

NOTICE OF CITY COMMISSION MEETING

October 7, 2026 |
48491 State Highway 4
Starbase, TX 78521

Pursuant to Section 551.127, Texas Government Code, one member of the City Commission may attend this meeting remotely using videoconferencing technology. A quorum of the Commission will be physically present at the location provided above.

Public Comment Policy:

Pursuant to Texas Government Code 551.007, citizens wishing to address the Commission may do so during the listed public comment sessions. A person who addresses the Commission, including during a public hearing, must limit his/her remarks to the agenda items only. Citizens wishing to address the Commission on items requiring a public hearing shall address the Commission during the public hearing. The public comment sessions are reserved for items on the agenda that do not have a public hearing.

Citizens wishing to speak during Public Comment or Public Hearing must first complete a speaker card and submit it to the City Clerk five minutes before the beginning of the meeting. Once recognized by the Mayor, please step forward to the speaker's podium, state your name and address and speak directly into the microphone. No discussion or action may be taken by the Commission at this meeting on any item not listed on the agenda, other than to make statements of factual information or recite existing policy in response to a citizen's inquiry.

Time limits:

- *Public comment period: citizen comments are limited to two (2) minutes per individual per public comment period.*
- *Public hearing: citizen comments are limited to three (3) minutes per individual per public hearing.*
- *Mayor's discretion: if ten (10) or more speakers sign up to speak per public hearing, the Mayor may reduce the time allotted to each speaker to no less than one minute per speaker.*
- *Translator: members of the public requiring the use of a translator shall be given twice the amount of time to speak than speakers who do not require the assistance of a translator.*
- *Time limits do not apply to the Commission, City staff, or guests invited by the Commission to provide input on an agenda item.*

City Commission Regular Meeting Agenda

October 7, 2026 |

A. Call to Order and Quorum Determination

B. Pledge of Allegiance

C. Public Comment on All Agenda Items

Comments limited to two minutes per individual, as set forth above.

D. Consent Agenda

1. Consent Agenda

D.1. Minutes of the September 21, 2026 meeting.

D.2. Ordinance No. 2026-29 amending Ordinance No. 2025-05-30-F05-OR, Section 4, to designate the City Clerk as Records Management Officer under Local Government Code § 203.025. Effective immediately.

D.3. Designates Gavriel Schreiber of Spencer Fane LLP as City Attorney under the City's existing engagement. No new engagement letter is required.

E. Public Hearing

F. Regular Session

1. Discussion and action on a resolution to accept a gift special warranty deed for a 2-acre parcel to be used for public safety purposes.

Resolution No. 2026-25 accepting a Gift Deed with Special Warranty from Space Exploration Technologies Corp. for a 2.01-acre tract on the north side of State Highway 48 in Cameron County, to be used for emergency services facilities. Authorizes the City Administrator to accept, sign, and record the deed. Authority: Local Government Code §§ 51.052 and 51.015(a). Effective immediately.

2. Discussion and action on a city policy regarding right-of-way disposition procedures.

Ordinance No. 2026-30 adopting procedures for abandoning and disposing of public streets, alleys, rights-of-way, and easements no longer needed for public use, under Transportation Code §§ 311.002 and 311.008 and Local Government Code Chapters 253 and 272. Each request requires abutting-owner notice, a public hearing, and a Commission finding that it serves the public interest. Effective upon passage and publication.

3. Discussion and action approving a Section 212.172 Development Agreement with Space Exploration Technologies Corp. for land in the City's extraterritorial jurisdiction, and authorizing the City Administrator to offer, execute, and record the agreement as required under Section 212.172, Texas Local Government Code, and applicable law.

Approval of a 45-year Section 212.172 Development Agreement with Space Exploration Technologies Corp. for approximately 166.2 acres in the City's extraterritorial jurisdiction in Cameron County. City Technical Codes apply to the land as contractual standards and the City issues development permits; zoning does not apply, and the agreement is not consent to annexation. Includes the disclosure required by Section 212.172(b-1). Authorizes the City Administrator to offer, execute, and record the agreement.

4. Discussion and action on a resolution of intent to annex a 2-acre parcel and provide direction to staff to prepare a service plan and authorize the hearing and public-entity notices.

Resolution No. 2026-26 declaring the City's intent to annex the approximately two-acre City-owned parcel accepted under Item E.1, under Local Government Code § 43.012. Directs staff to prepare a service plan (§ 43.065(a)) and give the required notices (§§ 43.905(a), 43.9051(b)). Sets public hearings (§ 43.063(a)) for Friday, October 23, 2026 at 7:00 PM at City Hall, and October 28, 2026 at [CONFIRM: time and place]. Effective immediately.

5. Discussion and action on setting the annual December Regular Meeting on the second Wednesday of the month to avoid holiday-season conflicts.

Resolution No. 2026-27 setting regular meetings at 7:00 p.m. on the third Wednesday of January through November and the second Wednesday of December, at 48491 State Highway 4. Supersedes only Section 3 of Resolution No. 2026-15. Authority: Local Government Code §§ 51.052 and 22.038(a). Effective immediately.

6. Discussion and action on amendments to the City's purchasing policies.

Resolution No. 2026-28 repealing Resolution No. 2026-8 and adopting revised Purchasing Policies, effective October 7, 2026. Purchases up to \$3,000 need no formal quotes; \$3,000.01 to \$100,000 follow an informal process approved by the City Administrator; over \$100,000 require formal bids or proposals under Local Government Code Chapter 252, awarded by the Commission. The City Administrator may approve change orders up to \$50,000.

G. Commission/City Administrator Comments

1. Commission/City Administrator Comments

1. Items of Community Interest: Pursuant To Texas Government Code Section 551.0415 The Mayor, Commission And City Administrator May report on the following items: (1) Expression Of Thanks, Congratulations Or Condolences; (2) Information Regarding Holiday Schedules; (3) Recognition Of Individuals; (4) Reminders About Upcoming City Commission Events; (5) Information Regarding Community Events; (6) Announcements Involving Imminent Threat To Public Health And Safety.

2. Future agenda item requests: No discussion or action may be taken by the Commission on future agenda item requests.

H. Adjourn

Requests for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's office.

NOTE: The City Commission reserves the right to meet in executive session closed to the public at any time during the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including § 551.071 (private consultation with the attorney for the city); § 551.072 (discussing purchase, exchange, lease or value of real property); § 551.073 – (deliberation regarding prospective gift); § 551.074 (discussing personnel or to hear complaints against personnel); § 551.076 (deliberation regarding security devices or security audit); § 551.087 (discussing economic development negotiations); § 551.089 (deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code). Any decision on such matters will be taken or conducted in open session following the conclusion of the executive session.

Requests for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's office.

I acting City Clerk, Keila Tuttle , certify that this notice of meeting and agenda of items were posted on the official bulletin board of the City of Starbase, Texas and on the City's website at <https://starbase.texas.com/> in accordance with Chapter 551, Texas Government Code at least 3 business days prior to the start of the meeting, and shall remain posted until the meeting is adjourned.



Keila Tuttle, Acting City Clerk

Date: **October 7, 2026**

D

CITY COMMISSION MEETING — MINUTES

DATE: September 21, 2026

TIME: 7:01 p.m. – 7:45 p.m.

LOCATION: 48491 State Highway 4, Starbase, Texas 78521

A. CALL TO ORDER AND QUORUM DETERMINATION

The meeting was called to order at 7:01 p.m. Present: Mayor Peden, Commissioner Jordan Buss, and Commissioner Lois Wallace. Absent: none. A quorum was determined to be present.

B. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

C. PUBLIC COMMENT ON ALL AGENDA ITEMS

Comments limited to two minutes per individual, as set forth above. Two individuals addressed the Commission on agenda items not associated with a public hearing:

- Glenn Bennett, Starbase Public Safety Director and future Police Chief, reported that the police department had received TCOLE approval following an on-site inspection, allowing next steps including DPS filings, onboarding, and officer background processing.
- Rebecca Hinojosa, South Texas Environmental Justice Network, stated opposition to the 444.46-acre annexation and the approximately 7,133-acre annexation, citing concerns about transparency, environmental impacts, beach closures, rocket launch effects, and accessibility for impacted landowners.

D. PUBLIC HEARING

Item D.1 - C4 Annexation. Conduct a third public hearing on the proposed annexation of approximately 7,133 acres, identified as the area to be annexed into the city limits including rights of way.

The third public hearing on the proposed annexation of approximately 7,133 acres (C4) under Chapter 43, Subchapter C-4 of the Texas Local Government Code. Action on the annexation ordinance was considered later in the meeting (Item G.2).

The public hearing opened at 7:08 p.m. No speakers were recognized. The public hearing closed at 7:09 p.m. No action was taken.

E. CONSENT AGENDA

Item E.1 - Action regarding the minutes of the City Commission meetings held on September 4, 2026, and September 16, 2026.

Approval of the official minutes of the Commission's September 4, 2026 meeting. No minutes were presented for September 16, 2026, as that special meeting was cancelled.

Commissioner Wallace made a motion to approve the consent agenda (Item E.1) as presented. Commissioner Buss seconded the motion. The motion passed 3-0.

F. CONDITIONAL ITEMS (IF SEPTEMBER 16, 2026 SPECIAL MEETING IS CANCELLED)

Item F.1 - Public Hearing - Voluntary Annexation of C3 Property (Garcia Lot). Public hearing on the voluntary annexation of approximately 444.46 acres of land, being out of the Garcia - Dougherty Property, East Half of Tract "A" of Share 7, San Martin Grant, Cameron County, Texas, as petitioned by Space Exploration Technologies Corp. pursuant to Texas Local Government Code Chapter 43, Subchapter C-3.

The public hearing on the owner-requested voluntary annexation of approximately 444.46 acres known as the Garcia-Dougherty property (C3) under Chapter 43, Subchapter C-3. Staff reported that SpaceX filed the annexation petition and that action would be considered later in the meeting (Item F.5).

The public hearing opened at 7:11 p.m. Statements were read into the record on behalf of Barbara Buckner and Gerald Pedraza opposing the annexation, raising concerns regarding process, landowner notice, documentation supporting owner percentages, taxes, services, security, school district impacts, and other potential consequences. The public hearing closed at 7:23 p.m. No action was taken.

Item F.2 - Discussion and action regarding the approval of a bond for the City Clerk.

Approval of the official bond for the City Clerk, as required for elected officers before taking office. Staff stated that Local Government Code Section 24.052 requires the clerk to execute a sufficient bond before performing duties and that the Commission had previously set the bond amount at \$20,000 by ordinance.

Commissioner Buss made a motion to find the bond presented by the City Clerk sufficient, approve the \$20,000 bond as presented, and direct that it be filed in the minutes of this meeting and retained in the city's records. Commissioner Wallace seconded the motion. The motion passed 3-0.

Item F.3 - Discussion and action to appoint a City Clerk and administer Oath of Office.

Consideration of the appointment of a City Clerk and administration of the oath of office. Staff recommended appointing Keila Tuttle, noting that she had served as Interim City Clerk since her appointment on September 4, 2026.

Commissioner Wallace made a motion to appoint Keila Tuttle as City Clerk of the City of Starbase, effective September 21, 2026. Commissioner Buss seconded the motion. The motion passed 3–0.

The oath of office and statement were administered following the vote.

Item F.4 - Discussion and action on Ordinance No. 2026-24: Expanding the City's Extraterritorial Jurisdiction (ETJ).

An ordinance expanding the City of Starbase's extraterritorial jurisdiction to include a property described as being approximately 444.46 acres of land, being out of the Garcia - Dougherty Property, East Half of Tract "A" of Share 7, San Martin Grant, Cameron County, Texas, together with adjacent and referenced right-of-way, as shown in the Exhibits attached to the Ordinance, at the request of the owners of the area. This is the same 444.46-acre Garcia-Dougherty tract. Staff reported that Chapter 42 allows the city to add land to its ETJ when requested by the owner and when the land is adjacent to the existing ETJ.

Commissioner Buss made a motion to adopt Ordinance No. 2026-24 expanding the city's extraterritorial jurisdiction as described. Commissioner Wallace seconded the motion. The motion passed 3–0.

Item F.5 - Discussion and action on Ordinance No. 2026-25: Voluntary Annexation, on Request of Property Owner and Under Subchapter C-3, of Approximately 444.46-acre Property.

An ordinance under Texas Local Government Code Chapter 43, Subchapter C-3 annexing approximately 444.46 acres of land, being out of the Garcia - Dougherty Property, East Half of Tract "A" of Share 7, San Martin Grant, Cameron County, Texas, into the corporate limits of the City of Starbase; making findings that the petition, notices, public hearing, and Municipal Services Agreement requirements have been satisfied; ratifying the agreed municipal services agreement pursuant to Section 43.0672 of the Texas Local Government Code; extending the boundary limits of the City to include said property within the City limits; providing for amendment of the City map; and directing the Clerk to file a copy with appropriate entities.

Staff reported that the owner petition, municipal service agreement, hearing notice, and required notices to public entities had been completed, and that the ordinance would ratify the service agreement, add the land to the city map, and direct filing by the Clerk.

Commissioner Wallace made a motion to adopt Ordinance No. 2026-25 annexing the approximately 444.46-acre property as described. Commissioner Buss seconded the motion. The motion passed 3–0.

G. REGULAR SESSION

Item G.1 - Resolution of Intent to Annex SH4. Discussion and action on a resolution of intent to annex right-of-way along State Highway 4.

A resolution of intent only; no property is annexed by this action. The packet described approximately 123.17 acres of State Highway 4 right-of-way. Notice was sent to TxDOT on September 14, 2026. The resolution sets a proposed annexation date of November 18, 2026, and directs preparation of a service plan.

Commissioner Buss made a motion to adopt the resolution of intent to annex the State Highway 4 right-of-way as described. Commissioner Wallace seconded the motion. The motion passed 3–0.

Item G.2 - Action on Ordinance Annexing Area Under Subchapter C-4. Discussion and action on the annexation of approximately 7,133 acres, as authorized by Subchapter C-4.

An ordinance annexing approximately 7,133 acres under Chapter 43, Subchapter C-4, together with continuous public right-of-way. Staff reported that the required legal steps had been completed, including the prior resolution of intent and public hearings, and that the ordinance would leave existing land uses in place and provide services as described in the February 2026 resolution of intent. Discussion noted that the annexation would clarify jurisdictional responsibilities and coordination for public safety.

Commissioner Wallace made a motion to adopt the ordinance annexing the approximately 7,133-acre area under Subchapter C-4. Commissioner Buss seconded the motion. The motion passed 3–0.

Item G.3 - Authorizing City Clerk to Serve as Municipal Court Clerk. Discussion and action authorizing the City Clerk to also serve as Municipal Court Clerk.

Staff described this as a common arrangement for a Type C city that would allow one officer to keep the court docket, process citations, and handle court paperwork without changing the City Clerk's other responsibilities.

Commissioner Buss made a motion to authorize the City Clerk to also serve as Municipal Court Clerk. Commissioner Wallace seconded the motion. The motion passed 3-0.

Item G.4 - Ordinance Amending the Budget. Discussion and action on an ordinance amending the City's budget to close out FY25-26.

Ordinance No. 2026-28 amends the city budget for the fiscal year ending September 30, 2026, to align the budget with actual revenues and expenditures in the city's first year. Staff reported that total budget revenues decreased from \$494,719 to \$204,500, due mainly to lower permit revenue and higher interest income, and that total expenditures increased from approximately \$1.85 million to \$2,342,521 due to salaries and benefits not originally budgeted, increased legal fees, police hard goods and software, and beach grading. Staff stated that available general fund resources were sufficient and that the ordinance would ratify spending, require filing with the City Clerk and Cameron County Clerk, and require posting on the city website.

