

MEMORANDUM OF UNDERSTANDING

NewGrowth Enterprises, LLC, a Texas limited liability company and DS Propco Owner LP, a Delaware Limited Partnership jointly referred to herein as ("NG") and the City of Dripping Springs, Texas, a general laws municipality ("City") enter into this Memorandum of Understanding ("MOU") effective as of October 26, 2021.

Recitals

- A. NG has submitted a draft Planned Development District No. 14 ("PDD") to the City for review and approval.
- B. The land within the PDD is substantially all of the lots in Roger Hanks Park, a subdivision in Hays County, Texas located within the City Limits of the City, and as more particularly identified and described in Exhibit "A" (the "Property").
- C. The Land will be a residential development consisting solely of rental residential units and related amenities (the "Project"). There is a commercial portion that borders US 290.
- D. The Project is within the area specifically designated by the City's Comprehensive Plan – Emerging Mixed Use Activity Center (Development and Building Ordinances – Section 2.1), which states, "In specific areas of town identified as activity nodes [in which the Project is located], more flexible form-based zoning will be used. This type of zoning focuses more on building appearance, size, and relationship to other buildings and the street rather than strictly controlling uses in that building. In targeted nodes, the goal is to provide opportunity for a mix of uses that can meet community needs of lower cost housing along with additional retail, office and commercial uses".
- E. As a residential rental community, it will provide attainable, attractive rental homes for those desiring to live in Dripping Springs, but choose not to own, or cannot afford to purchase a house, or for those desiring to downsize and not have the burden of home ownership.
- F. In order to proceed with the Project, the City and NG desire to reach an accord regarding the Project's density, provisions for wastewater treatment, parkland dedication, and transportation improvements to Roger Hanks Parkway (the "Essential Elements").
- G. NG has a limited time frame within which to obtain the City's consent to the Essential Elements and therefore is seeking its approval.

NOW THEREFORE, the City and NG agree to the following Essential Elements:

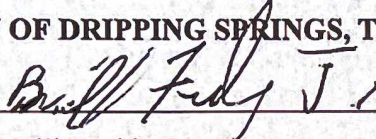
1. The Project will consist of a mix of up to 240 attached and detached single family residential dwellings, dedicated trails, parkland, an amenity center, and other amenities benefitting the residents of the project. Additionally, there is a minimum of a 5.8 acre commercial portion. The Project will be constructed consistent with future zoning and related land use approvals. The proposed project plan is attached as Exhibit "B". Approval of this Memorandum of Understanding is not an approval of the project plan attached as Exhibit "B".
2. The Project's dedicated public and private parkland shall contain 10.55 acres. The City of Dripping Springs Parkland Ordinance would require 10.43 acres. NG shall pursue a credit

for its on-site amenity improvements (community use of pool, clubhouse, trails) which will relieve the use of the City's public facilities. The proposed pool, parks, trails and open space plan is attached hereto as Exhibit "C". The project will pay all required Park Development Fees.


3. The Project is planning to construct and fund a wastewater line extension from the City's West Interceptor sewer line to the Property and US Hwy 290. The extension will service the Project and be available for property north of US Hwy 290. It is anticipated that the City's West Interceptor sewer line will be completed and operational for transporting the Project's wastewater to the City's sewer plant prior to the Project's completion; however, as a safety measure, until the West Interceptor line is available to the Project, NG will either (i) apply for a TLAP permit for treatment of the Project's wastewater or (ii) apply for on-site septic permits. The Project will not discharge any wastewater until (i) the TLAP or septic system apparatuses are permitted and operational or (ii) the Western Intercept sewer line is operational and available to transport the Project's wastewater to the City's sewer plant.
4. The City is reviewing the proposed improvements to Roger Hanks Parkway that have been submitted by NG. One plan creates a center turn lane and the other creates a center median. NG will accept the decision of the City as to which best serves the community.

This MOU shall serve as the approved outline of the Project as it relates to the Essential Elements addressed herein.

CITY OF DRIPPING SPRINGS, TEXAS:

By: 
Name: Bill Foulds, Jr.
Title: Mayor

NEWGROWTH ENTERPRISES, LLC:

By: 
Name: Francis Coppello
Title: Authorized Signatory

DS PROPCO OWNER LP; by DS Propco GP LLC, its general partner

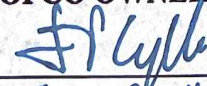
By: 
Name: Francis Coppello
Title: President

