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## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is entered into as of the 29<sup>th</sup> day of February, 2016, by, among and between \_\_\_\_\_ ("Escrow Agent"), City of Round Rock, Texas ("City"), and Meridian World School, LLC, a Texas limited liability company and open-enrollment charter school ("School") (City and School are each referred to as a "Party" or collectively as the "Parties").

## Recitals

A. School operates an open-enrollment charter school campus at 2555 North Interstate Highway 35, Round Rock, Texas 78664 (the “Campus”).

B. School has submitted certain plans, information, and data to City for the improvement and renovations to the Campus for the purpose of better serving the School's student body (the "Campus Renovations"), and requested approval of the same from City to commence the Campus Renovations.

C. As part of its review process of the Campus Renovations plan, information and data, City had a professional engineer complete a Meridian School Traffic Impact Letter Report dated July 14, 2014, a copy of which is attached hereto as Exhibit A and incorporated for all purposes herein (the “TIS”), to project the impact the Campus Renovations would have on the flow of traffic in the surrounding area.

D. The TIS recommended a number of public infrastructure expansions (“Public Expansions”), which are intended to mitigate the impact of the Campus Renovations on the flow of traffic in the surrounding area.

E. The TIS estimated the total costs for construction, installation, and completion of the Public Expansions, including any impact fees relating thereto, to be \$1,182,000.00.

F. The TIS further estimated that School's proportionate share of the total costs of the Public Expansions to be approximately thirty-three and one-half percent (33.5%).

G. City has conditioned its (i) final approval of School's development plans for the Campus Renovations, (ii) issuance of permits to construct the Campus Renovations, and (iii) issuance of permits to occupy the Campus Renovations on the School making a pro-rata contribution toward the construction of the Public Expansions.

H. The School's Board of Directors ("the Board"), intends that the School be a good institutional citizen, and a good neighbor to both the surrounding businesses and residences, and the citizens of Round Rock who use the adjoining thoroughfares. The Board finds that construction, installation, and completion of the Public Expansions is intended to create a safer environment for its students and employees, and further its goal of being a good institutional citizen.

I. The Parties agree that the terms and conditions of this Agreement will fully resolve and satisfy School's obligations and liability as to the Public Expansions.

Agreement

In consideration of the premises and of the mutual covenants and undertakings hereinafter made, the Parties hereto agree as follows:

1. Obligations of Parties. The Parties shall complete the following obligations:

a. City's Construction of Public Expansions. City hereby contractually stipulates and agrees to ensure the completion of the construction and installation of certain Public Expansions attributable to the Campus Renovations, to-wit; the completion of design and environmental studies required for the addition of a Turn Lane along Mays Street adjacent to the School (the "Turn Lane"), with access to the School from the Turn Lane, in accordance with the TIS on or before November 1, 2018 (the "Public Expansions Completion Date"). Any Public Expansion not completed by the Public Expansions Completion Date will be the full responsibility and liability of City to complete in as expeditious a manner as possible, with City acknowledging and stipulating that it has a contractual responsibility to complete such Public Expansion(s) by the Public Expansions Completion Date and that School will be fully and completely released of any obligations or liabilities related to the costs associated with such Public Expansion(s) notwithstanding anything to the contrary detailed herein.

b. School's Responsibility of Public Expansions and Substitute Public Expansions. The Parties hereby acknowledge, agree and stipulate School's responsibility and liability for the costs of construction, installation, and completion of all of the Public Expansions, attributable to the Campus Renovations will be \$150,000.

c. School's Relocation of Driveway. School hereby agrees to relocate the driveway presently serving the Campus to an alternative location so as to not conflict with the Turn Lane.

d. School's Dedication of Turn Lane Right-of-Way. School agrees to dedicate the right-of-way for the Turn Lane to the City at no cost to the City. School agrees to execute any documentation necessary to evidence said dedication when so requested by the City.

e. No Further Necessary Public Infrastructure Expansions. City acknowledges, agrees and contractually stipulates that no further public infrastructure expansions or improvements other than the Public Expansions will be conditions for City's (i) final approval of School's development plans for the Campus Renovations, (ii) issuance of permits to construct the Campus Renovations, and (iii) issuance of permits to occupy the Campus Renovations. An outline of School's development plan is attached hereto as Exhibit B.