Commissioner Wallace made a motion to adopt Ordinance No. 2026-28 amending the city's budget to close out fiscal year 2025-2026 as presented. Commissioner Buss seconded the motion. The motion passed 3-0.

H. CITY ADMINISTRATOR COMMENTS

Item H.1 - Items of Community Interest

Pursuant to Texas Government Code Section 551.0415, the Mayor, Commission, and City Administrator may report on the following items: (1) Expression of Thanks, Congratulations or Condolences; (2) Information Regarding Holiday Schedules; (3) Recognition of Individuals; (4) Reminders About Upcoming City Commission Events; (5) Information Regarding Community Events; (6) Announcements Involving Imminent Threat to Public Health and Safety.

A report was given on beach-cleaning efforts conducted with SpaceX, the GLO, and Cameron County, in which just under 1,000 volunteers collected about 2,880 pounds of trash, along with continued weekly surf-rake cleanings and bi-weekly hand picking. It was

also reported that 41 tons of garbage had been collected since June and that the city had begun hand-picking trash on nearby U.S. Fish and Wildlife Service property. Commissioner Buss expressed appreciation to Kevin Bagnall for helping the volunteer fire department obtain 501(c)(3) status.

Item H.2 - City Administrator's Report

Report topics: Beach Cleaning and Maintenance; Financial Overview.

The City Administrator noted that beach cleaning, the budget, and the police department had been covered earlier in the meeting, and reported that the library was progressing well, continuing to host a number of monthly programs, and awaiting its physical space to open.

Item H.3 - Future agenda item requests

No discussion or action may be taken by the Commission on future agenda item requests. Mayor Peden requested that police updates be placed on a future agenda when needed, and that the same apply to formal library updates.

I. ADJOURNMENT

There being no further business to come before the Commission:

Mayor Peden made a motion to adjourn. Commissioner Buss seconded the motion. The motion passed 3-0.

The meeting adjourned at 7:45 p.m.

Respectfully submitted,

Keila Tuttle, City Clerk
City of Starbase

Approved by the City Commission on: _____

ORDINANCE NO. 2026-29

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, AMENDING ORDINANCE NO. 2025-05-30-F05-OR, AS AMENDED BY ORDINANCE NO. 2026-18, TO REDESIGNATE THE CITY CLERK AS RECORDS MANAGEMENT OFFICER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase is a Type C municipality organized under the laws of the State of Texas that has adopted Type A powers under Local Government Code § 51.052; and

WHEREAS, Local Government Code Chapter 203 requires the City Commission to designate a records management officer; and

WHEREAS, Ordinance No. 2025-05-30-F05-OR designated the City Clerk as Records Management Officer, Ordinance No. 2026-18 redesignated the Data Governance and Project Manager to that role, and the City Commission desires to redesignate the City Clerk as Records Management Officer;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. Amendment of Section 4. Section 4 of Ordinance No. 2025-05-30-F05-OR, as amended by Ordinance No. 2026-18, is amended to read as follows:

"SECTION 4. Records Management Officer. The City Clerk serves as Records Management Officer for the City under Local Government Code Chapter 203. The Records Management Officer's responsibilities shall extend to the records of the Starbase Economic Development Corporation if requested by the EDC. Each successive holder of the position shall file the holder's name with the director and librarian of the Texas State Library and Archives Commission within thirty (30) days of designation or of taking up the position."

SECTION 2. Severability. If any part of this ordinance, or its application to any person or circumstance, is held invalid, the rest remains in effect. Any conflicting ordinance provision is repealed only to the extent of the conflict.

SECTION 3. Effective Date. This ordinance takes effect immediately upon adoption.

PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, on this the 7th day of October, 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Keila Tuttle, City Clerk

APPROVED AS TO FORM:

Gavriel Schreiber, City Attorney



May 22, 2026

VIA ELECTRONIC MAIL

Bobby Peden, Mayor
City Commission Members
City of Starbase, Texas
39046 LBJ Boulevard, Unit 02
Starbase, Texas 78521

c/o Cayetana Polanco
City Administrator, City of Starbase, Texas
39046 LBJ Boulevard, Unit 02
Starbase, Texas 78521
cayetana.polanco@starbase.texas.gov

Re: Representation and Standard Terms of Engagement for Legal Services

Dear Mayor Peden, City Commissioners, and City Administrator Polanco,

Thank you for entrusting Spencer Fane with the City Attorney role for the City of Starbase (the "City"). We are excited to support your municipality as you continue to grow and flourish. This letter supplements our prior engagement letter dated April 30, 2026 (the "General Engagement Letter") and, as contemplated by the General Engagement Letter, formally adds City Attorney duties to the scope of our engagement with the City.

Scope of Engagement.

Spencer Fane is engaged to serve as City Attorney for the City of Starbase, Texas. City Attorney services include: attending City Commission meetings and providing legal counsel in connection with those meetings; reviewing and advising on proposed ordinances, resolutions, and official City actions; reviewing and advising on contracts, agreements, and other legal instruments to which the City is a party; advising on compliance with the Texas Open Meetings Act and the Texas Public Information Act; and providing general legal counsel to the City Commission, the City Administrator, and other designated City officials and staff. Legal work under this engagement may be performed by any duly licensed attorney on the Spencer Fane team serving the City. Certain discrete matters, including litigation and other projects that the parties mutually agree to designate, may, at the election of either party, be handled under a separate engagement letter.

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Designated City Attorney.

Caleb Rush, a Spencer Fane attorney licensed in the State of Texas, will serve as the formally designated City Attorney, subject to formal appointment by the City Commission. Mr. Rush's contact information is as follows:

Caleb Rush
Partner, Spencer Fane LLP
5700 Granite Parkway Suite 650
Plano, TX 75024-6622
972.324.0319
crush@spencerfane.com

In the event the City Commission, in its discretion, takes formal action to designate as City Attorney a different Spencer Fane attorney, that designation shall be effective under the same terms of this engagement without requiring a new engagement letter.

Communications.

The City Attorney will correspond primarily with the City Administrator and the City Clerk on matters of official City business. The City Attorney is authorized to correspond directly with the Mayor, City Commission members, and City staff as the City Attorney deems necessary or appropriate in the course of providing legal services to the City.

Independent Contractor.

Spencer Fane and its attorneys serve as independent contractors to the City and are not employees of the City. The City does not exercise, and shall not be deemed to exercise, any control over the hiring, supervision, compensation, or benefits of any Spencer Fane attorney or employee. Neither Spencer Fane nor any of its attorneys exercises any control over the hiring, engagement, compensation, or benefits of any City employee or contractor.

Rates.

The hourly rates applicable to this engagement are as set forth in the General Engagement Letter, including the 20% discount Spencer Fane is pleased to extend to the City. Those rates and the annual adjustment mechanism described in the General Engagement Letter apply equally here.

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Travel and Costs.

In-person attendance at City Commission meetings and other on-site engagements, if required, in Starbase will generate travel costs billed to the City in addition to attorney fees, consistent with the expense reimbursement provisions of the Standard Terms, unless otherwise agreed by the parties with respect to a specific trip. Spencer Fane anticipates that the majority of its work for the City will be able to be performed without incurring travel costs.

Scope Clarification; Conflicts.

Spencer Fane is engaged by, and represents, the City of Starbase. We do not represent SpaceX. The privileges and protections of the attorney-client relationship run solely to the City and to City personnel acting within the scope of their official duties, including duly designated official advisors to the City.

All conflict disclosures and waivers set forth in the General Engagement Letter or in any other letter between Spencer Fane and the City apply equally to this engagement and continue in full force. This includes, without limitation, any waivers the City has provided in connection with Spencer Fane's representation of SEMCO LLC, a manufacturer of industrial air ducts and air-moving equipment, the Starbase Economic Development Corporation, or other City-related entities.

Records and Transition.

Spencer Fane will coordinate with the City and any previous City counsel to ensure a smooth transition. The City owns all records, files, and documents created or maintained in connection with the City's legal representation, and Spencer Fane will help coordinate any required transfer of those files and will review past files as necessary.

Effective Date; Whole Agreement.

This letter is effective upon execution and return by the City, after necessary approval by the City Commission. Upon this letter becoming effective, this letter and the General Engagement Letter together will constitute the full agreement governing Spencer Fane's representation of the City, and this letter controls in the case of any conflict between this letter and the General Engagement Letter.

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I have enclosed with this letter a copy of our Firm's *Standard Terms of Engagement for Legal Services*. These terms are an integral part of our agreement with the City. Please contact me promptly if there are any questions about the *Standard Terms* or about this letter. If this letter and terms of engagement are acceptable to the City, please sign below and return a copy to our office.

We could not be more excited to take on this role and to be a trusted legal partner as Starbase grows. Please do not hesitate to reach out at any time—we are here to support and ready to get to work.

Very truly yours,

Spencer Fane LLP

Caleb Rush
crush@spencerfane.com

[SIGNATURE PAGE TO FOLLOW]

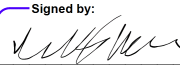
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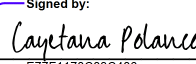
I have read the foregoing letter and the *Standard Terms of Engagement*, and I agree to the terms set forth therein on behalf of the City of Starbase, Texas.

CITY OF STARBASE, TEXAS

Dated: May 29, 2026

Signed by:
By: 
Name: Bobby Peden
Title: Mayor

Dated: May 29, 2026

Signed by:
By: 
Name: Cayetana Polanco
Title: City Administrator



This statement sets forth the **standard terms of our engagement** as your lawyers.

The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited to our knowledge of the facts and are based on the state of the law at the time they are expressed and should not be construed as a promise or guarantee.

It is our policy that, for conflict of interest purposes, the person or entity that we represent is the person or entity that is identified in our engagement letter and does not include any affiliates of such person or entity. For example, if you are a corporation or partnership, our representation does not extend to any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships. If you are a trade association, our representation does not extend to any members of the trade association, unless such members undertake individual arrangements with us. If you are an individual, our representation does not include your spouse, siblings, or other family members. In addition, the advice and communications which we render on your behalf are not intended to be

disseminated to or relied upon by anyone else without our written consent.

It is also our policy that, for conflict of interest purposes, the attorney-client relationship will be considered terminated upon [our completion of the services that you have retained us to perform] or [our sending you over final statement or services rendered in the matter]. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

Who Will Provide the Legal Services

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with particular skills or experience in a given area or for the purpose of providing services in the most efficient and timely basis.

Client Responsibilities

You agree to pay our statements for services and expenses as provided below. In addition, you agree to be candid and cooperative with us and keep us informed with complete and accurate factual information, documents, communications, and other material relevant to the subject matter of our representation or otherwise reasonably requested by us. You



also agree to make any necessary business and strategy decisions in a timely manner.

Because we need to be able to contact you at all times regarding the representation, you agree to inform us, in writing, of any changes in your name, address, telephone number, contact person, email address, state of incorporation, and other relevant information regarding you or your business. Whenever we need instructions or authorization to proceed with legal work on your behalf, we will contact you at the most recent business address we have received. If you affiliate with, acquire, are acquired by, or merge with another client, you will provide us with sufficient notice to permit us to withdraw as your lawyers if we determine that such affiliation, acquisition, or merger creates a conflict of interest, or that it is not in the best interests of the firm to represent the new entity.

From time to time, either at the outset or during the course of our representation, we may express opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our firm is an expression of opinion only, based on information available to us at the time, and should not be construed by you as the promise or guarantee.

How Fees Will Be Set

Our fees for legal services are customarily determined on the basis of an hourly rate. Each of our lawyers and legal assistants has an hourly rate, as determined by the firm's management, consistent with the experience, reputation, and abilities of the lawyers and

legal assistants performing the services. The hourly rates of each of our lawyers and legal assistants are reviewed annually, and, if appropriate, are adjusted to reflect current levels of legal experience, reputation, ability, costs, and other factors. We will keep accurate records of the time we devote to your work.

Occasionally we are requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. When requested, we will attempt to furnish such an estimate, based upon our past experience and best professional judgment, but with an understanding that such an estimate is not a maximum or fixed-fee quotation and that fees and costs are not usually predictable. It is expressly understood that your obligation to pay our fees and costs is in no way contingent on the outcome of this matter.

For certain well-defined services (for example, a simple business incorporation), we may quote a flat fee and the scope of the services to be provided. It is our general policy not to accept representation on a flat-fee basis except in defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client. Likewise, on rare occasions we may perform work on a contingency fee or other specially deferred fee relationship. In all such situations, the flat-fee or contingency fee arrangement will be expressed in a letter from us setting forth the terms and scope of the services to be provided, and your payment obligations.

Conflicts



We represent many other companies and individuals. It is possible that during the time that we are representing you, some of our present or future clients will have disputes or transactions with you. You agree that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests, including in litigation. We agree, however, that the above consent shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature that if known to such other client, could be used in any such other matter by such client to your material disadvantage. In similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

In addition, you agree that we may disclose the fact of our representation of you, without disclosing the nature of such representation, to other current or future clients that may be adverse to you for the purpose of obtaining such other clients' consent to any conflict of interest that may be presented by our representation of you and such other client. We will not disclose to the other client any confidential information pertaining to our representation of you.

From time to time we may have discussions with other lawyers for the purpose of considering them joining our firm. During the course of those discussions it may be necessary to disclose your identity as a client or fee and billing information relating to our

representation of you. Such disclosure shall be subject to the confidentiality rules in the applicable codes of professional conduct and our confidentiality agreement with such other lawyers. You agree that we may disclose such limited information for these purposes.

Representation of Lawyers

We sometimes represent lawyers and law firms, and we are sometimes represented by other lawyers and law firms in matters unrelated to our representation of you. Because we do not believe these representations will materially limit our responsibilities to you or will otherwise adversely affect our representation of you, we do not believe these representations present conflicts of interest, including where any such firm also represents a client whose interests are opposed to yours in either a litigation or transactional setting. If, however, you have any concerns about whether such a relationship exists between this firm and the law firm that represents a client whose interests are adverse to yours in connection with this representation, please ask us whether there is any such relationship and we will attempt to address your concerns. Otherwise, you agree that we may represent or be represented by lawyers or law firms that also represent clients whose interests are adverse to yours.

Out-of-Pocket Expenses

Although substantial expenses incurred on a client's behalf will be sent to the client for direct payment, we often incur and pay on behalf of our clients a variety of smaller out-of-pocket costs arising in connection with legal services. These include charges made by government



agencies and service vendors. Some typical costs are certain telephone charges; express delivery charges; printing and reproduction costs; filing fees; and travel expenses. We also charge for computerized legal research either at a rate equal to that charged by our vendor or based upon negotiated volume discounts. We also charge for our actual costs paid to vendors for processing and storing data that must be collected, analyzed and sometimes produced as a part of our representation of a client in transactional, litigation or other matters. We incur outside costs as agents for our clients and incur internal expenses on behalf of our clients, who agree that these costs will be paid on a regular basis.

Billing Arrangements and Terms of Payment

We will bill you on a regular basis, normally monthly, for both fees and disbursements. You agree to make payment within thirty days of receiving our statement. We will give you prompt notice if your account becomes delinquent. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and may pursue collection of your account.

Retainer and Trust Deposits

New clients of the firm are commonly asked to deposit a retainer with the firm. Two types of retainers are used most frequently. A monthly retainer is an amount billed and paid apart from the usual invoices for services rendered. Part or all of the retainer then is credited to the next invoice. A second type of retainer is a long-term deposit. Unless otherwise agreed, this retainer

deposit will be credited toward your unpaid invoices, if any, at the conclusion of services.

At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased. Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you. All trust deposits we receive from you will be placed in a trust account for your benefit. Unless special arrangements are made, interest earned on the trust account is paid to a charitable foundation established in accordance with court rules.