EXHIBIT "A"
Property Description

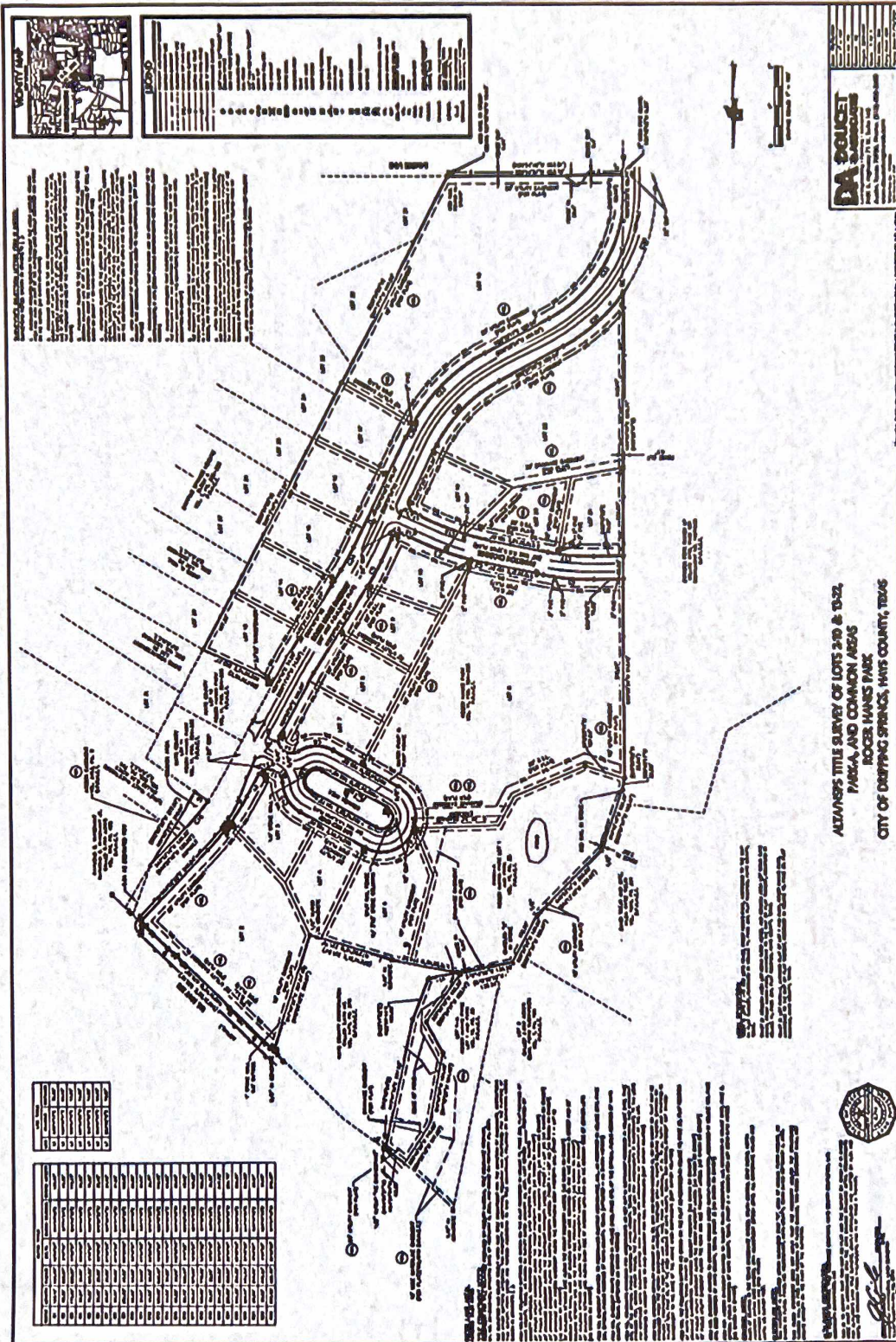


EXHIBIT "B"
The Concept Plan



LEGEND

- 1-STORY RESIDENTIAL
- 2-STORY RESIDENTIAL

CONCEPTUAL PROJECT INFORMATION*

TOTAL RESIDENTIAL AREA - 24.79 ACRES
 RESIDENTIAL - 273 UNITS AT 9.56 DPA/AC GROSS
 1 80 DULT HOME - 1-STORY DUPLEX - 66 UNITS
 2 80 COTTAGE HOME - 1-STORY ATTACHED GARAGE - 34 UNITS
 3 80 COTTAGE HOME - 1-STORY ATTACHED GARAGE - 34 UNITS
 3 80 COTTAGE HOME - 2-STORY ATTACHED GARAGE - 40 UNITS
 TOWNHOMES - 2-STORY ATTACHED GARAGE - 76 UNITS
 *PROJECT DETAILS ARE REPRESENTATIVE AND MAY CHANGE
 BASED ON FURTHER ANALYSIS DURING THE DESIGN PROCESS

