

**FIRST AMENDMENT  
TO WASTEWATER UTILITY SERVICE AND FEE AGREEMENT  
(VILLAGE GROVE)**

**THE STATE OF TEXAS           §  
  §  
COUNTY OF HAYS           §**

This **FIRST AMENDMENT TO WASTEWATER UTILITY SERVICE AND FEE AGREEMENT** (this “Amendment”) is entered into effective as of August 12, 2025 between the **CITY OF DRIPPING SPRINGS, TEXAS**, a general law city located in Hays County, Texas (the “City”) **DRIPPING SPRINGS PARTNERS, LP**, a Texas limited partnership (“DSP”), and **TAYLOR MORRISON OF TEXAS, INC.**, a Texas corporation (“TM”). The City, DSP, and TM are sometimes referred to herein as the “Parties” and individually as a “Party”.

**RECITALS**

The City and Dripping Springs Partners, LLC, a Texas limited liability company are parties to that certain “Wastewater Utility Service and Fee Agreement” dated effective June 21, 2022 (the “Original Agreement”), which, among other things, provided for wastewater service to the Land as defined in the Original Agreement.

By assignment executed \_\_\_\_\_, Dripping Springs Partners, LLC (“LLC”) transferred to DSP all of LLC’s right, title, interest and obligations in and to the Original Agreement.

By assignment executed May 21, 2024, DSP transferred to TM a portion of DSP’s right, title, interest and obligations in and to the Original Agreement to the extent and only to the extent of 331 residential LUEs and TM agreed to accept the rights and fulfill the obligations of DSP contained in the Original Agreement as they pertain to the 331 residential LUEs.

Owner has an agreement in-place with North DSP, LLC (“North DSP”) and Pulte Homes of Texas, L.P., a Texas limited partnership (“Pulte”), the owners of Gateway Village (“Gateway Owners”) wherein Owner and Gateway Owners have agreed to cooperate to provide temporary wastewater service to the Land and to the land for which North DSP has a wastewater agreement with the City (specifically that property that is commonly referred to as Gateway Village). The City is not a party to that agreement and has no obligations under that agreement, but desires to facilitate such cooperation where possible.

Since the time the Original Agreement was executed circumstances have changed that justify modifications to the Original Agreement and the Parties agree that such modifications are warranted to protect the health, safety, and general welfare of the community.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the Parties agree as follows:

**AGREEMENT**

1. Defined Terms. All capitalized terms not defined in this Amendment have the meanings ascribed thereto in the Original Agreement.

2. The definition for **Owner** (section 1.16 of the Original Agreement) is deleted in its entirety and the following is substituted therefor:

**1.16 Owner.** Dripping Springs Partners, LP, a Texas limited partnership and Taylor Morrison of Texas, Inc., a Texas corporation.

3. The definition for **Package Plant** (section 1.19 of the Original Agreement) is deleted in its entirety and the following is substituted therefor:

**1.19 Package Plant.** The temporary wastewater treatment facility operated and maintained by City that will provide wastewater treatment services to the Development until the Discharge Permit is issued and the System facilities are sufficient to accept the wastewater from the Land. The temporary wastewater treatment facility may include any type of plant, including a bypass plant or reclaimer rig, that is authorized by a TCEQ permit and operated in accordance with TCEQ regulations.

4. The following defined term is hereby added to the Original Agreement as section 1.20-A :

**1.20-A Pump & Haul Facilities.** The facilities located on the Land for the removal or treatment of sewage from the Land through pump and haul and related infrastructure intended for the temporary use (although of uncertain duration) until the Package Plant or the System facilities are sufficient to accept the wastewater from the Land.

5. The first sentence of Section 3.2.a from the Original Agreement is deleted in its entirety and the following is substituted therefor:

- a. Subject to **§ 3.2.b. and 3.2.b-1** below, City will provide wastewater treatment service for the Land utilizing the Package Plant and City will charge its standard retail wastewater service rates to users within the Development.