Federally Regulated Financial Institutions

If you are a federally regulated financial institution, our engagement, unless expressly described otherwise in the accompanying engagement letter, will be limited to assisting you with the structuring, negotiation, documenting and closing of your financing transactions, and conducting a legal review (the scope of which will be defined at the commencement of each separate transaction) of certain due diligence matters pertaining to each prospective borrower's business. In connection with the foregoing, we will also assist you with the federal regulatory aspects of your receipt of equity enhancements (e.g., warrants and success fees) in connection with your financing transaction and the effect on,



and applicability to, your financing transaction of federal margin stock laws and regulations; however, if we are not your counsel with respect to general corporate compliance matters, we will not otherwise undertake any responsibility for assuring that, with respect to any of the financing transactions, you will be complying with applicable state or federal laws and regulations because of your legal or regulatory status or because of the general nature of your business, including, without limitation, capital adequacy requirements, lending limits, restrictions on affiliate and insider transactions, rules regarding interlocking boards of directors, governmental reporting and licensing requirements, and federal, state or local tax matters. Of course, you may limit or expand the scope of our representation from time to time, provided that any such expansion is agreed to by us.

Termination

You may terminate our representation at any time, with or without cause, by notifying us in writing. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the codes of professional conduct for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: conflict of interest with another client, misrepresentation or failure to disclose material facts, action contrary to our advice, and nonpayment of fees or costs. We try to identify in advance and discuss with our client

any situation which may lead to our withdrawal and, if withdrawal ever becomes necessary, we shall provide the client written notice of our withdrawal.

If we terminate the engagement, we will take reasonable steps to protect your interests in the specified matter, and you agree to take all steps necessary to free us of any obligation to perform further, including executing any documents necessary to perfect our withdrawal. If permission for withdrawal is required by a court or other adjudicator, we will promptly request such permission, and you agree not to oppose our request.

At your request, documents and property will be returned to you *upon receipt of payment for outstanding fees and costs*, although we reserve the right to copy any documents we deem appropriate. Our files and documents pertaining to this matter will be retained by the firm. For various reasons, including the minimization of unnecessary storage expenses, and consistent with applicable professional conduct rules, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us without further notice to you.

Postengagement Matters

The client is engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could impact the client's future rights and liabilities. Unless the client engages us after the completion of the matter to provide additional legal advice on issues arising from the matter, the firm has no continuing



obligation to advise the company on such issues or on future legal developments, including monitoring renewal or notice dates or similar deadlines that may arise with respect to the matter.

Entire Agreement

The engagement letter and these Standard Terms of Representation constitute the entire understanding and agreement between you and this firm regarding our representation of you in this matter. Unless otherwise agreed, they superseded any prior understanding and agreements, written or oral, and any billing requirements, outside counsel guidelines, or letters submitted to us. If any provision of the engagement letter or these Standard Terms of Representation is held by a court or other

arbitrator to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect. The engagement letter and these Standard Terms may be amended only by a written agreement between you and us. You should review this document carefully and contact us promptly with any questions. You should retain this document in your file.

Client Satisfaction

Our desire is to serve you and meet your legal needs. Client satisfaction is of utmost importance. You should feel free to discuss any aspect of our representation with the principal attorney or any other attorney with the firm. We welcome your input to ensure that our legal services meet your needs. We appreciate having the opportunity to be of service to you.



GAVRIEL SCHREIBER
DIRECT DIAL: (816) 292-8839
gschreiber@spencerfane.com

April 30, 2026

VIA ELECTRONIC MAIL

Cayetana Polanco
City Administrator, City of Starbase, Texas
39046 LBJ Boulevard, Unit 02
Starbase, Texas 78521
cayetana.polanco@starbase.texas.gov

Re: Representation and Standard Terms of Engagement for Legal Services

Dear Caye:

Thank you for choosing to work with Spencer Fane LLP. This letter confirms that the City of Starbase, Texas (the "City") has engaged Spencer Fane to provide general legal advice and related legal services on a range of matters that the City identifies. The scope of our representation will include any legal matters the City brings to us, subject to conflict checks and the requirements of professional ethics rules.

I will serve as the City's primary point of contact at Spencer Fane and will either directly perform or supervise all legal work performed on behalf of the City. To the extent any matter requires the formal involvement of a Texas-licensed attorney pending my admission to the Texas bar, Caleb Rush or Cody Faulk will provide the necessary supervision or formally appear as counsel of record.

In recognition of the City's mission and our enthusiasm for this engagement, Spencer Fane is pleased to extend to the City a 20% discount, which is reflected in the rates set forth below.



The hourly rates for the attorneys serving the City will be as follows:

Gavriel Schreiber	\$ 672/ hour
Caleb Rush	\$ 580/ hour
Cody Faulk	\$ 672/ hour

Other Spencer Fane attorneys and legal assistants will be involved only occasionally, when their particular expertise is needed for a specific matter or when doing so is the most efficient way to serve the City. I will inform the City in advance if individuals with higher hourly rates perform a substantial amount of work. We will send the City monthly invoices that describe services performed and identify timekeepers who performed those services. The 20% discount will apply to all timekeepers.

Spencer Fane reviews and adjusts its hourly rates annually, effective January 1. The 20% discount described above will continue to apply to the City's matters following any such adjustment.

The City acknowledges that Spencer Fane represents numerous other clients and may, during the course of this representation, represent other clients in matters unrelated to our work for the City, even where such other clients' interests may be adverse to the City. The City consents to such representations and will work in good faith to waive any conflicts of interest that may arise from such representations, provided that such representations do not involve matters substantially related to our work for the City and do not involve the use of confidential information obtained through our representation of the City. This is intended to preserve Spencer Fane's ability to serve its diverse client base while maintaining appropriate confidentiality protections for the City.

In particular, Spencer Fane represents SEMCO LLC, a manufacturer of industrial air ducts and air-moving equipment, which has previously had long-term contracts with SpaceX. We do not currently foresee any conflict between our representation of SEMCO and our representation of the City. If a matter arises in which SEMCO and the City are or may become adverse, we will seek an appropriate conflict waiver and may need to decline to represent the City in that specific matter.



Scope Clarifications.

For the avoidance of doubt:

(a) Spencer Fane is engaged by, and represents, the City. We do not represent SpaceX. The privileges and protections of the attorney-client relationship run solely to the City and to City personnel acting within the scope of their official duties, including duly designated official advisors to the City.

(b) This engagement is not an engagement to serve as the City's designated City Attorney. City Attorney duties may be added to our scope of engagement through a separate written engagement letter.

I have enclosed with this letter a copy of our Firm's *Standard Terms of Engagement for Legal Services*. These terms are an integral part of our agreement with the City. Please contact me promptly if there are any questions about the *Standard Terms* or about this letter. If this letter and terms of engagement are acceptable to the City, please sign below and return a copy to our office.

We are excited to begin working with the City of Starbase and look forward to building a strong partnership. Please don't hesitate to reach out at any time—we're here to support the City and are eager to get started.

Sincerely,

/s/ Gavriel Schreiber

Gavriel Schreiber

[SIGNATURE PAGE TO FOLLOW]



I have read the foregoing letter and the *Standard Terms of Engagement*, and I agree to the terms set forth therein on behalf of the City of Starbase, Texas.

CITY OF STARBASE, TEXAS

Dated: May 8, 2026

By: Cayetana Polanco
Name: Cayetana Polanco
Title: City Administrator



This statement sets forth the **standard terms of our engagement** as your lawyers.

The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited to our knowledge of the facts and are based on the state of the law at the time they are expressed and should not be construed as a promise or guarantee.

It is our policy that, for conflict of interest purposes, the person or entity that we represent is the person or entity that is identified in our engagement letter and does not include any affiliates of such person or entity. For example, if you are a corporation or partnership, our representation does not extend to any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships. If you are a trade association, our representation does not extend to any members of the trade association, unless such members undertake individual arrangements with us. If you are an individual, our representation does not include your spouse, siblings, or other family members. In addition, the advice and communications which we render on your behalf are not intended to be

disseminated to or relied upon by anyone else without our written consent.

It is also our policy that, for conflict of interest purposes, the attorney-client relationship will be considered terminated upon [our completion of the services that you have retained us to perform] or [our sending you over final statement or services rendered in the matter]. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

Who Will Provide the Legal Services

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with particular skills or experience in a given area or for the purpose of providing services in the most efficient and timely basis.

Client Responsibilities

You agree to pay our statements for services and expenses as provided below. In addition, you agree to be candid and cooperative with us and keep us informed with complete and accurate factual information, documents, communications, and other material relevant to the subject matter of our representation or otherwise reasonably requested by us. You



also agree to make any necessary business and strategy decisions in a timely manner.

Because we need to be able to contact you at all times regarding the representation, you agree to inform us, in writing, of any changes in your name, address, telephone number, contact person, email address, state of incorporation, and other relevant information regarding you or your business. Whenever we need instructions or authorization to proceed with legal work on your behalf, we will contact you at the most recent business address we have received. If you affiliate with, acquire, are acquired by, or merge with another client, you will provide us with sufficient notice to permit us to withdraw as your lawyers if we determine that such affiliation, acquisition, or merger creates a conflict of interest, or that it is not in the best interests of the firm to represent the new entity.

From time to time, either at the outset or during the course of our representation, we may express opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our firm is an expression of opinion only, based on information available to us at the time, and should not be construed by you as the promise or guarantee.

How Fees Will Be Set

Our fees for legal services are customarily determined on the basis of an hourly rate. Each of our lawyers and legal assistants has an hourly rate, as determined by the firm's management, consistent with the experience, reputation, and abilities of the lawyers and

legal assistants performing the services. The hourly rates of each of our lawyers and legal assistants are reviewed annually, and, if appropriate, are adjusted to reflect current levels of legal experience, reputation, ability, costs, and other factors. We will keep accurate records of the time we devote to your work.

Occasionally we are requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. When requested, we will attempt to furnish such an estimate, based upon our past experience and best professional judgment, but with an understanding that such an estimate is not a maximum or fixed-fee quotation and that fees and costs are not usually predictable. It is expressly understood that your obligation to pay our fees and costs is in no way contingent on the outcome of this matter.

For certain well-defined services (for example, a simple business incorporation), we may quote a flat fee and the scope of the services to be provided. It is our general policy not to accept representation on a flat-fee basis except in defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client. Likewise, on rare occasions we may perform work on a contingency fee or other specially deferred fee relationship. In all such situations, the flat-fee or contingency fee arrangement will be expressed in a letter from us setting forth the terms and scope of the services to be provided, and your payment obligations.

Conflicts



We represent many other companies and individuals. It is possible that during the time that we are representing you, some of our present or future clients will have disputes or transactions with you. You agree that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests, including in litigation. We agree, however, that the above consent shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature that if known to such other client, could be used in any such other matter by such client to your material disadvantage. In similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

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representation of you. Such disclosure shall be subject to the confidentiality rules in the applicable codes of professional conduct and our confidentiality agreement with such other lawyers. You agree that we may disclose such limited information for these purposes.

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We sometimes represent lawyers and law firms, and we are sometimes represented by other lawyers and law firms in matters unrelated to our representation of you. Because we do not believe these representations will materially limit our responsibilities to you or will otherwise adversely affect our representation of you, we do not believe these representations present conflicts of interest, including where any such firm also represents a client whose interests are opposed to yours in either a litigation or transactional setting. If, however, you have any concerns about whether such a relationship exists between this firm and the law firm that represents a client whose interests are adverse to yours in connection with this representation, please ask us whether there is any such relationship and we will attempt to address your concerns. Otherwise, you agree that we may represent or be represented by lawyers or law firms that also represent clients whose interests are adverse to yours.

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agencies and service vendors. Some typical costs are certain telephone charges; express delivery charges; printing and reproduction costs; filing fees; and travel expenses. We also charge for computerized legal research either at a rate equal to that charged by our vendor or based upon negotiated volume discounts. We also charge for our actual costs paid to vendors for processing and storing data that must be collected, analyzed and sometimes produced as a part of our representation of a client in transactional, litigation or other matters. We incur outside costs as agents for our clients and incur internal expenses on behalf of our clients, who agree that these costs will be paid on a regular basis.

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deposit will be credited toward your unpaid invoices, if any, at the conclusion of services.

At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased. Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you. All trust deposits we receive from you will be placed in a trust account for your benefit. Unless special arrangements are made, interest earned on the trust account is paid to a charitable foundation established in accordance with court rules.

Federally Regulated Financial Institutions

If you are a federally regulated financial institution, our engagement, unless expressly described otherwise in the accompanying engagement letter, will be limited to assisting you with the structuring, negotiation, documenting and closing of your financing transactions, and conducting a legal review (the scope of which will be defined at the commencement of each separate transaction) of certain due diligence matters pertaining to each prospective borrower's business. In connection with the foregoing, we will also assist you with the federal regulatory aspects of your receipt of equity enhancements (e.g., warrants and success fees) in connection with your financing transaction and the effect on,



and applicability to, your financing transaction of federal margin stock laws and regulations; however, if we are not your counsel with respect to general corporate compliance matters, we will not otherwise undertake any responsibility for assuring that, with respect to any of the financing transactions, you will be complying with applicable state or federal laws and regulations because of your legal or regulatory status or because of the general nature of your business, including, without limitation, capital adequacy requirements, lending limits, restrictions on affiliate and insider transactions, rules regarding interlocking boards of directors, governmental reporting and licensing requirements, and federal, state or local tax matters. Of course, you may limit or expand the scope of our representation from time to time, provided that any such expansion is agreed to by us.

Termination

You may terminate our representation at any time, with or without cause, by notifying us in writing. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the codes of professional conduct for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: conflict of interest with another client, misrepresentation or failure to disclose material facts, action contrary to our advice, and nonpayment of fees or costs. We try to identify in advance and discuss with our client

any situation which may lead to our withdrawal and, if withdrawal ever becomes necessary, we shall provide the client written notice of our withdrawal.

If we terminate the engagement, we will take reasonable steps to protect your interests in the specified matter, and you agree to take all steps necessary to free us of any obligation to perform further, including executing any documents necessary to perfect our withdrawal. If permission for withdrawal is required by a court or other adjudicator, we will promptly request such permission, and you agree not to oppose our request.

At your request, documents and property will be returned to you *upon receipt of payment for outstanding fees and costs*, although we reserve the right to copy any documents we deem appropriate. Our files and documents pertaining to this matter will be retained by the firm. For various reasons, including the minimization of unnecessary storage expenses, and consistent with applicable professional conduct rules, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us without further notice to you.

Postengagement Matters

The client is engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could impact the client's future rights and liabilities. Unless the client engages us after the completion of the matter to provide additional legal advice on issues arising from the matter, the firm has no continuing



obligation to advise the company on such issues or on future legal developments, including monitoring renewal or notice dates or similar deadlines that may arise with respect to the matter.

Entire Agreement

The engagement letter and these Standard Terms of Representation constitute the entire understanding and agreement between you and this firm regarding our representation of you in this matter. Unless otherwise agreed, they superseded any prior understanding and agreements, written or oral, and any billing requirements, outside counsel guidelines, or letters submitted to us. If any provision of the engagement letter or these Standard Terms of Representation is held by a court or other

arbitrator to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect. The engagement letter and these Standard Terms may be amended only by a written agreement between you and us. You should review this document carefully and contact us promptly with any questions. You should retain this document in your file.

Client Satisfaction

Our desire is to serve you and meet your legal needs. Client satisfaction is of utmost importance. You should feel free to discuss any aspect of our representation with the principal attorney or any other attorney with the firm. We welcome your input to ensure that our legal services meet your needs. We appreciate having the opportunity to be of service to you.

E.1



**CITY OF STARBASE, TEXAS
RESOLUTION NO. 2026-25**

A resolution accepting a gift deed from Space Exploration Technologies Corp. for approximately two acres of land for emergency services facilities and authorizing the City Administrator to accept the deed.

