

December 11, 2025

[CLIENT NAME]

[TITLE]

[COMPANY NAME]

[ADDRESS]

[CITY, STATE ZIP]

**Re: Engagement for Infrastructure Consulting Services — Fredericksburg Resort Development**

Dear [CLIENT NAME]:

Houston Strategy Group, LLC ("HSG" or "Consultant") is pleased to present this engagement letter (the "Agreement") confirming the terms under which HSG will provide infrastructure feasibility, regulatory coordination, and permitting services for your proposed 40-50 key boutique resort development in Fredericksburg, Gillespie County, Texas (the "Project"). This Agreement becomes binding upon your countersignature below.

## 1. SCOPE OF ENGAGEMENT

HSG shall serve as Client's infrastructure and regulatory consultant, providing strategic advisory services across the following phases:

Phase	Description	Duration	Fee Range
1	Preliminary Feasibility Site assessment, regulatory landscape, utility screening, cost modeling	2-3 Weeks	\$28,000 - \$32,000
2	Site Due Diligence Hydrogeological assessment, well testing, wastewater alternatives, pre-application meetings	6-8 Weeks	\$65,000 - \$72,000
3	Engineering Coordination Civil oversight, water/MBR system design, site development planning	10-14 Weeks	\$85,000 - \$95,000
4	Permitting & Regulatory TCEQ, GCUWCD, TxDOT, County permits; ongoing regulatory liaison	10-18 Months	\$138,000 - \$147,000

5	Construction Oversight Utility construction admin, inspections, commissioning, compliance docs	12-18 Months	\$60,000 - \$65,000
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**Recommended Strategy:** Based on our preliminary analysis, HSG recommends **Site B (Wine Trail)** with a **Private Well + Membrane Bioreactor (MBR)** infrastructure configuration. This approach leverages existing well infrastructure tapping the Edwards-Trinity Aquifer and enables Type I effluent reuse for irrigation—converting a regulatory constraint into an operational asset.

**Exclusions:** This engagement does not include architectural design, structural engineering, construction contracting, legal representation before administrative tribunals, or environmental remediation services. Third-party engineering, surveying, and testing costs are reimbursable expenses, not included in the fees above.

## 2. COMPENSATION

**Total Engagement Value:** \$376,000 – \$411,000 (exclusive of reimbursable expenses)

**Payment Terms:**

- (a) **Retainer.** A retainer of \$15,000 is due upon execution of this Agreement and shall be applied to the final invoice.
- (b) **Progress Billing.** HSG shall invoice monthly based on percentage of completion. Invoices are due Net 30.
- (c) **Reimbursables.** Out-of-pocket expenses (travel, permit fees, third-party testing) shall be invoiced at cost plus 5% administrative markup. Expenses exceeding \$5,000/month require prior written approval.
- (d) **Late Payment.** Amounts unpaid after 30 days accrue interest at 1.5%/month (18% APR). HSG may suspend Services upon 10 days' written notice of non-payment.

## 3. TERM AND TERMINATION

This Agreement commences upon execution and continues until completion of the Services or earlier termination. Either party may terminate for convenience upon **30 days' written notice**. Either party may terminate for material breach if such breach remains uncured for **15 days** after written notice. Upon termination, Client shall pay for all Services rendered and non-cancellable commitments through the termination date.

#### 4. STANDARD OF CARE

HSG shall perform the Services with the degree of skill, care, and diligence ordinarily exercised by professional consultants performing similar services in the Texas Hill Country region under similar circumstances. **HSG does not guarantee regulatory approvals**, permit issuance, or specific timelines, as such outcomes are subject to governmental discretion. HSG's obligation is to use commercially reasonable, diligent efforts to facilitate the regulatory process.

#### 5. LIMITATION OF LIABILITY

TO THE FULLEST EXTENT PERMITTED BY LAW: (A) HSG'S TOTAL AGGREGATE LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED THE FEES ACTUALLY PAID TO HSG; AND (B) NEITHER PARTY SHALL BE LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS OR LOST BUSINESS OPPORTUNITIES, REGARDLESS OF FORESEEABILITY OR WHETHER ADVISED OF THE POSSIBILITY THEREOF.