2. Escrow of Funds. School will deposit a total of \$150,000.00 with Escrow Agent (the "Escrowed Funds") in accordance with the terms contained in this Section 2.

a. Timing of Deposits. School will deposit the Escrowed Funds with the Escrow Agent as per the following schedule:

- i. An initial \$37,500.00 by November 1, 2015;
- ii. An additional \$37,500.00 by November 1, 2016;
- iii. An additional \$37,500.00 by November 1, 2017; and
- iv. A final \$37,500.00 by November 1, 2018.

b. Confidentiality by Escrow Agent. Escrow Agent agrees to accept the Escrowed Funds and agrees to disburse the Escrowed Funds only in accordance with the terms of this Agreement. Escrow Agent hereby agrees to place the Escrowed Funds in an interest bearing account, for the benefit of City and School, with a federally insured bank, with any applicable fees to be paid by School. Escrow Agent shall be entitled to no compensation for Escrow Agent's performance of its obligations hereunder. Furthermore, except as required by applicable law or court order, Escrow Agent shall keep the terms of this Agreement and any related agreements to the Agreement confidential and not disclose any information concerning the same to any third party except Escrow Agent's employees who need to know the information to perform their assigned duties in connection with this Agreement, Escrow Agent's attorneys, or regulatory authorities.

c. Receipt of Invoices and Lien Waivers Prior as Condition to Release of Payment. Upon the completion of a Public Expansion or Substantial Public Expansion, City must provide School and Escrow Agent with copies of all invoices related to such Public Expansion or Substantial Public Expansion, including proof of City's payment of such invoice(s) and copies of unconditional lien waivers from all of the subcontractors/suppliers and general contractor performing the construction, installation, and completion of such Public Expansion or Substantial Public Expansion subject to the invoice(s), as a condition to School's approval of the release of and City receiving any portion of the Escrowed Funds. Within ten (10) days of the receipt of written confirmation from School of the sufficiency of such items, Escrow Agent shall immediately disburse the portion of the Escrowed Funds to City.

d. Release of Escrowed Funds Back to School. If City acknowledges in writing to School and Escrow Agent that City will not be able to complete any Public Expansion or Substantial Public Expansion, as applicable, then that portion of the Escrowed Funds allocated to such Public Expansion or Substantial Public Expansion shall be immediately disbursed to School within ten (10) days of such written notification by City. Furthermore, any Escrowed Funds still held by Escrow Agent as of the Public Expansions Completion Date or Final Completion

Date, whichever is applicable, will be immediately distributed to School, regardless.

e. City and School agree that the following provisions shall control with respect to the right, duties, liabilities, privileges, and immunities of Escrow Agent:

- i. Escrow Agent is not a party to, and is not bound by, or charged with notice of, any agreement out of which this escrow may arise, other than this Agreement.
- ii. Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of the subject matter of the escrow or any part thereof, or for the form or execution thereof, or for the identity or authority of any person executing or depositing the same.
- iii. In the event Escrow Agent becomes involved in litigation in connection with this escrow, City and School agree, to the extent permitted by law, to indemnify and save Escrow Agent harmless from all loss, costs, damages, expenses and attorney's fees suffered or incurred by Escrow Agent as a result thereof. The obligations of City and School under this paragraph shall be performable at the office of Escrow Agent in Williamson County, Texas.
- iv. Escrow Agent shall be protected in acting upon any written notice, waiver, consent, certificate, receipt, authorization, power of attorney or other paper or document which Escrow Agent in good faith believes to be genuine and what it purports to be.
- v. Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except its own negligence or willful misconduct. Notwithstanding anything to the contrary contained herein, Escrow Agent will not be entitled to the indemnification by City and School as detailed in this Section for any and all, without limitation, claims, demands, expenses, fines, losses, costs, damages or fees (including, without limitation, attorney's fees) attributable to the Escrow Agent's negligence or willful misconduct.
- vi. Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in accordance with the opinion and instruction of such counsel if such counsel is board certified in commercial real estate by the Texas Board of Legal Specialization.
- vii. In the event any claims or demand upon Escrow Agent are made in connection with any provision of this Agreement, or in the event the