WHEREAS, the City of Starbase is a Type C municipality organized under the laws of the State of Texas that has adopted Type A powers under Local Government Code § 51.052, and § 51.015(a) authorizes the City to take and hold property to carry out a municipal purpose.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

Section 1. Acceptance. The City Commission accepts the Gift Deed from Space Exploration Technologies Corp. to the City of Starbase, attached as Exhibit A, which conveys approximately two acres of land to the City as a gift.

Section 2. Public purpose. The City Commission finds that accepting the land for emergency services facilities facilitates public safety and serves a public purpose of the City.

Section 3. Authorization. The City Administrator may accept the deed for the City, sign any documents needed to complete the gift, record the deed in the real property records of the county where the land is located, and take other actions necessary to carry out this resolution.

Section 4. Severability. If any part of this resolution is held invalid, the rest remains in effect.

Section 5. Effective date. This resolution takes effect immediately upon adoption.

PASSED AND APPROVED on October 7, 2026.

ATTEST:

CITY OF STARBASE, TEXAS

Keila Tuttle
City Clerk

Bobby Peden
Mayor

E.2

CITY OF STARBASE, TEXAS

ORDINANCE NO. 2026-30

AN ORDINANCE OF THE CITY OF STARBASE, TEXAS, ADOPTING PROCEDURES FOR THE ABANDONMENT, VACATION, CLOSURE, AND DISPOSITION OF PUBLIC STREETS, ALLEYS, RIGHTS-OF-WAY, AND EASEMENTS.

WHEREAS, the City of Starbase, Texas, is a Type C general-law municipality possessing all powers of a Type A general-law municipality and, pursuant to Texas Transportation Code § 311.002, has exclusive control over the highways, streets, and alleys within its corporate limits; and

WHEREAS, Texas Transportation Code § 311.008 authorizes the governing body of a general-law municipality to vacate, abandon, or close a street or alley of the municipality by ordinance if a petition signed by all of the owners of the property abutting the street or alley is presented to the City Commission of the City (the “City Commission”); and

WHEREAS, the City Commission finds that from time to time certain public streets, alleys, rights-of-way, and easements may no longer be necessary or useful for public purposes, and that the abandonment of such facilities, when determined to be in the public interest, can facilitate economic development, eliminate ongoing maintenance obligations of the City, reduce liability exposure, and return land to productive private use while generating revenue for the City; and

WHEREAS, Texas Local Government Code Chapters 253 and 272 authorize municipalities to sell and convey land or interests in land that constitute abandoned parts of streets or alleys, with certain exceptions from the notice and bidding requirements of Chapter 272 when conveying to abutting property owners, and the City Commission desires to retain the flexibility to convey its interest in an abandoned public way to abutting property owners for nominal consideration where state law permits, or to sell that interest for fair market value; and

WHEREAS, the City Commission has determined that the adoption of clear, fair, efficient, and legally compliant procedures for the abandonment and disposition of unneeded public ways, including requirements for notice to and consent of abutting property owners, public notice and hearing, findings that the action serves the public interest, coordination with affected utilities, and recovery of City costs, will promote the health, safety, morals, and general welfare of the citizens of the City and is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

Section 1. Authority, Purpose, and Applicability.

The procedures set forth in this Ordinance are adopted pursuant to the authority granted to the City by Texas Transportation Code §§ 311.002 and 311.008, Texas Local Government

Code Chapters 253 and 272, and all other applicable provisions of state law. The purpose of this Ordinance is to establish an efficient, streamlined, and transparent process for the abandonment, vacation, closure, and disposition of public streets, alleys, rights-of-way, and easements that are no longer necessary for public use, while protecting the public interest, maximizing public benefit through revenue generation where feasible, and permitting disposition of the City's interest to the abutting property owner(s) in a manner consistent with state law. These procedures shall apply to all requests for abandonment, vacation, closure, and/or disposition of such public ways within the corporate limits of the City. City-initiated proceedings are expressly authorized and encouraged when the City Commission determines such action to be in the public interest.

Section 2. Definitions.

For purposes of this Ordinance, the following terms shall have the meanings ascribed below:

- (a) "Abandoned ROW" means any public streets, alleys, rights-of-way, and easements or portion thereof, that the City Commission has abandoned, closed, and vacated.
- (b) "Alley" means a secondary means of access which is platted, dedicated, or deeded in fee simple to the public and not merely existing by easement rights, whether open on the ground or not.
- (c) "Easement" means property reserved by plat, dedication, or instrument for public use and access where the abutting property owner or owners own the underlying fee simple title to the land.
- (d) "Public ROW" means any public streets, alleys, rights-of-way, and easements or portion thereof.
- (e) "Right-of-Way" generally means the entire platted, dedicated, or deeded public street or alley which exists between two (2) property lines, whether improved or not, but also may refer to any other public way or portion thereof.
- (f) "Street" means thoroughfares, public drives, roads, or ways which are platted, dedicated, or deeded to public use, whether open on the ground or not.
- (g) "Abutting Property Owner(s)" means an owner of real property sharing a common boundary with the public way proposed for abandonment, as shown on the last approved City tax rolls, which information shall be conclusive as to the identity of such owners absent clear and convincing proof to the contrary.

Section 3. Initiation, Petition Requirements, and Fees.

(a) Applicant-Initiated Proceedings. Any person desiring the City to abandon, close, and vacate any Public ROW shall file a written application on a form prescribed by the City. Such application shall contain (1) a legal description of the Public ROW, to be abandoned, closed, and vacated, (2) a list of all Abutting Property Owners, with the last known mailing address of each, and evidence of ownership for each as appeared on the last approved City tax roll, (3) a petition consenting to the abandonment, signed by the applicant and by each Abutting Property Owner whose signature the applicant has obtained, together with a statement

identifying any Abutting Property Owner who has not signed and the efforts made to obtain that owner's signature, and (4) all applicable fees.

(b) Sufficiency of Application. The application shall provide sufficient information for the City to prepare an ordinance abandoning, closing, and vacating said Public ROW including the petition and any statement required by subsection (a). In the event of a partial abandonment, the application shall address all affected owners.

(c) Determination of completeness. The City Clerk shall determine whether the application is substantially complete to allow for review of the request by City Commission and shall notify the applicant in writing of any deficiency. Ownership information appearing on the last approved City tax roll shall be conclusive.

(d) Fees and Cost Recovery. Upon filing of any application, the applicant shall pay to the City a nonrefundable administrative fee in the amount set forth in the City's comprehensive fee schedule, as amended from time to time, to cover the expense of administering the procedure, the cost of mailing notices, and the cost of publishing public notice. If the City has not adopted a fee schedule, the administrative fee shall be one hundred fifty dollars (\$150). Such fee is nonrefundable regardless of the ultimate action of the City. In addition, the applicant (or the purchaser in the case of a sale) shall reimburse the City for all actual costs incurred in connection with the request, including but not limited to costs of appraisal (if performed), legal review, deed preparation, and recording fees.

Section 4. Review, Notice, and Public Hearing.

(a) Petition Signed by All Abutting Property Owners. If the petition is signed by all Abutting Property Owners, the application may proceed directly to City Commission consideration under subsections (c) through (f), and the notice and contact procedure in subsection (b) does not apply.

(b) Petition Not Signed by All Abutting Property Owners. If one or more Abutting Property Owners has not signed the petition, City staff shall, before the application is placed on a City Commission agenda:

- (1) send each non-signing Abutting Property Owner, by certified mail to the address shown in the application, a written notice that describes the Public ROW proposed for abandonment, encloses a copy of the petition, and asks the owner to state in writing, within twenty (20) days after the date of the notice, whether the owner consents to or objects to the abandonment;

- (2) attempt to contact each non-signing Abutting Property Owner by at least three (3) different methods, which may include certified mail, first-class mail, electronic mail, telephone, personal delivery, public posting of notice, posting notice on the owner's property, or other reasonable methods; and

- (3) prepare a written statement identifying each non-signing Abutting Property Owner, each notice sent and contact attempted, and any response received.

An Abutting Property Owner who consents in writing shall be added to the petition. If an Abutting Property Owner objects in writing, the City Commission may not abandon the portion of the Public ROW abutting that owner's property, and the applicant may amend the application to exclude that portion. If an Abutting Property Owner has not responded within twenty (20) days after the date of the notice and after the three (3) contact attempts, the City Commission may proceed to consider the abandonment, and the staff statement shall be attached to the abandoning ordinance.

(c) Staff Report and Utility Notice. City staff shall prepare a staff report addressing the potential impacts on utilities, public access, adjacent properties, and the overall public interest, and shall notify any utility company serving the City if potential impacts to such utilities are identified.

(d) Public Hearing. The request shall be set for a public hearing before the City Commission. The City shall publish notice of the hearing in the manner required by applicable law.

(e) Public Interest Determination. At the public hearing, the City Commission shall consider all relevant information and determine whether the proposed abandonment, closure, vacation, and disposition is in the public interest. In making this determination, the City Commission may consider factors including, but not limited to: (1) whether the public way has never been used by the public or has in fact been abandoned for public use; (2) whether the public way is not accessible to the general public; (3) whether any public need for the continuance of the public way no longer exists; (4) whether the expense of opening, improving, or maintaining the public way would be prohibitive due to location or topography; (5) the impact on utility services and the cost of any required relocations; (6) the effect on access to other properties; and (7) the potential for economic development, job creation, or revenue generation for the City. The City Commission may approve the request only upon an affirmative finding that the action serves the public interest.

Section 5. Approval, Vacation, and Disposition of Property.

(a) City Commission Action. If the City Commission determines that the abandonment and disposition is in the public interest, it shall adopt an ordinance abandoning, vacating, and closing the Public ROW (or portion thereof) and declaring the City's interest in the property to be surplus to municipal needs ("Abandoned ROW").

(b) Disposition Options. In the abandoning ordinance, the City Commission shall elect to dispose of the City's interest in the Abandoned ROW to the Abutting Property Owners in one of the following ways:

(1) for nominal consideration, to the extent permitted by state law, including a conveyance to an Abutting Property Owner who owns the underlying fee simple title to the Abandoned ROW under Section 272.001(b) of the Texas Local Government Code; or

(2) for fair market value. If the City Commission elects to sell for fair market value, the City shall obtain, or cause the applicant to obtain at the applicant's sole expense, an appraisal of the fair market value of the Abandoned ROW, and the sale price shall be not less than the appraised value.

(c) Offer to Abutting Property Owners. After the abandoning ordinance is adopted, the City shall offer each Abutting Property Owner, in writing, the portion of the Abandoned ROW allocated to that owner, divided among the Abutting Property Owners in an equitable manner in accordance with Section 272.001(c) of the Texas Local Government Code and on the terms elected under subsection (b). An Abutting Property Owner must accept the offer in writing within thirty (30) days after the date of the offer. If an Abutting Property Owner does not accept within that period, any other Abutting Property Owner may purchase that portion on the same terms.

(d) Conveyance. Upon receipt of the consideration elected under subsection (b) and payment of all fees and costs due under Section 3(d), the City shall convey the ROW to the applicable Abutting Property Owner(s) by quitclaim deed or special warranty deed executed by the Mayor or the Mayor's designee, or City Administrator as applicable. The conveyance shall be free and clear of the prior public dedication or easement but shall be subject to any utility easements, drainage easements, or other public interests expressly reserved by the City in the abandoning ordinance. All costs of deed preparation, closing, and recording shall be borne by the grantee(s). The original executed deed, certified copy of the ordinance, and related documents shall be provided to the grantee(s) for recording at their expense.

(e) Proceeds. All proceeds received by the City from the sale or disposition of any Abandoned ROW under this Ordinance shall be deposited in the City's general fund or such other fund as the City Commission may direct, including any street maintenance fund as may be required or permitted by state law.

Section 6. Effect of Vacation and Reservation of Easements.

Upon the effective date of an abandoning ordinance adopted pursuant to this Ordinance and upon completion of any required payment and conveyance, the public rights in and to the Abandoned ROW (or portion thereof) shall be extinguished and the Abandoned ROW shall be released from the prior public dedication or easement. The City reserves unto itself, and may expressly provide in any abandoning ordinance, the right to retain or reserve easements for utilities (including water, sewer, electric, gas, telecommunications, and drainage), access, or other public purposes over, under, or across the Abandoned ROW. Any such reserved easements shall survive the vacation and shall run with the land for the benefit of the City and the public.

Section 7. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional, void, invalid, or unenforceable, the validity of the remaining portions of this Ordinance shall not be affected thereby. It is the intent of the City Commission in adopting this Ordinance that no portion hereof or provision contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity, or unenforceability of any other portion or provision, and all provisions of this Ordinance are hereby declared to be severable for that purpose.

Section 8. Repealer.

All ordinances, parts of ordinances, resolutions, or policies of the City that are in conflict with this Ordinance are hereby repealed to the extent of such conflict. The repeal of any such conflicting provision shall not affect any rights, obligations, or liabilities that have accrued under the repealed provision prior to the effective date of this Ordinance.

Section 9. Effective Date.

This Ordinance shall take effect immediately from and after its passage, approval, and publication as required by the Constitution and laws of the State of Texas.

PASSED AND APPROVED this 7 day of October, 2026.

CITY OF STARBASE, TEXAS

By: _____
Bobby Peden, Mayor

ATTEST:

By: _____
Keila Tuttle, City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: _____
Gavriel Schreiber, City Attorney

E.3

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SECTION 212.172 DEVELOPMENT AGREEMENT

**UNDER SUBCHAPTER G, CHAPTER 212,
TEXAS LOCAL GOVERNMENT CODE**

by and between

CITY OF STARBASE, TEXAS

and

SPACE EXPLORATION TECHNOLOGIES CORP.

Subject Land located in the Extraterritorial Jurisdiction
of the City of Starbase, Cameron County, Texas
(described in Exhibit A)

Effective Date: _____, 20____

SECTION 212.172 DEVELOPMENT AGREEMENT

This Section 212.172 Development Agreement (this “Agreement”) is entered into as of the Effective Date set forth on the signature pages, by and between the City of Starbase, Texas, a Type C general-law municipality of the State of Texas (the “City”), and Space Exploration Technologies Corp., a Texas corporation (the “Owner”). The City and the Owner are referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

RECITALS

- A. The Owner is the record owner of certain real property in Cameron County, Texas, lying wholly within the extraterritorial jurisdiction of the City and outside the corporate limits of the City and of every other municipality. That property is depicted and described in Exhibit A attached to this Agreement (the “Subject Land”) with an adequate legal description satisfying Section 212.172(c)(2). Each Affiliate of the Owner that holds record title to any part of the Subject Land has joined in this Agreement as an Owner.
- B. The City is a municipality with a population of less than 1.9 million persons. Subchapter G, Chapter 212, Texas Local Government Code (Sections 212.171 through 212.174) therefore applies to the Subject Land.
- C. Texas Local Government Code Section 212.172 authorizes a written contract under which the City may enforce municipal land-use and development regulations on ETJ land in the same manner those regulations are enforced inside the City, may enforce additional agreed regulations, may enforce environmental regulations, and may include other lawful terms the Parties consider appropriate.
- D. The purpose of this Agreement is to enable the City to accept applications for, review, and issue building permits, development permits, certificates of occupancy, subdivision approvals, and related permits for Development of the Subject Land, and to apply the City Technical Codes to the Subject Land as contractual standards, although the Subject Land sits in the City’s extraterritorial jurisdiction and not within the City’s corporate limits.
- E. The Parties intend that the City exercise, to the maximum extent Texas law allows, every local building, construction, subdivision, floodplain, and development review, permitting, inspection, and enforcement function for the Subject Land — under this Agreement, under the City’s own authority in its extraterritorial jurisdiction, and as Cameron County’s designee under any existing or future interlocal agreement with Cameron County — so that the Owner deals with the City as its single local reviewing authority and does not draw on the financial and personnel resources of the County.