Client acknowledges that the fees reflect this allocation of risk and that HSG would not enter into this Agreement without these limitations.

#### 6. INDEMNIFICATION

Each party ("**Indemnitor**") shall defend, indemnify, and hold harmless the other party from third-party claims arising from the Indemnitor's (a) gross negligence or willful misconduct, (b) material breach of this Agreement, or (c) violation of applicable law. Client shall indemnify HSG against claims arising from Client's use of HSG's work product in a manner inconsistent with its intended purpose or HSG's written recommendations.

#### 7. CONFIDENTIALITY

Each party shall maintain in confidence all non-public information received from the other party and shall not disclose such information without prior written consent, except as required by law or to professional advisors bound by confidentiality obligations. These obligations survive termination for **three (3) years**.

#### 8. OWNERSHIP OF WORK PRODUCT

Upon full payment, Client shall own all reports, analyses, and deliverables prepared specifically for the Project ("Work Product"). HSG retains ownership of its pre-existing methodologies, templates, and proprietary tools. HSG may use general knowledge, skills, and experience gained during this engagement for other clients, provided no Confidential Information is disclosed.

## 9. INSURANCE

HSG maintains: (a) Commercial General Liability — \$1,000,000/occurrence, \$2,000,000 aggregate; (b) Professional Liability (E&O;) — \$2,000,000/claim, \$2,000,000 aggregate; (c) Workers' Compensation — statutory limits; and (d) Auto Liability — \$1,000,000 combined single limit. Certificates available upon request.

## 10. DISPUTE RESOLUTION

The parties shall attempt to resolve disputes through good-faith negotiation. If unresolved within 30 days, either party may initiate mediation in Houston, Texas, with costs shared equally. If mediation fails, disputes shall be resolved by binding arbitration under the AAA Commercial Rules, with venue in Harris County, Texas. The prevailing party shall recover reasonable attorneys' fees.

## 11. GENERAL PROVISIONS

**Governing Law.** This Agreement is governed by Texas law without regard to conflicts provisions. **Independent Contractor.** HSG is an independent contractor; nothing herein creates employment, partnership, or joint venture. **Assignment.** Neither party may assign without written consent, except HSG may assign to an affiliate or successor. **Entire Agreement.** This Agreement constitutes the complete understanding between the parties and supersedes all prior negotiations. **Amendments.** Modifications require written agreement signed by both parties. **Severability.** Invalid provisions shall be reformed to the minimum extent necessary; remaining provisions remain in full force. **Counterparts.** This Agreement may be executed in counterparts, including electronic signatures, each deemed an original.

**ESTIMATED VALUE:** Engagement of HSG is projected to yield approximately **\$250,000 in cost avoidance** through accelerated permitting timelines, avoidance of regulatory re-work, and optimized infrastructure design. While not guaranteed, this estimate reflects HSG's experience with comparable Hill Country developments.

We appreciate the opportunity to partner with you on this project. Please indicate your acceptance by signing below and returning one executed copy with the retainer payment. We look forward to a successful engagement.

Sincerely,

**HOUSTON STRATEGY GROUP, LLC**

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Authorized Representative  
permitting@houstonstrategy.net | (512) 555-0123

## ACCEPTANCE AND AUTHORIZATION

The undersigned, having authority to bind Client, accepts and agrees to the terms and conditions set forth in this Engagement Letter, effective as of the date of Client's signature below.

**CLIENT:**

**Entity Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

## PAYMENT INSTRUCTIONS

Please remit retainer payment of **\$15,000.00** to:

**Houston Strategy Group, LLC**

[BANK NAME]

Account: [ACCOUNT NUMBER]

Routing: [ROUTING NUMBER]

Reference: Fredericksburg Resort - [CLIENT NAME]

*Or mail check payable to Houston Strategy Group, LLC*