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FOR IMMEDIATE RELEASE

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**APPELLATE COURT ISSUES RULING IN  
CHERRY KNOLL, LLC v. CITY OF LAKEWAY**

On Monday, the U.S. Court of Appeals for the Fifth Circuit ruled in favor of Cherry Knoll, LLC in its ongoing legal battle with the City of Lakeway. The ruling reverses a 2018 lower court decision in favor of the City, its City Manager Steve Jones, and its outside contractor, HDR Engineering, Inc.

The lawsuit arises out of the City's 2015 acquisition of Cherry Knoll's property for an expansion of nearby Flint Rock Road. The lawsuit alleges that the City and other defendants conducted the acquisition in an extortionate manner, in violation of both federal and state law. In 2018, a federal district court dismissed the federal claims on their merits, and dismissed the state law claims on jurisdictional grounds. This week's ruling from the Fifth Circuit reverses that decision, effectively reinstating all of Cherry Knoll's federal and state law claims against the City, Jones and HDR.

The case will be remanded to the district court for further proceedings. No trial date has been set.

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