F. The City has adopted the codes and ordinances listed in Exhibit C (together with the City’s comprehensive fee schedule insofar as it establishes permit, inspection, and related development fees, the “City Technical Codes”). The City Technical Codes, and this Agreement, do not include or apply the City’s comprehensive zoning ordinance, official zoning map, or any zoning standard or zoning requirement. Consistent with Section 212.172(c)(4), Texas Local Government Code, this Agreement will be recorded in the Official Public Records of Cameron County, Texas.

G. This Agreement does not require annexation of the Subject Land, does not constitute the Owner’s consent to annexation, and does not preclude either Party from proposing, negotiating, or entering into additional or different development agreements, economic-development agreements, or annexation-related agreements in the future covering the Subject Land or other land.

H. Contemporaneously with making an offer to the Owner to enter into this Agreement, the City provided the Owner with the written disclosure required by Section 212.172(b-1), Texas Local Government Code. A copy of that disclosure is attached as Exhibit B. The Owner acknowledges receipt of the disclosure before executing this Agreement.

I. This Agreement is not required as a condition of water, sewer, electricity, gas, or other utility service from any municipally owned or municipally operated utility, consistent with Section 212.174, Texas Local Government Code.

J. The Parties have the authority to enter into this Agreement pursuant to Sections 212.171 through 212.174, Texas Local Government Code, and other applicable law.

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, the application of the City Technical Codes as contractual standards, the City’s agreement to accept and process permit applications and to issue permits for Development of the Subject Land, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.01 Defined Terms. In addition to terms defined in the preamble and Recitals, the following terms have the meanings set out below. Defined terms may be used in the singular or the plural.

Affiliate means any entity that directly or indirectly controls, is controlled by, or is under common control with the Owner, including any successor by merger, conversion, or reorganization.

Building Official means the person designated by the City as its building official, fire marshal, or floodplain administrator, as the context requires (in each case to the extent the City holds that authority for the Subject Land under this Agreement, the County ILA, or other applicable law), or a qualified third-party provider engaged by the City to perform those functions (including, without limitation, any provider then engaged by the City to perform plan review and inspections).

City Technical Codes means the codes, ordinances, and regulations listed in Exhibit C, as they exist on the Effective Date and as they may be amended or recodified and made applicable City-wide, together with the administrative and fee provisions of those codes. “City Technical Codes” includes the City’s subdivision regulations and floodplain-damage-prevention ordinance. “City Technical Codes” does not include, and this Agreement does not apply, the City’s comprehensive zoning ordinance, official zoning map, or any zoning standard, zoning district, use restriction, density restriction, height restriction, setback restriction, or mapped-district requirement of the City.

County means Cameron County, Texas, acting through its Commissioners Court or the County officer or department that state law charges with the function in question.

County Function means a review, approval, permit, certification, inspection, or enforcement function for land in the ETJ that state or federal law assigns to the County or a County officer. A function that the County delegates to the City, designates the City or City personnel to perform it, or agrees to assign to the City under the County ILA is not considered a “County Function” for purposes of this agreement.

County ILA means any interlocal agreement between the City and the County under Chapter 791, Texas Government Code, and Section 242.001, Texas Local Government Code, that allocates development review, plat approval, or related permitting functions in the ETJ between the City and the County, as executed, amended, or replaced from time to time. This Agreement is intended to be a development agreement referenced in, and to make the Subject Land “Development Agreement Land” (or the equivalent term) under, the County ILA.

Development means the construction, reconstruction, alteration, enlargement, repair, relocation, or demolition of any building, structure, or improvement on the Subject Land; the installation of building systems regulated by the City Technical Codes; site work

accessory to any of the foregoing; and any subdivision or resubdivision of the Subject Land.

Effective Date means the date on which this Agreement has been approved by the City Commission of the City and signed by both Parties.

ETJ means the City’s extraterritorial jurisdiction as determined under Chapter 42, Texas Local Government Code.

Permit means any building permit, trade permit (electrical, mechanical, plumbing, fuel-gas, or similar), fire permit, development permit, site permit, certificate of occupancy, certificate of completion, on-site sewage facility authorization, floodplain development permit issued by the City in its capacity as floodplain administrator, subdivision plat or replat approval, subdivision construction-plan approval, or other approval, license, or authorization that the City issues inside its corporate limits in connection with Development under the City Technical Codes.

Subject Land means the real property described in Exhibit A, together with any additional land in the City’s ETJ that the Parties add by a written amendment signed by both Parties.

Term has the meaning given in Section 10.01.

1.02 Interpretation. Headings are for convenience only. “Including” means “including without limitation.” References to statutes, ordinances, and codes include amendments and successor provisions. A reference to the Owner includes a permitted assignee. Recitals are operative provisions of this Agreement.

ARTICLE II

SUBJECT LAND; STATUTORY AUTHORITY

2.01 Subject Land. The land subject to this Agreement is the Subject Land.

2.02 Statutory Authority. This Agreement is a written contract authorized by Section 212.172, Texas Local Government Code. Without limiting Section 212.172(b)(9), the Parties enter into this Agreement to:

- (a) authorize enforcement by the City of the City Technical Codes on the Subject Land in the same manner those regulations are enforced within the City’s corporate limits, pursuant to Section 212.172(b)(3);
- (b) authorize enforcement by the City of land-use and development regulations other than those that apply within the City’s corporate limits, to the extent set out in this Agreement, pursuant to Section 212.172(b)(4);

(c) authorize enforcement of environmental regulations administered by the City and applicable to the Subject Land, pursuant to Section 212.172(b)(6); and

(d) include the other lawful terms set out in this Agreement, pursuant to Section 212.172(b)(9), including the City's agreement to accept applications for and issue Permits for Development of the Subject Land.

2.03 No Utility Condition. Consistent with Section 212.174, Texas Local Government Code, the City is not requiring this Agreement as a condition of water, sewer, electricity, gas, or other utility service from any municipally owned or municipally operated utility. The City has no utility service and offers none.

2.04 Model Subdivision Rules. The Parties acknowledge that Section 212.172(e) provides that a municipality in an affected county, as defined by Section 16.341, Texas Water Code, may not enter into a contract that is inconsistent with the model rules adopted under Section 16.343, Texas Water Code. This Agreement shall be construed so as not to be inconsistent with those model rules. Nothing in this Agreement requires the Owner to create residential lots of five acres or less.

2.05 Coastal and Beach-Dune Savings. Consistent with Section 212.173, Texas Local Government Code, this Agreement does not apply to, limit, or otherwise affect any ordinance, order, rule, plan, or standard adopted by this State or a state agency, county, municipality, or other political subdivision under the federal Coastal Zone Management Act of 1972, 16 U.S.C. § 1451 et seq., or Subtitle E, Title 2, Texas Natural Resources Code. Beachfront-construction certificates and dune-protection permits remain subject to applicable General Land Office and City dune-protection and beach-access requirements.

ARTICLE III

APPLICATION OF CITY TECHNICAL CODES AS CONTRACTUAL STANDARDS

3.01 Codes Apply as Contract. During the Term, the City Technical Codes apply to Development of the Subject Land as contractual standards between the Parties, with the same force and effect, and enforceable by the City in the same manner, as if the Subject Land were located within the City's corporate limits, except as this Agreement otherwise provides.

3.02 Full Suite. The City shall apply all of the City Technical Codes listed in Exhibit C. The Parties' intent is that there be no local regulatory vacuum on the Subject Land as to building construction, fire safety, electrical, mechanical, plumbing, energy conservation, swimming-pool and spa construction, on-site sewage facilities, floodplain development administered by the City, or subdivision of land by the Owner.

3.03 Manner of Enforcement. Plan review, inspections, stop-work authority, certificates of occupancy or completion, notices of violation, and similar administrative tools available to the City inside its corporate limits under the City Technical Codes are available to the City on the Subject Land as contractual remedies and as exercises of the authority conferred by Section 212.172(b)(3) and (b)(9). Criminal enforcement of a municipal ordinance as a criminal ordinance is available only to the extent independently authorized by law; the Parties rely primarily on the contractual and administrative mechanisms of this Agreement and the City Technical Codes.

3.04 Amendments to Codes. An amendment, successor edition, or recodification of a City Technical Code applies to the Subject Land only if and to the extent the same amendment, successor edition, or recodification applies City-wide to similarly situated Development inside the City's corporate limits. No amendment applies to a Permit application that is complete under Chapter 245 before the effective date of the amendment, except as Chapter 245 permits.

3.05 No Zoning. This Agreement does not apply, and the City shall not apply to the Subject Land under this Agreement, the City's comprehensive zoning ordinance, official zoning map, or any zoning standard, zoning district, zoning classification, use restriction, density restriction, lot-size restriction, height restriction, setback restriction, bulk restriction, or other requirement that exists only as a zoning requirement. No Permit may be denied, conditioned, or delayed on the ground that the proposed use, density, height, setback, or lot configuration does not conform to a City zoning district or zoning standard. While the Subject Land remains in the ETJ, the Owner may use and develop the Subject Land for any lawful use the Owner elects, without a City zoning-district designation. If the Subject Land is later annexed, zoning will be established at that time under then-applicable law and any then-effective agreement of the Parties. Nothing in this Section 3.05 is a consent to annexation or to any zoning district.

3.06 Alternative Materials and Methods. The Owner may use alternative materials, design, and methods of construction and performance-based compliance to the same extent the City Technical Codes allow inside the City, including IBC Chapter 1 (or successor) alternative-materials-and-methods and performance provisions. The Building Official shall evaluate any such request in good faith and on the same standards applied inside the City.

ARTICLE IV

CITY PERMITTING AUTHORITY

4.01 City to Issue Permits. The City shall accept applications for, review, and, when the applicable City Technical Codes are satisfied, issue Permits for Development of the Subject

Land, although the Subject Land is in the ETJ and not in the City's corporate limits. The Owner shall obtain a City Permit for Development of the Subject Land to the same extent a person would be required to obtain that Permit if the Development were located inside the City.

4.02 Exclusive Local Building-Permit Issuer. As between the City and the Owner, the City is the exclusive local governmental issuer of building permits, trade permits, fire permits, certificates of occupancy or completion, and related construction Permits for Development of the Subject Land. The Owner shall obtain those permits from the City and shall not be required to apply to Cameron County for a building permit, trade permit, or similar construction permit for Development of the Subject Land, except to the extent a non-waivable statute requires a county permit in addition to a City Permit. The City shall not require the Owner to obtain a Cameron County building permit as a condition of a City Permit.

4.03 Duty to Process. The City shall review and act on each complete Permit application for the Subject Land within the same time periods, and under the same completeness and disapproval procedures, that apply to a comparable application inside the City's corporate limits. Review, grant, and denial shall occur no later than the deadlines in Texas Local Government Code Section 214.904 (building permits) and Sections 212.009 through 212.0099 (plats), and the City shall not apply a slower clock to the Subject Land because it is in the ETJ. A disapproval or conditional approval shall state in writing the specific City Technical Code provisions that are the basis for the action. The City shall not deny, delay, or condition a Permit for a reason that is not grounded in the City Technical Codes, this Agreement, or other applicable law.

4.04 No Moratorium. During the Term the City shall not adopt or enforce a moratorium on accepting, reviewing, or issuing Permits for the Subject Land, except a moratorium that is adopted City-wide in compliance with Subchapter E, Chapter 212, Texas Local Government Code, and that applies equally to similarly situated Development inside the City.

4.05 No Extra-Statutory Exactions. The City shall not require, as a condition of a Permit for the Subject Land, the dedication of land, the construction of off-site public infrastructure, parkland dedication, or the payment of an impact fee, except to the extent (a) the City Technical Codes impose the same requirement on similarly situated Development inside the City, (b) Chapter 395, Texas Local Government Code, independently authorizes an impact fee that is lawfully adopted and applicable, or (c) the Owner agrees in a separate written instrument. Private streets, private utilities, and privately maintained drainage are acceptable to the extent the City Technical Codes allow them inside the City or the Building Official approves an alternative method under Section 3.06.

4.06 Certificates. Upon satisfactory completion of permitted work, the City shall issue a certificate of occupancy, certificate of completion, or equivalent authorization on the same basis as inside the City.

ARTICLE V

FEES, INSPECTIONS, AND SECURE FACILITIES

5.01 Fees. Permit, plan-review, inspection, and related development fees charged by the City for the Subject Land shall not exceed the fees charged for comparable Development inside the City under the City's comprehensive fee schedule as then in effect. The City shall not impose a surcharge, ETJ differential, or other fee that is not charged inside the City for the same service. Where the Building Official reasonably determines that plan review or inspection of a particular structure or system requires specialized third-party expertise beyond the City's standard provider, the City may recover the actual, reasonable cost of that review in addition to scheduled fees, provided the City gives the Owner a written scope and estimate before the work is performed.

5.02 Inspections. Inspections shall be performed by the Building Official or a qualified third-party provider engaged by the City. Inspection standards, reinspection practices, and after-hours inspection availability shall be no less favorable to the Owner than those applied inside the City.

5.03 Confidentiality. The City shall treat Owner submittals as potentially confidential under the Texas Public Information Act, Chapter 552, Texas Government Code, and shall permit the Owner to assert all available exceptions, including Sections 552.101, 552.104, 552.110, 552.1101, and 552.139, and any exception applicable to critical-infrastructure or export-controlled information. The City shall notify the Owner of a third-party request for Owner materials in time for the Owner to seek a decision from the Attorney General or other appropriate relief. This Section does not require the City to withhold information that the Attorney General or a court determines must be released.

ARTICLE VI

SUBDIVISION OF THE SUBJECT LAND

6.01 City Subdivision Regulations Apply. If the Owner elects to subdivide or resubdivide the Subject Land in a manner that would require a plat if the land were inside the City, the City's subdivision regulations apply as contractual standards, and the Owner shall submit the plat application to the City. The City shall process the application under Chapter 212, Texas Local Government Code, and the City's subdivision regulations.

6.02 No Plat Required Merely by this Agreement. This Agreement does not itself require the Owner to plat the Subject Land. A plat is required only if independently required by Chapter 212, Texas Local Government Code, including Section 212.004, or the City's subdivision regulations as applied under Section 6.01. The City shall not withhold, delay, or deny a building or trade Permit solely because the Subject Land is unplatted if the Owner has not divided the land in a manner that independently requires a plat under Section 212.004 or the City's subdivision regulations, or other applicable state law.

6.03 County Plat Authority. The Parties acknowledge that Cameron County is a county within fifty miles of an international border; that Section 242.001(a)(2) and (h), Texas Local Government Code, address plat approval in that setting; that under Subchapter G, Chapter 232, Texas Local Government Code, a plat creating a lot of less than five acres is not valid without the approval of the County Commissioners Court unless the land is not considered to be in the jurisdiction of the County under Section 232.202(d) by reason of the County ILA; and that Section 242.001(a)(3) provides that Section 242.001(b)–(g) do not apply to a tract subject to a development agreement under Subchapter G, Chapter 212. The Parties intend that this Agreement be treated as such a development agreement. The Parties further acknowledge that this Agreement, standing alone, may not extinguish every statutory role Cameron County has in the filing of a plat. Accordingly:

(a) the Owner shall submit all subdivision applications for the Subject Land to the City and shall use the City as its primary local reviewing authority; and, when the County ILA is in effect as to the Subject Land, as its sole local reviewing authority to the extent the County ILA provides;

(b) the City shall apply its full subdivision regulations as contractual standards and shall not refuse to process a plat because the Subject Land is in the ETJ; and the City's subdivision regulations are the applicable municipal regulations for purposes of Section 242.001(h) as permitted by the County ILA;

(c) the City shall not require, as a condition of a City building Permit, that the Owner first obtain a Cameron County building permit or other approval or permit that is not a County Function;

(d) Once the County ILA is in effect as to the Subject Land, the County's role in plat approval is as the County ILA provides, and the City shall perform every plat-related function the County ILA assigns or designates to the City. Until the County ILA is in effect, the City shall, at the Owner's request and at City expense for City staff time, use commercially reasonable efforts to obtain from Cameron County a written acknowledgment, interlocal agreement, or other instrument confirming that the City is the exclusive local authority for building permits and, to the extent the County will agree, for subdivision review of the Subject Land; and

(e) if a non-waivable statute requires a county certificate, acknowledgment, or co-approval as a condition of recording a plat, the Owner may obtain that ministerial instrument without breaching Section 4.02, and the City shall cooperate in obtaining it.