Escrow Agent, in good faith, shall be in doubt as to what action it should take hereunder, Escrow Agent may, in its sole discretion, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in such event, the Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties and Escrow Agent shall have been notified thereof in writing signed by all such parties. Notwithstanding the foregoing, in the event Escrow Agent shall be in doubt as to what action it should take hereunder at any time during the term of this Agreement, Escrow Agent shall have the right, in its sole and absolute discretion, to file an interpleader action in the District Court of Williamson County, Texas, and interplead all documents and instruments held by it into the registry of said court, and in such event, all costs, expenses and attorney's fees incurred by Escrow Agent in filing such interpleader action shall be paid equally by City and School or from the funds so interplead. Furthermore, the parties hereto for themselves, their heirs, legal representatives, successors and assigns do hereby submit themselves to the jurisdiction of said court and do hereby appoint the then clerk, or acting clerk, of said court as their agent for service of all process in connection with such proceeding. The rights of Escrow Agent under this paragraph are cumulative to all other rights which it may have by law or otherwise.

3. No Third Party Beneficiary. This Agreement is intended solely for the benefit of the Escrow Agent, City and School, and said parties respective successors and assigns, and no third party shall have any rights or interest in the Escrowed Funds or this Agreement. Nothing contained in this Agreement shall be deemed or construed to create an obligation on the part of the Escrow Agent, City and/or School to any third party nor shall any third party have a right to enforce against the Escrow Agent, City and/or School any right that any of the other parties to this Agreement may have under this Agreement.

4. Dispute Resolution. The Parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, then the parties will submit the dispute to mediation before resorting to litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives the termination of this Agreement. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

5. Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to be given when actually received by that Party (i) if delivered by hand, facsimile transmission or other electronic means (e.g. email communication); or (ii) if sent by a nationally recognized overnight courier, and addressed to the party in question

at the facsimile number or address indicated herein, or to a different facsimile number or address as previously given in a notice to the other parties.

City:

City of Round Rock  
Attn: City Manager  
300 East Main Street  
Round Rock, Texas 78664

School:

Meridian World School, LLC d/b/a Meridian World School  
Attn: Karalei Nunn  
2555 North Interstate Highway 35  
Round Rock, Texas 78664

*With a copy to:*

Schulman, Lopez & Hoffer, LLP  
Attn: Joseph E. Hoffer  
517 Soledad Street  
San Antonio, Texas 78205  
Telephone: (210) 538-5385  
Facsimile: (210) 538-5384  
E-mail: [jhoffer@slh-law.com](mailto:jhoffer@slh-law.com)

Escrow Agent

\_\_\_\_\_  
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6. Entire Agreement. This Agreement contains the entire agreement of the Parties hereto with respect to the subject matter hereof, and this Agreement can be amended only by written agreement signed by all of the Parties hereto. Any other agreements previously approved by the parties are void and supplanted by this Agreement

7. Binding Effect. This Agreement, and the terms, covenants, and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of each of the Parties hereto.

8. Time. Time is of the essence in all things pertaining to the performance of this Agreement.

9. Applicable Law. The construction and validity of this Agreement shall be governed by the laws of the State of Texas.

10. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof.

11. Grammatical Construction. Wherever appropriate, the masculine gender may include the feminine or neuter, and the singular may include the plural, and vice versa.

12. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall be construed as one and the same instrument. Facsimile and other electronic copies of manually signed originals shall have the same effect as manually-signed originals and shall be binding on the undersigned parties.

*(Signatures on the Following Page)*

EXECUTED as of the date first written above.

**CITY:**

**CITY OF ROUND ROCK, TEXAS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHOOL:**

**MERIDIAN WORLD SCHOOL, LLC d/b/a  
MERIDIAN WORLD SCHOOL, a Texas limited  
liability company**

By: Karalei Nunn  
Name: Karalei Nunn  
Title: Founder & Chief Operating officer

**ESCROW AGENT:**

\_\_\_\_\_, a  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT A**

The TIS

(See Attached)