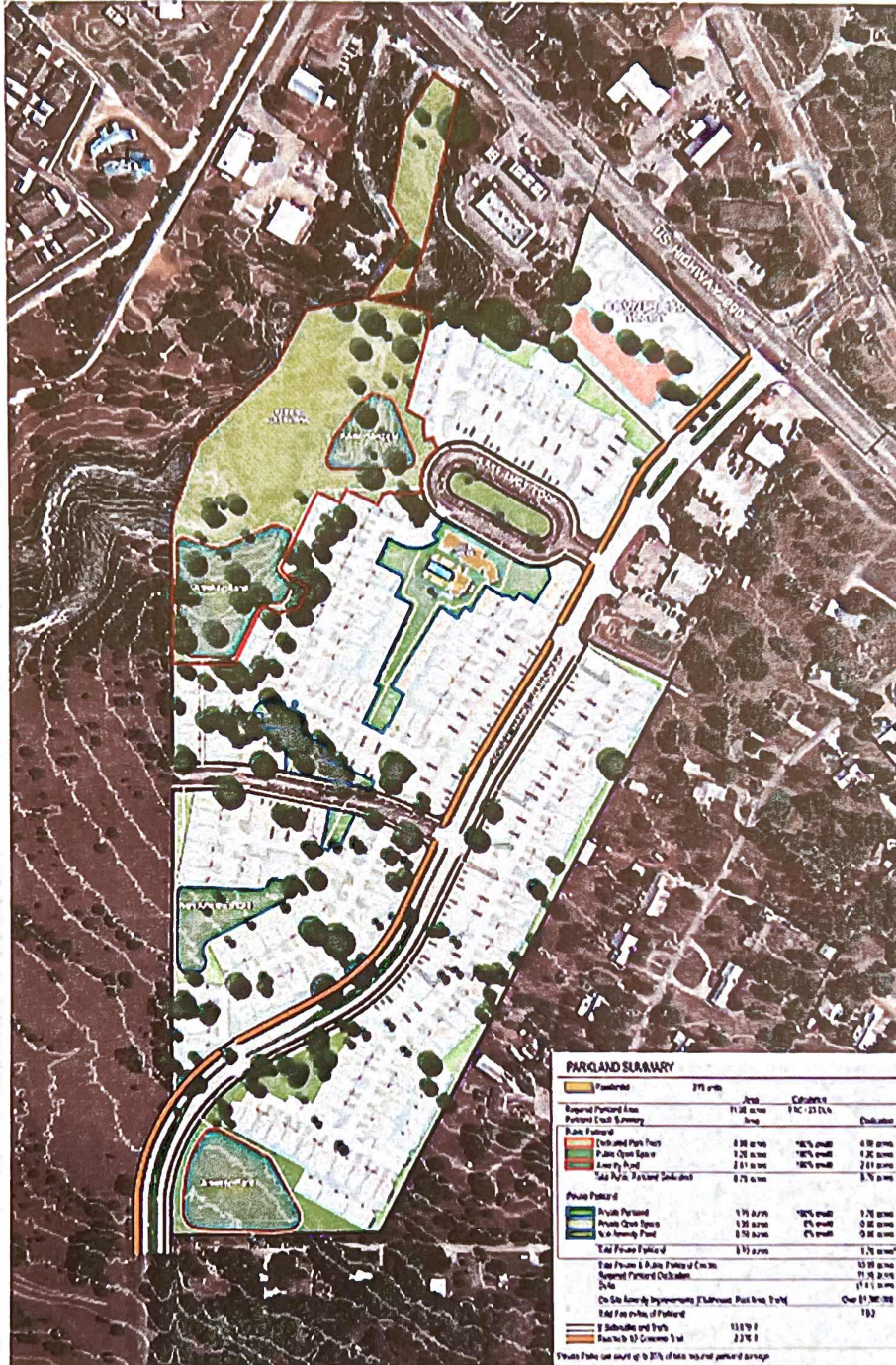


NEW GROWTH LIVING
 CERTAINABLE LIFESTYLE COMMUNITIES

NEW GROWTH - DRIPPING SPRINGS
 DRIPPING SPRINGS, TEXAS
 Illustrative Site Plan

SCALE 1" = 80'-0"
 FOR ILLUSTRATIVE PURPOSES ONLY

EXHIBIT "C"
Parkland Area



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 Land Planning • Landscape Architecture • Community Design
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 www.secplanning.com

EXHIBIT C
PARKLAND EXHIBIT
NEW GROWTH
 DRIPPING SPRINGS, TEXAS

Scale: 1" = 200'
 North
 Date: October 13, 2021

This drawing is a conceptual plan and does not constitute a final engineering or architectural drawing. It is intended for informational purposes only and should not be used for construction or other purposes without the approval of the engineer or architect. The engineer or architect is not responsible for any errors or omissions in this drawing.