6.04 No Double Regulation by Design. The City shall not adopt or enforce a subdivision or building standard on the Subject Land for the purpose of stacking a more stringent City standard on top of a county standard. The City's standards are the governing local standards under this Agreement. Where both a City standard and a County standard apply, as permitted by the County ILA, the City will apply the County's standards as the County's designee so that a single City review satisfies both.

ARTICLE VII

CITY AUTHORITY IN THE ETJ; COUNTY INTERLOCAL AGREEMENT

7.01 Intent. The Owner desires to deal with the City as its single point of local contact for Development. The Parties intend, to the maximum extent Texas law allows, that this Agreement constitute the City's adoption and application of City-adopted building code, subdivision regulations, and all related applicable City codes in its extraterritorial jurisdiction as to the Subject Land, in addition to every local review, permitting, inspection, and enforcement function for Development of the Subject Land. Nothing in this Agreement depends on the City having extended a City ordinance to its extraterritorial jurisdiction by municipal act.

7.02 Municipal Building Code in the ETJ. The Parties intend that this Agreement constitute the City's adoption and application of a building code in its extraterritorial jurisdiction as to the Subject Land for purposes of Section 233.153(c), Texas Local Government Code, so that the City Technical Codes exclusively control as to the Subject Land.

7.03 Occupying the Field. The Owner's covenant to obtain City Permits, and the City's covenant to apply all City Technical Codes and to issue those Permits, are intended to occupy the field of local building and construction regulation of the Subject Land. The Owner may furnish a copy of this Agreement to Cameron County, the Cameron County Clerk, or any other person in support of the position that City building and development regulation applies.

7.04 County Interlocal Agreement. Whether the County ILA takes effect before or after the Effective Date:

(a) this Agreement is a development agreement for purposes of the County ILA, and the Subject Land is Development Agreement Land (or the equivalent term) under the County ILA from the later of the Effective Date and the date the County ILA takes effect;

(b) the City shall deliver a recorded copy of this Agreement, with a list of the parcels comprising the Subject Land, to the County not later than ten (10) business days after the later of recordation under Section 11.03 and the date the County ILA takes effect, and shall deliver each amendment adding land in the same manner;

(c) the City shall perform every function the County ILA assigns, delegates, or designates to the City as to the Subject Land, including acting as the County's designee or designated representative for plat review, floodplain administration, on-site sewage facility permitting, fire code administration, road access, and any other function the County ILA reaches, so that a single City review and a single City-issued authorization satisfy both City and County requirements to the fullest extent the County ILA and applicable law allow;

7.05 County Functions Not Delegated. A County Function that the County has not delegated or designated to the City remains with the County. As to any such County Function:

(a) the Owner may apply to the County for the approval, permit, certificate, or inspection the County Function requires without breaching this Agreement;

(b) the City shall cooperate with the Owner in obtaining County action to the extent required by law and the County ILA, and the City shall confirm in writing to the County that the Subject Land is subject to this Agreement;

(c) the City shall, to the extent it has concurrent, delegated, or designated authority (including floodplain administration and dune-protection permitting in its extraterritorial jurisdiction), exercise that authority so that the Owner is not required to obtain duplicative City and County authorizations for the same work; and

7.06 City Cooperation. The City shall:

(a) confirm in writing, at the Owner's request, that the Subject Land is subject to this Agreement and that the City is the Permit issuer for Development of the Subject Land;

(b) appear, upon reasonable notice, at a County or other proceeding in which the Owner asserts that City building or development regulation applies to the Subject Land; and

(c) not refer the Owner to Cameron County for a building permit or take the position that a County building permit is required for Development of the Subject Land.

7.07 Non-Waivable County or State Programs. This Article does not waive or purport to waive floodplain administration required for National Flood Insurance Program eligibility to the extent a county or the City must perform a non-delegable role; General Land Office beach-dune regulation; Texas Commission on Environmental Quality or other state

environmental permitting; or any other program that a statute or federal law assigns exclusively to a non-City governmental body. The City shall, to the extent it has concurrent or delegated authority (including floodplain administration and dune-protection permitting inside its ETJ), exercise that authority so that the Owner is not required to obtain duplicative City and County authorizations for the same work.

ARTICLE VIII

NO ANNEXATION; FUTURE AGREEMENTS RESERVED

8.01 No Annexation Consent. Nothing in this Agreement is a petition for annexation, a consent to annexation, or an agreement that the Subject Land will be annexed. The City shall not treat this Agreement as annexation consent under Chapter 43, Texas Local Government Code, or otherwise.

8.02 ETJ Status Not Guaranteed Against Owner's Will. This Agreement does not invoke Section 212.172(b)(1) as a restriction on the Owner. The Owner may, at any time, petition the City to annex all or any part of the Subject Land, request a reduction or expansion of ETJ, or propose any other boundary change permitted by law. The City shall consider any such request in good faith and in accordance with then-applicable law. The City makes no commitment in this Agreement to annex or not to annex.

8.03 Future Agreements Not Barred. This Agreement is not exclusive and does not bar, limit, or prejudice the right of the Owner or an Affiliate to propose, negotiate, or enter into, or the right of the City to consider:

- (a) an additional or different development agreement under Section 212.172 or any other statute;
- (b) an economic-development or Chapter 380 or Chapter 381 agreement;
- (c) a municipal-services or annexation agreement under Chapter 43; or
- (d) any other lawful agreement concerning the Subject Land or other land.

A future agreement controls over this Agreement only to the extent that future agreement expressly so provides.

8.04 Chapter 42 / ETJ-Release Rights Not Waived. The Owner does not waive any right under Chapter 42, Texas Local Government Code, including any right to petition for or obtain release of land from the City's ETJ. If any portion of the Subject Land is lawfully released from the City's ETJ, this Agreement terminates automatically as to that portion only and remains in force as to the remainder.

8.05 Additional Land. Additional land in the City’s ETJ that the Owner or an Affiliate acquires may be added to the Subject Land by a written amendment approved by the City Commission and the Owner. The City shall consider any such amendment in good faith and shall not unreasonably refuse to add land if the amendment is consistent with this Agreement and Subchapter G. A new statutory disclosure is not required if the disclosure in Exhibit B remains accurate as to the added land.

8.06 No Implied Relinquishment. The Owner’s execution of this Agreement is not a relinquishment of any right the Owner has under Chapter 245, Chapter 43, Chapter 42, or any other law, except the Owner’s agreement to obtain City Permits and to comply with the City Technical Codes as contractual standards during the Term.

ARTICLE IX

VESTING AND NON-RETROACTIVITY

9.01 Chapter 245. This Agreement is a permit under Chapter 245, Texas Local Government Code. Rights vest under Chapter 245 according to its terms. The City shall not apply a new City Technical Code standard to a vested project except as Chapter 245 allows.

9.02 Existing Development. Lawfully existing buildings, structures, and uses on the Subject Land as of the Effective Date may continue. Permits issued by Cameron County or any other governmental entity before the Effective Date remain valid for the work they authorize. The Owner may elect to transfer uncompleted permitted work to a City Permit without an additional fee other than any inspection fee actually incurred. A City Permit is required for subsequent Development to the same extent it would be required inside the City.

ARTICLE X

TERM

10.01 Term. The term of this Agreement (the “Term”) begins on the Effective Date and continues for forty-five (45) years, which is the maximum duration permitted by Section 212.172(d), Texas Local Government Code, including successive renewals or extensions. The Parties shall not extend the Term beyond that statutory maximum.

10.02 Early Termination by Owner. The Owner may terminate this Agreement as to all or any identified portion of the Subject Land by written notice to the City. The City may terminate this Agreement as to all or any identified portion of the Subject Land, by written notice to the Owner, only upon a material breach by the Owner that remains uncured after the notice and cure period in Section 12.04.

10.03 Annexation. If any portion of the Subject Land is annexed by the City for full purposes, this Agreement terminates as to that portion on the effective date of the annexation, and the City's ordinances apply to that portion by their own force; provided that (a) a Permit issued, or an application complete, before the annexation date continues under this Agreement until the permitted work is complete, and (b) consistent with Section 212.172(f), a claim that accrued under this Agreement before the annexation date survives and may be adjudicated as this Agreement provides.

10.04 Survival. Sections 11.03, 12.02, 12.03, and 12.06 survive termination to the extent necessary to complete pending Permit reviews initiated before termination and to resolve claims arising during the Term.

ARTICLE XI

BINDING EFFECT; RECORDING

11.01 Binding Effect. Pursuant to Section 212.172(f), this Agreement is binding on the City and the Owner and on their respective successors and assigns for the Term.

11.02 Annexation Does Not Invalidate. Pursuant to Section 212.172(f), annexation by the City of land subject to this Agreement does not invalidate the enforceability of this Agreement or infringe on the rights of a Party to adjudicate a claim arising under this Agreement.

11.03 Recording. Pursuant to Section 212.172(c)(4), Texas Local Government Code, this Agreement shall be recorded in the Official Public Records of each county in which any part of the Subject Land is located. The Owner shall, at the Owner's sole expense, record this Agreement, including Exhibit A, in the Official Public Records of Cameron County, Texas, not later than ten (10) business days after the Effective Date. The Owner shall execute any acknowledgment, affidavit, or county-clerk form reasonably required to complete recordation. If the Owner has not recorded this Agreement within that period, the City may record it, and the Owner shall reimburse the City's recording cost on demand. This Agreement is effective between the Parties on the Effective Date. Recordation is the statutory formality required by Section 212.172(c)(4) and is intended to give notice to successors and assigns under Section 212.172(f). In addition to recording this Agreement, either Party may record a short-form memorandum identifying the Parties, the Term, the Subject Land, and the fact that the City Technical Codes apply as contractual standards. A memorandum does not substitute for recordation of this Agreement under Section 212.172(c)(4).

11.04 Assignment. The Owner may assign this Agreement, in whole or as to any portion of the Subject Land, to an Affiliate without the City’s consent, upon written notice to the City. The Owner may assign this Agreement to a person that is not an Affiliate with the City’s prior written consent, not to be unreasonably withheld, conditioned, or delayed. An assignment does not release the assignor from obligations that accrued before the assignment. The City may not assign this Agreement except to a successor municipal corporation.

ARTICLE XII

REPRESENTATIONS; DEFAULT; REMEDIES; IMMUNITY

12.01 Representations. Each Party represents that it has the authority to enter into this Agreement, that the person signing on its behalf is authorized to do so, and that this Agreement is a valid and binding obligation of that Party. The City represents that the City Commission has approved this Agreement as required by Section 212.172(c)(3). The Owner represents that it is an owner of the Subject Land within the meaning of Section 212.172, or is authorized to bind the owner.

12.02 Waiver of Immunity. Pursuant to Section 212.172(i), the City waives immunity from suit for the purpose of adjudicating a claim for breach of this Agreement. Remedies and the measure of damages are as provided in Section 212.172(j) and (k). The Owner does not waive any immunity or defense it may have. Nothing in this Agreement waives immunity for a tort claim or expands damages beyond Section 212.172(j) and (k).

12.03 Remedies. Subject to Section 12.02, a Party may pursue actual damages, specific performance, or injunctive relief for breach of this Agreement. The Owner’s remedies against the City include an order compelling the City to accept, review, and issue a Permit that the City Technical Codes require the City to issue. Recovery against the City is limited to the categories in Section 212.172(j) and may not include consequential damages except as Section 212.172(j)(2) expressly allows, or exemplary damages. Each Party shall bear its own attorney’s fees except as Section 212.172(j)(3) or another statute allows.

12.04 Notice and Cure. Except for an emergency posing an imminent threat to life or safety, a Party shall give written notice of a claimed breach and a thirty-day opportunity to cure (or to begin a cure that cannot reasonably be completed in thirty days and to complete it diligently) before filing an adjudication.

12.05 No Third-Party Beneficiaries. Except as provided in Section 12.06, this Agreement does not create any right in any person other than the Parties and permitted assignees. Except as provided in Section 12.06, the County is not a third-party beneficiary. An end-

buyer of a fully developed and improved lot has only the limited status described in Section 212.172(f) and Section 11.01.

12.06 Indemnification of Cameron County. The Owner shall hold harmless and indemnify the County, its officers, agents, representatives, and employees against any claims, demands, or causes of action, including without limitation those arising on account of any injury or death of person(s) or damage to property caused by any acts or omissions of the County, its officers, employees, agents, or representatives, including but not limited to acts or omissions of negligence, gross negligence, willful misconduct or omissions. Furthermore, the Owner must list the County as an insured in relevant and applicable insurance agreements. Furthermore, if legal action is taken against the County for any issues or concerns touched upon by this Agreement, the Owner agrees to retain and pay for special outside counsel, approved by the County, to defend the County. The County shall be provided with updates, at a minimum on a monthly basis, as to the status of any litigation brought against the County related to this Agreement. The County is an intended third-party beneficiary of this Section 12.06 and may enforce it in its own name.

ARTICLE XIII MISCELLANEOUS

13.01 Amendments. An amendment of this Agreement must be in writing, approved by the City Commission and by the Owner, and signed by both Parties. Adding land to Exhibit A is an amendment.

13.02 Notices. Notices under this Agreement must be in writing and are effective when delivered:

If to the City:

City of Starbase, Texas
Attn: City Administrator
39046 LBJ Blvd., Unit 02
Starbase, Texas 78521

If to the Owner:

Space Exploration Technologies Corp.
Attn: Legal Department
1 Rocket Road
Starbase, Texas 78521
Email: StarbaseLegal@SpaceX.com

A Party may change its notice address by notice to the other Party.

13.03 Governing Law and Venue. This Agreement is governed by the laws of the State of Texas, without regard to conflicts-of-law rules. Exclusive venue for an adjudication lies in the state courts of Cameron County, Texas.

13.04 Severability. If a provision of this Agreement is held invalid or unenforceable, the remaining provisions remain in effect. If a provision is held invalid as to county preemption but valid as between the Parties, the Parties' contractual duties under Articles III, IV, V, and VI remain in effect.

13.05 Entire Agreement. This Agreement, including its Exhibits, is the entire agreement of the Parties on the subject matter of City permitting and City Technical Code application on the Subject Land. It may be executed in counterparts, including electronic signatures, each of which is an original, and all of which are one instrument.

13.06 Reservation of Eminent Domain. Nothing in this Agreement waives the City's authority, if any, to exercise eminent domain as independently authorized by Chapter 251, Texas Local Government Code, or other law. The City has no present intent to condemn the Subject Land and shall not use this Agreement as a predicate for condemnation.

13.07 Further Assurances. Each Party shall execute further instruments and take further actions reasonably requested by the other Party to carry out this Agreement, including a City confirmation letter under Section 7.06(a) and any acknowledgment required to record this Agreement under Section 11.03.

13.08 Construction. This Agreement was negotiated by the Parties. No rule of construction against the drafter applies. A reference to "days" means calendar days unless business days are specified.

