct route as practicable from a point below ground at the meter location on the improvement to a point of connection with Company's facilities shown on Exhibit "B", and will be five feet in width. In the event any action by Owner requires relocation of all or any part of Company's facilities, Owner agrees to reimburse in full for all of Company's expenses incurred in effecting such relocation. Owner will provide the Company with all easements, rights-of-way, licenses and other rights on and over the Project for purposes reasonably related to the Company's business, including without limitation, the extension and furnishing of an electric connection to any retail customer, and services related to the electric connection such as demand signals. Such easements, rights-of-way and permits shall be permanent, unless otherwise agreed to by the Company.

8. **WARRANTY**-Owner warrants that it is the record owner of the property described in Exhibit "A" and that the easements and use restrictions granted herein are superior to any other interests in said property, including the interests of a lien holder, mortgagee or trustee under a deed of trust, if any. If the property is subject to a lien, mortgage or deed of trust, the lien holder, mortgagee or trustee for good consideration hereby joins in the execution of this Contract, but solely for the purpose of subordinating its interest in the property to the interests granted to Company herein.

9. **MISCELLANEOUS**-This Contract and the benefits and obligations hereof will be binding upon and inure to the benefit of the parties hereto, their heirs, successors, and assigns. This Contract will not be assigned by Owner without the Company's written consent.

Unless otherwise defined herein, capitalized terms used in this Contract shall have the meanings attributed to them by the terms and conditions of Company's Tariff for Electric Delivery Service.

This Contract constitutes the entire agreement of the parties hereto and supersedes all prior agreements and undertakings relating to the subject matter hereof. This Contract may not be modified, amended or discharged except by an instrument in writing signed by the party or parties sought to be bound by such instrument.

This Contract may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

The headings in this Contract are for convenience and reference only and in no way define, limit or describe the scope and intent of this Contract, nor in any way affect this Contract.

IN TESTIMONY WHEREOF, witness our hands to duplicate originals, this the _____ day of _____, 2025.

[Rest of this page intentionally left blank-Signature pages follows.]

TX250999
WR#87319761

OWNER

**LAREDO PUBLIC FACILITY CORPORATION,
A TEXAS PUBLIC FACILITY CORPORATION**

By: _____
Joseph W. Neeb, Executive Director
(Typed or Printed Name & Title)

ACKNOWLEDGEMENT

**STATE OF TEXAS
COUNTY OF WEBB**

This instrument was acknowledged before me on this _____ day of _____, 2025,
by Joseph W. Neeb, Executive Director of Laredo Public Facility Corporation, a Texas Public Facility
Corporation.

NOTARY PUBLIC, State of Texas

(Seal)

TX250999
WR#87319761

COMPANY

AEP TEXAS INC.

By: _____
Jeffery S. Stracener
Vice President of Distribution Region Operations

Reviewed by R.O.W. _____

ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF NUECES

This instrument was acknowledged before me on this _____ day of _____, 2025 by Jeffery S. Stracener, Vice President of Distribution Region Operations, of AEP TEXAS INC., a Delaware corporation on behalf of said Corporation.

NOTARY PUBLIC, State of Texas

(Seal)