13.09 Force Majeure. A Party is not in breach for a delay caused by an event beyond its reasonable control, including declared emergency, launch-range closure, or federal flight-safety restriction, provided the affected Party gives prompt notice and resumes performance when the event ends. Force majeure does not excuse the City's duty to accept applications or to issue a Permit that is ready for issuance, except to the extent the event actually prevents that performance, and then only for the duration of the event.

13.10 Relationship. This Agreement does not create a partnership, joint venture, or agency. The Owner is not a City contractor by reason of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

CITY:

CITY OF STARBASE, TEXAS

By: _____

Name: Bobby Peden

Title: Mayor

Date: _____

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

OWNER:

SPACE EXPLORATION TECHNOLOGIES CORP.

a Texas corporation

By: _____

Name: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

STATE OF TEXAS §

COUNTY OF CAMERON §

This instrument was acknowledged before me on _____, 20____, by _____, Mayor of the City of Starbase, Texas, on behalf of said municipality.

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20____, by _____, _____ of Space Exploration Technologies Corp., a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas

EXHIBIT A

SUBJECT LAND

Depiction and Legal Description

Mejia & Rose, Incorporated

Engineering

Surveying

T.B.P.E. No. F-002670

T.B.P.L.S. No. 10023900

SPACE EXPLORATION TECHNOLOGIES
166.2± ACRE TRACT

APRIL 3, 2026
JOB NO. 23212

METES AND BOUNDS DESCRIPTION

166.2± ACRES BEING OUT OF A 9,430.86 ACRE TRACT (U.S.A. TRACT 209) OUT OF SHARES 1, 2, 3 AND 4, OF THE SAN MARTIN GRANT IN CAMERON COUNTY, TEXAS; SAID 9,430.86 ACRE TRACT AS QUITCLAIMED UNTO THE UNITED STATES OF AMERICA, RECORDED IN VOLUME 5042, PAGE 222 OF THE OFFICIAL RECORDS OF CAMERON COUNTY, TEXAS, AND OUT OF CISNEROS BANCO 150 BEING A 22.16 ACRE TRACT, CAMERON COUNTY, TEXAS, RECORDED IN DOCUMENT NO. 2120-15524, OFFICIAL RECORDS, CAMERON COUNTY, TEXAS, SAID 166.2± ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

SURVEYOR'S NOTE: ALL BEARING AND DISTANCES ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH ZONE 4205, NORTH AMERICAN DATUM 1983;

BEGINNING AT A FIVE EIGHT'S INCH IRON PIN WITH A STANDARD UNITED STATES FISH AND WILDLIFE SERVICE (U.S.F.W.S.) ALUMINUM CAP STAMPED "TR 209 ROW", FOUND AT THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 4 (100 FT. R.O.W.) AND THE WEST RIGHT-OF-WAY LINE OF MASSEY WAY (60 FT. R.O.W.), FOR THE NORTHWEST CORNER OF THIS TRACT;

THENCE, ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY NO. 4, SOUTH 86 DEG. 44 MIN. 37 SEC. EAST, A DISTANCE OF 1,329.59 FEET TO A ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET, AT A POINT OF A CURVE TO THE LEFT WITH A RADIUS OF 1,001.28 FEET, FOR A CORNER OF THIS TRACT;

THENCE, CONTINUING ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY NO. 4 AND ALONG SAID CURVE TO THE LEFT AN ARC DISTANCE OF 95.06 FEET (SOUTH 89 DEG. 27 MIN. 48 SEC. EAST, A DISTANCE OF 95.02 FEET), TO A ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET, FOR A CORNER OF THIS TRACT;

THENCE, LEAVING THE SOUTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY NO. 4, SOUTH 00 DEG. 47 MIN. 32 SEC. EAST, A DISTANCE OF 1,198.77 FEET TO A ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET, FOR A CORNER OF THIS TRACT;

THENCE, SOUTH 57 DEG. 01 MIN. 34 SEC. WEST, A DISTANCE OF 866.00 FEET TO ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET, FOR A CORNER OF THIS TRACT;

THENCE, SOUTH 34 DEG. 40 MIN. 39 SEC. EAST, A DISTANCE OF 2,252.49 FEET, TO A ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET, FOR A CORNER OF THIS TRACT;

THENCE, EAST, AT A DISTANCE OF 1,170.00 FEET, TO A ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET FOR REFERENCE, A TOTAL DISTANCE OF 1,220.92 FEET TO THE APPARENT GRADIENT BOUNDARY LINE OF THE RIO GRANDE, FOR A CORNER OF THIS TRACT;

*Mejia & Rose, Incorporated**Engineering**Surveying*SPACE EXPLORATION TECHNOLOGIES
166.2± ACRE TRACTAPRIL 3, 2026
JOB NO. 23212**METES AND BOUNDS DESCRIPTION
(CONTINUED)**

THENCE, ALONG THE APPARENT GRADIENT BOUNDARY LINE OF THE RIO GRANDE THE FOLLOWING COURSES,

SOUTH 40 DEG. 59 MIN. 41 SEC. WEST, 408.28 FEET
 SOUTH 28 DEG. 29 MIN. 26 SEC. WEST, 219.52 FEET
 SOUTH 11 DEG. 20 MIN. 10 SEC. WEST, 126.77 FEET
 SOUTH 10 DEG. 54 MIN. 23 SEC. WEST, 110.98 FEET
 SOUTH 27 DEG. 09 MIN. 17 SEC. WEST, 57.93 FEET
 SOUTH 10 DEG. 24 MIN. 37 SEC. EAST, 152.80 FEET
 SOUTH 12 DEG. 41 MIN. 20 SEC. EAST, 150.89 FEET
 SOUTH 00 DEG. 53 MIN. 37 SEC. EAST, 143.56 FEET
 SOUTH 25 DEG. 53 MIN. 09 SEC. WEST, 148.40 FEET
 SOUTH 42 DEG. 39 MIN. 36 SEC. WEST, 169.90 FEET
 SOUTH 58 DEG. 51 MIN. 26 SEC. WEST, 275.90 FEET
 SOUTH 77 DEG. 44 MIN. 46 SEC. WEST, 237.35 FEET
 SOUTH 89 DEG. 05 MIN. 36 SEC. WEST, 235.19 FEET
 NORTH 84 DEG. 49 MIN. 00 SEC. WEST, 254.57 FEET
 NORTH 80 DEG. 28 MIN. 23 SEC. WEST, 139.55 FEET
 SOUTH 89 DEG. 43 MIN. 24 SEC. WEST, 79.35 FEET
 NORTH 87 DEG. 34 MIN. 05 SEC. WEST, 116.11 FEET
 SOUTH 85 DEG. 33 MIN. 11 SEC. WEST, 105.02 FEET
 SOUTH 87 DEG. 39 MIN. 29 SEC. WEST, 464.24 FEET
 TO THE SOUTHWEST CORNER OF SAID CISNEROS BANCO 150, FOR A CORNER OF THIS TRACT;

THENCE, ALONG THE WEST BOUNDARY LINE OF SAID CISNEROS BANCO 150, NORTH 09 DEG. 35 MIN. 17 SEC. WEST, A DISTANCE OF 215.99 FEET TO A CORNER OF SAID CISNEROS BANCO 150, FOR A CORNER OF THIS TRACT,

THENCE, CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID CISNEROS BANCO 150, NORTH 09 DEG. 56 MIN. 18 SEC. EAST, A DISTANCE OF 951.08 FEET TO A CORNER OF SAID CISNEROS BANCO 150, FOR A CORNER OF THIS TRACT;

THENCE, CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID CISNEROS BANCO 150, NORTH 52 DEG. 22 MIN. 18 SEC. EAST, A DISTANCE OF 338.76 FEET TO A U.S.F.W.S. ALUMINUM CAP ON A FIVE-EIGHTHS INCH IRON PIN STAMPED "TR 209 ROW" FOUND ON THE WEST RIGHT-OF-WAY LINE OF SAID MASSEY WAY DRIVE,

THENCE, ALONG THE WEST RIGHT-OF-WAY LINE OF SAID MASSEY WAY DRIVE, NORTH 34 DEG. 40 MIN. 39 SEC. WEST, A DISTANCE OF 1,939.37 FEET TO A ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET, AT A POINT OF A CURVE TO THE RIGHT WITH A RADIUS OF 330.00 FEET, FOR A CORNER OF THIS TRACT;

THENCE, CONTINUING ALONG THE WEST RIGHT-OF-WAY LINE OF SAID MASSEY WAY DRIVE AND ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 195.17 FEET (NORTH 17 DEG. 44 MIN. 05 SEC. WEST, A DISTANCE OF 192.33 FEET), TO A ONE HALF INCH IRON PIN WITH A YELLOW PLASTIC CAP STAMPED "M&R INC" SET, FOR A CORNER OF THIS TRACT,

Mejia & Rose, Incorporated

Engineering

Surveying

SPACE EXPLORATION TECHNOLOGIES
166.2± ACRE TRACT

JUNE 12, 2026
JOB NO. 23233

**METES AND BOUNDS DESCRIPTION
(CONTINUED)**

THENCE, CONTINUING ALONG THE WEST RIGHT-OF-WAY LINE OF SAID MASSEY WAY DRIVE,
NORTH 00 DEG. 47 MIN. 32 SEC. WEST, A DISTANCE OF 2,122.96 FEET TO THE **POINT OF BEGINNING**;

CONTAINING, 166.2± ACRES, MORE OR LESS.

**THIS METES AND BOUNDS DESCRIPTION IS ACCOMPANIED BY A PLAT OF SURVEY OF THE
166.2± ACRE TRACT DESCRIBED HEREON.**

EDUARDO H. MEJIA,
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 3900
STATE OF TEXAS

EXHIBIT B**SECTION 212.172(b-1) STATUTORY DISCLOSURE***Texas Local Government Code § 212.172(b-1)*

The City of Starbase, Texas (the “City”) makes this written disclosure to Space Exploration Technologies Corp. (the “Landowner”) at the time the City makes an offer to the Landowner to enter into a development agreement under Subchapter G, Chapter 212, Texas Local Government Code, covering land in the City’s extraterritorial jurisdiction (the “Subject Land”).

1. The Landowner is not required to enter into the agreement.

The Landowner may decline the City’s offer. Declining the offer does not itself authorize the City to annex the Subject Land and does not itself subject the Subject Land to City building-permit requirements.

2. Authority under which the City may annex the land; references to relevant law.

The City is a Type C general-law municipality. Its annexation authority is found in Chapter 43, Texas Local Government Code, including Subchapter C-3, Sections 43.0671–.0673 (annexation on request of the owners); Subchapter C-4, Sections 43.0681–.0688 (certain areas with population less than 200 by petition); Subchapter C-5, Sections 43.0691–.0697 (certain areas with population of at least 200 by petition and election); and other provisions of Chapter 43 that may apply to particular land. After the 2017 and 2019 amendments to Chapter 43, a general-law municipality generally may not annex land without landowner or voter consent. The City does not have home-rule involuntary-annexation authority. This disclosure is a summary. It is not legal advice to the Landowner.

3. Plain-language description of the annexation procedures applicable to the land.

In the ordinary case, annexation of the Subject Land would occur only if the Landowner petitions the City under Subchapter C-3. The City and the Landowner would negotiate a written municipal-services agreement (Texas Local Government Code § 43.0672). The City Commission would hold a public hearing (§ 43.0673) and, if it approved, adopt an annexation ordinance. Other Chapter 43 procedures exist for sparsely populated or populated areas and require petitions and, in some cases, an election. Those procedures also require landowner or voter consent as the statute then provides. The City will not treat the accompanying development agreement as a petition for annexation or as consent to annexation.

4. Whether the procedures require the Landowner’s consent.

Yes. Under current law, annexation of the Subject Land generally requires the Landowner's consent (or the consent of the owners or voters prescribed by the applicable subchapter of Chapter 43), except to the extent a later-enacted statute lawfully authorizes annexation without consent. The accompanying development agreement is not that consent and does not authorize the City to annex the Subject Land without a separate written consent or petition.

5. Statement regarding the City's waiver of immunity to suit.

Section 212.172(i), Texas Local Government Code, provides that a municipality that enters into a contract under Subchapter G waives immunity from suit for the purpose of adjudicating a claim for breach of the contract. Section 212.172(j) and (k) specify the relief that may be granted and limit the damages that may be awarded against the municipality. The accompanying development agreement recites that statutory waiver and those statutory limits. It does not expand them.

The Landowner acknowledges receipt of this disclosure before executing the accompanying development agreement.

SPACE EXPLORATION TECHNOLOGIES CORP.

By: _____

Name: _____

Title: _____

Date of receipt: _____

EXHIBIT C

CITY TECHNICAL CODES

The following codes and administrative provisions and ordinances of the City of Starbase, Texas, as adopted and as they may be amended or recodified and made applicable City-wide, constitute the “City Technical Codes” for purposes of this Agreement. Edition years below reflect the City’s adopting ordinances in effect when this form was prepared and will be updated if the City has adopted a later edition by the Effective Date.

1. International Building Code, 2015 edition, adopted by Ordinance No. 2025-05-29-K01-OR, including the appendices adopted by that ordinance.
2. International Residential Code, 2015 edition, adopted by Ordinance No. 2025-05-29-K02-OR.
3. International Fire Code, 2015 edition, adopted by Ordinance No. 2025-05-29-M03-OR.
4. International Mechanical Code, 2015 edition, adopted by Ordinance No. 2025-05-29-M04-OR.
5. International Plumbing Code, 2015 edition, adopted by Ordinance No. 2025-05-29-M05-OR.
6. International Energy Conservation Code, 2015 edition, adopted by Ordinance No. 2025-05-29-M02-OR.
7. International Swimming Pool and Spa Code, 2015 edition, adopted by Ordinance No. 2025-05-29-M06-OR.
8. National Electrical Code, 2014 edition, adopted by Ordinance No. 2025-05-29-M07-OR.
9. On-Site Sewage Facilities ordinance, Ordinance No. 2025-06-23-D04-OR.
10. Subdivision Regulations, Ordinance No. 2025-06-23-D03-OR.
11. Floodplain Damage Prevention ordinance, Ordinance No. 2025-11-19-F03-OR, including any amendments.
12. Comprehensive Fee Schedule, Ordinance No. 2025-05-29-K03-OR, solely insofar as it establishes permit, plan-review, inspection, and related development fees.
13. Any other ordinance of the City that, inside the City’s corporate limits, governs the construction, alteration, repair, or occupancy of buildings or building systems, or the

subdivision of land, and that is applied City-wide, other than any zoning ordinance, zoning map, or zoning standard.

EXCLUDED. The City Technical Codes do not include, and this Agreement does not apply, the City's comprehensive zoning ordinance (Ordinance No. 2025-06-23-D02-OR), the official zoning map, or any zoning standard, zoning district, zoning classification, use restriction, density restriction, height restriction, setback restriction, bulk restriction, lot-size restriction, or other zoning requirement. Section 3.05 of the Agreement controls.

FIRE CODE. The International Fire Code listed above applies to the Subject Land as a contractual standard regardless of any county fire code. If the Owner maintains at the Subject Land an industrial fire brigade conforming to the requirements of the Occupational Safety and Health Administration (29 C.F.R. § 1910.156), the Parties acknowledge that under Section 233.062(b), Texas Local Government Code, a county fire code adopted under Subchapter C, Chapter 233, does not apply to the Owner's industrial facilities on the Subject Land.

If the City later adopts a later edition of an International Code or the National Electrical Code, or a successor ordinance listed above, and applies that edition or successor City-wide, that edition or successor is a City Technical Code under Section 3.04 of the Agreement.

E.4

RESOLUTION NO. 2026-26

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, DECLARING THE CITY'S INTENT TO ANNEX ABOUT TWO ACRES OF CITY-OWNED LAND, DIRECTING A SERVICE PLAN, AND SETTING HEARINGS ON OCTOBER 23 AND 28, 2026; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase is a Type C municipality organized under the laws of the State of Texas that has adopted Type A powers under Local Government Code § 51.052; and

WHEREAS, Local Government Code § 43.012 authorizes a Type A general-law municipality to annex area it owns; and

WHEREAS, the City Commission has accepted a gift deed from Space Exploration Technologies Corp. for about two acres (the “Parcel”) through Resolution 2026-25, and the City will own the Parcel upon annexation; and

WHEREAS, the City will follow all procedures for annexation under Chapter 43 and applicable Texas law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. Declaration of intent. The City Commission declares its intent to annex the Parcel, described in Exhibit A, which the City will own upon annexation.

SECTION 2. Service plan. The City Administrator shall prepare a service plan providing full municipal services to the Parcel, in accordance with Local Government Code § 43.065(a).

SECTION 3. Public hearings and notices. The City Commission will hold two hearings in accordance with § 43.063(a) on October 23, 2026 and October 28, 2026. The City Administrator shall post and publish notice of them and give the notices in accordance with § 43.905(a) and § 43.9051(b).

SECTION 4. Severability. If any part of this resolution is held invalid, the rest remains in effect.

SECTION 5. Effective date. This resolution takes effect immediately upon adoption.

PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, on this the 7th day of October, 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Keila Tuttle, City Clerk

APPROVED AS TO FORM:

Gavriel Schreiber, City Attorney

EXHIBIT A

Description of the Parcel

EXHIBIT A:

Description of the Gift Deed Parcel

2.01 acres out of a 893.44 acre tract more or less out in the Garcia – Dougherty Property being out of the East Half of Tract “A” of Share 7, San Martin Grant, Cameron County, Texas, as per the Partition Deed recorded in Volume 141, Page 519, Cameron County Deed Records; said 2.01 acre tract being more particularly located and described as follows:

SURVEYOR’S NOTE: All bearings and distances are based on the Texas State Plane Coordinate System, South Zone 4205, North American Datum 1983;

COMMENCING at a one-half inch iron pin with a yellow plastic cap stamped “M&R INC” found, at the intersection of the West boundary line of the East Half of Tract “A” with the North right-of-way line of State Highway No. 48 (R.O.W. varies) and having a coordinate value of Northing: 16,516,114.30', Easting 1,354,204.72', THENCE, along the North right-of-way line of said State Highway No. 48, North 74° 21' 07" East, a distance of 216.48 feet, THENCE continuing along the North right-of-way line of said State Highway No. 48, North 72° 26' 24" East, a distance of 635.32 feet to a one-half inch iron pin with a yellow plastic cap stamped “M&R INC” found and having a coordinate value of Northing: 16,516,364.36', Easting 1,355,018.88', for the Southwest corner and POINT OF BEGINNING of this tract;

THENCE, leaving the North right-of-way line of State Highway No. 48, North 03° 42' 21" West, a distance of 300.00 feet to a one-half inch iron pin with a yellow plastic cap stamped “M&R INC” set, for the Northwest corner of this tract;

THENCE, North 72° 26' 24" East, a distance of 300.00 feet to a one-half inch iron pin with a yellow plastic cap stamped “M&R INC” set, for the Northeast corner of this tract;

THENCE, South 03° 42' 21" East, a distance of 300.00 feet to a one-half inch iron pin with a yellow plastic cap stamped “M&R INC” set at the North right-of-way line of said State Highway No. 48, for the Southeast corner of this tract;

THENCE, along the North right-of-way line of said State Highway No. 48, South 72° 26' 24" West, a distance of 300.00 feet, to the POINT OF BEGINNING;

CONTAINING 2.01 acres of land, more or less.

E.5

RESOLUTION NO. 2026-27

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, UPDATING THE CITY COMMISSION'S REGULAR MEETING SCHEDULE AND SUPERSEDING SECTION 3 OF RESOLUTION NO. 2026-15; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase is a Type C municipality organized under the laws of the State of Texas that has adopted Type A powers under Local Government Code § 51.052; and

WHEREAS, Local Government Code § 22.038(a) provides that the City Commission meets at the time and place determined by resolution, the City Commission set its regular meeting schedule by Resolution No. 2026-15, and the City Commission wants to update that schedule;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. Regular Meeting Schedule. The City Commission holds its regular meetings at 7:00 p.m. on the third Wednesday of each month from January through November, and at 7:00 p.m. on the second Wednesday of December, at 48491 State Highway 4, Starbase, Texas 78521, or at another place stated on the meeting agenda.

SECTION 2. Effect on Resolution No. 2026-15. This resolution supersedes Section 3 of Resolution No. 2026-15 (regular City Commission meetings). All other provisions of Resolution No. 2026-15 remain in effect.

SECTION 3. Severability. If any part of this resolution is held invalid, the rest remains in effect.

SECTION 4. Effective Date. This resolution takes effect immediately upon adoption.

PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, on this the 7th day of October, 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Keila Tuttle, City Clerk

APPROVED AS TO FORM:

Gavriel Schreiber, City Attorney

E.6

RESOLUTION NO. 2026-28

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, REPEALING RESOLUTION NO. 2026-8 AND ADOPTING REVISED CITY OF STARBASE PURCHASING POLICIES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Starbase is a Type C municipality organized under the laws of the State of Texas that has adopted Type A powers under Local Government Code § 51.052; and

WHEREAS, the City Commission adopted the City's current purchasing policies by Resolution No. 2026-8 on March 18, 2026; and

WHEREAS, the City Commission wants to update the purchasing policies to streamline procurement and remain in compliance with all applicable laws;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS:

SECTION 1. Repeal. Resolution No. 2026-8 and the purchasing policies adopted by that resolution are repealed in their entirety.

SECTION 2. Adoption. The City of Starbase Purchasing Policies attached as Exhibit A are adopted and take effect on October 7, 2026.

SECTION 3. Authorization. The City Administrator may implement and enforce the Purchasing Policies and may adopt administrative procedures consistent with them and with Ordinance No. 2026-21.

SECTION 4. Severability. If any part of this resolution is held invalid, the rest remains in effect.

SECTION 5. Effective date. This resolution takes effect immediately upon adoption.

PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS, on this the 7th day of October, 2026.

CITY OF STARBASE, TEXAS

Bobby Peden, Mayor

ATTEST:

Keila Tuttle, City Clerk

APPROVED AS TO FORM:

Gavriel Schreiber, City Attorney

EXHIBIT A

City of Starbase Purchasing Policies

City of Starbase Purchasing Policies

Effective Date: October 7, 2026

1. Purpose and Purchasing Goals

The Purchasing Policies of the City of Starbase, Texas (“City”) serve as the primary governing document for the procurement of all goods, services, equipment, supplies, and construction acquired with City funds. These policies ensure compliance with applicable federal, state (including Texas Local Government Code Chapters 252 and 271), and local laws while promoting fiscal responsibility and public trust.

The policies are intended to achieve the following goals:

- Ensure full compliance with all applicable federal, state, and local procurement laws and regulations.
- Establish fair, transparent, and competitive procedures that provide equal access and opportunity for all qualified vendors.
- Secure an ongoing, reliable supply of high-quality goods and services to support efficient City operations.
- Promote responsible stewardship of public funds by obtaining the best value (considering price, quality, service, and other relevant factors).
- Prevent waste, fraud, abuse, and conflicts of interest in all procurement activities.

2. Statement of Policy

It is the policy of the City of Starbase that all procurement activities shall be conducted in strict accordance with applicable state and federal laws to achieve the best overall value for the City. The City strongly encourages free, open, and unrestricted competition among vendors. All solicitations, including the competitive bidding process, Requests for Proposals (RFP), Requests for Qualifications (RFQ), and Requests for Quotes, shall be issued and evaluated in compliance with Texas Local Government Code Chapter 252 (as amended), these policies, and any applicable federal requirements (e.g., when using federal grant funds).

The City Administrator (or designee) shall oversee enforcement of these policies and may delegate specific purchasing authority to qualified City employees in writing, as provided in Ordinance No. 2026-21.

The requirements in these policies are minimums. The City may always use a more competitive process, give more notice, or allow more time than these policies or state law require.

3. Purchasing Authority and Delegation

The City Administrator is responsible for ensuring compliance with these policies and all applicable laws. The City Administrator may delegate purchasing authority in writing to other City employees (e.g., Assistant City Administrator, Department Heads, or the City Clerk), provided:

- Delegations are documented in writing.
- All delegated actions remain subject to oversight and audit.

The City Administrator may adopt administrative procedures to carry out these policies, such as approval routing, documentation, and purchasing card rules.

Texas Local Government Code Chapter 252 governs competitive bidding procurement requirements, including thresholds, exemptions, bid/proposal procedures, award criteria, and penalties for violations.

4. General Guidelines and Approval Thresholds

All purchases must be budgeted in the current fiscal year, necessary, and approved in accordance with the following thresholds (updated to reflect 2025 statutory changes effective September 1, 2025):

- \$0 – \$3,000 (Small Purchases)
 - No formal quotes are required, but staff must take reasonable steps to ensure best value (e.g., compare prices informally, use preferred vendors, or check cooperative contracts).
 - Verify budgeted funds are available.
 - Approval required: City Administrator, Assistant City Administrator, or City Clerk (or their designee).
 - Documentation: Retain receipts/invoices; maintain such documentation in City records.
- \$3,000.01 – \$100,000 (Informal Process)
 - Comply with the historically underutilized business (HUB) requirements under Texas law.
 - Document why the purchase is a good value (for example, a quote, published price, cooperative contract, or short staff note) and maintain such documentation in City records.

- Verify budgeted funds are available.
- Approval required: City Administrator or designee.
- More than \$100,000 (Formal Competitive Process)
- Conduct formal competitive sealed bidding (IFB) or competitive sealed proposals (RFP) per TLGC Chapter 252, Subchapter B.
- Prepare detailed specifications or scope of work.
- Give notice as required by TLGC §252.041. Because no newspaper is published in the City, notice must be posted at City Hall for at least 14 days before bids or proposals are opened. The City may also post the notice on its website or publish it elsewhere. If a newspaper is published in Starbase, notice required by law will be published at least once a week for two consecutive weeks in such newspaper.
- The City Administrator determines, before notice is given, whether sealed bids, sealed proposals, or another lawful method provides the best value for the City. In making this determination, the City Administrator acts as the City Commission’s delegee and authorized representative under TLGC §252.021(c).
- Bids and proposals may be submitted electronically through a method the City designates that identifies the sender and keeps the submission secure and confidential until opening (TLGC §252.0415).
- For requests for proposals, the City may hold discussions with qualified offerors and allow revised and best-and-final offers before award, as the RFP provides. Offerors receive a fair and equal opportunity to do so, and no offeror’s information is shared with competitors (TLGC §252.042).
- Addenda are issued by posting them on the City’s website and sending them to everyone who received the solicitation. If an addendum changes the opening date, the City also updates the posted notice.
- Bids publicly opened and read aloud; proposals opened so their contents are not disclosed to competing offerors.
- Award to the lowest responsible bidder or the proposer offering the best value (considering price, quality, experience, past performance, and other specified criteria).
- Approval required: City Administrator (preparation/recommendation) and City Commission (final award and authorization).

5. Purchasing Cooperatives and Exemptions from Competitive Bidding

The City may participate in cooperative purchasing programs, or interlocal agreements, (TLGC §271.102–271.103) to satisfy competitive bidding requirements when cost-effective and compliant.

Any procurement exempt under TLGC §252.022, as amended, is exempt from competitive bidding. Common examples include emergencies, sole-source items, land and right-of-way, and personal, professional, and planning services.

Emergency and sole-source purchases must be documented with justification and approved by the City Administrator (or higher authority if over delegated limits).

5.1 Onboarding and Participation in Purchasing Cooperatives

The City Administrator (or designee) is authorized to evaluate, join, and execute routine membership agreements, participation resolutions, addendums, or interlocal contracts for approved purchasing cooperatives (e.g., BuyBoard, DIR, TIPS, HGACBuy, state contracts via Comptroller/TXMAS, or regional/local interlocal agreements) on behalf of the City, provided they comply with Texas Local Government Code Chapters 271 and 791, these policies, city ordinances, and applicable state law.

The Administrator shall confirm that the cooperative's contracts were competitively procured and include required cooperative/interlocal clauses. Routine onboarding or participation in established cooperatives requires no further City Commission approval. New or significant interlocal agreements (e.g., those creating long-term obligations, major financial commitments, or novel vendor relationships) shall be presented to the City Commission for prior approval. The Administrator shall report all new cooperative participations or memberships to the City Commission in the quarterly report required by Ordinance No. 2026-21. The Finance Department or City Administrator shall maintain a current list of approved cooperatives and agreements for reference and audit purposes.

6. Award and Reserved Rights

Contracts over \$100,000 are awarded by the City Commission to the lowest responsible bidder or to the bidder or proposer offering the best value, using the factors in TLGC §252.043. Maintain public records of all bids/proposals, evaluations, and award rationale.

The City Administrator may approve change orders of \$50,000 or less to any contract, as allowed by TLGC §252.048, and may exercise renewal or option terms in contracts the City Commission has awarded, provided funds are budgeted.

In every solicitation, the City reserves all rights allowed by law, including the right to extend or change any deadline, issue addenda, reject any or all bids or proposals, waive minor irregularities, cancel or reissue the solicitation, and negotiate with proposers as permitted by law.

7. Ethics and Conflict of Interest Requirements

All City employees and officials must adhere to the highest ethical standards. Violations may result in disciplinary action or criminal penalties. Key requirements:

- Prohibited conduct: Soliciting/accepting gifts, gratuities, favors, or discounts from vendors (except nominal items per ethics code).
- Confidential information: No use or disclosure for personal gain or third-party benefit.
- Personal use: Employees may not purchase City materials/supplies/equipment for personal use.
- Conflicts of interest: Comply with TLGC Chapter 171 and the required disclosure of substantial interest in vendors or business entity if action by City Commission will result in a special economic effect on the business, and the public official shall abstain from votes if conflict exists.
- Disclosure of Relationships: Comply with TLGC Chapter 176 requiring local government officers to disclose certain relationships with vendors who conduct business with government entities; and possible requirement of filing a conflicts disclosure statement.
- All employees involved in procurement must annually acknowledge receipt and understanding of these ethics rules and all requirements of Texas law.

8. Procuring of Professional Services & Consulting Services

- Professional services covered by the Professional Services Procurement Act (Government Code Chapter 2254) (accounting, architecture, landscape architecture, land surveying, engineering, real estate appraisal, medicine, optometry, and nursing) may not be awarded through competitive bidding. They must be selected based on demonstrated competence and qualifications. For architects, engineers, and land surveyors:
- Issue RFQ to identify most highly qualified provider with demonstrated competence and qualifications.
- Negotiate fair and reasonable price.
- If negotiations fail, terminate and move to next most highly qualified provider.
- The process shall be followed until a fair and satisfactory contract is negotiated and accepted by both parties.
- Document selection process and rationale.

- Other personal, professional, and planning services, such as planning, consulting, and legal services, are exempt from competitive bidding and are not subject to the Professional Services Procurement Act. Document the selection.

9. Other Provisions

These policies shall be reviewed annually or as laws change, with updates recommended to the City Commission.

City of Starbase Purchasing Policies

Effective Date: _____, 2026

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- The process shall be followed until a fair and satisfactory contract is negotiated and accepted by both parties.

- Document selection process and rationale.
- Other personal, professional, and planning services, such as planning, consulting, and legal services, are exempt from competitive bidding and are not subject to the Professional Services Procurement Act. Document the selection.

9. Other Provisions

These policies shall be reviewed annually or as laws change, with updates recommended to the City Commission.

Signature

Name Printed

Date