6. Section 3.2.b-1 is hereby added to the Original Agreement (after 3.2.b):

**3.2.b-1      Pump and Haul Facilities.**

- a. Subject to the provisions of Section 3.2.b-1a.2. below, Owner may construct and operate Pump & Haul Facilities as follows:

1. Pursuant to the wastewater agreement between the City and North DSP, North DSP has a right to utilize Pump & Haul Facilities for up to 75 LUEs. As long as the gross LUEs used by North DSP and Gateway Village do not exceed 75, the City acknowledges that North DSP may from time to time assign some or all of the 75 LUEs to Owner as Owner and North DSP may agree, and Owner will promptly notify the City of each assignment of LUEs in writing. Under no circumstances may Owner and North DSP utilize Pump & Haul Facilities Owner that combined exceed 75 LUEs. In other words, by way of

example only, Owner and North DSP may agree to Owner using Pump & Haul Facilities for 50 LUEs and North DSP using 25 LUEs, but that would be the limit for both. Because the allocation will be determined privately between Owner and North DSP, insofar as the City is concerned, the 75 LUE's will be made available by the City to Owner and North DSP on a first come first serve basis. These 75 LUEs are a temporary solution to wastewater needs of the Development and the North DSP (Gateway Village) development. Under no circumstances may Owner and North DSP combined utilize Pump & Haul Facilities for more than 75 LUEs.

2. Use of the Pump & Haul Facilities by Owner must be terminated as quickly as is practically possible as soon as either the Package Plant is available to process wastewater or the existing System and/or East Interceptor Line is available to transport and process wastewater. Use of the Package Plant Facilities by Owner must be terminated as quickly as is practically possible when the System is available to transport and process all wastewater from the Development. The Parties both agree that Pump & Haul Facilities is not the preferred method of wastewater treatment. The Parties also both agree that the use of the System is preferable to the Package Plant as a method of wastewater treatment. Owner commits to pursue Package Plant authorization and construction as quickly as is commercially feasible. City commits to pursue construction of the East Interceptor Line and construction of the System facilities pursuant to the Discharge Permit as quickly as is commercially feasible after issuance of the Discharge Permit is no longer appealable. Owner commits to converting from Pump & Haul or the Package Plant to the System as quickly as is commercially feasible. Upon converting from Pump & Haul to the Package Plant or the System, Owner shall remove at its own expense all Pump & Haul Facilities that will not be utilized for the Package Plant or for the System.

b. The City will issue building permits for Units that will be connected to Pump & Haul Facilities so long as the design for the Pump & Haul Facilities is complete and approved by the City. The failure to construct Onsite or Offsite Facilities shall not prevent Owner from obtaining certificates of occupancy within the Project, subject to full compliance with the following terms and conditions:

1. The facilities necessary to provide pump and haul service to the Unit for which a certificate of occupancy is to be issued have been completed and passed inspection by City, and wastewater

service by pump and haul under this Agreement is otherwise available to the Unit.

2. Owner is in compliance with the terms and conditions of this Agreement.
3. Owner demonstrates to City that Owner has a current contract with a pump and haul provider that meets the requirements of this Agreement.
4. All other conditions for issuance of a Unit building permit or certificate of occupancy set forth in applicable local (as modified by this Agreement), state, or federal regulations have been met.
5. Upon satisfaction of items 1, 2 and 3 above, building permits for no more than 4 model homes (not for residential occupancy) will be issued by City staff.

- c. Service Provided. In consideration for City authorizing the issuance of building permits and certificates of occupancy as provided herein, Owner, at its sole cost and expense, shall cause wastewater from the Development to be pumped and hauled and disposed of in a manner that is compliant with applicable local, state, and federal regulations, until such time that the Package Plant or the System is capable of receiving the wastewater generated at the Development. Design of and specifications related to the Pump & Haul Facilities must be provided to City Engineer for approval and must be approved by City Engineer prior to installation of such facilities. Owner is solely responsible for all design, construction and operation of the Pump & Haul Facilities. Except as specifically provided herein, costs related to the design, construction, and operation of the Pump & Haul facilities are not eligible to be reimbursed by City in any manner. Owner is solely responsible for the costs of all design, construction, operation, and removal of the Pump & Haul Facilities. Owner shall maintain all Pump & Haul Facilities in good repair and working condition and assure that all wastewater effluent is managed in compliance with applicable law. The drop manhole "E-49" located at station 172+43.56 East Interceptor Segment 1 will be used as the wet well for the Pump & Haul system. A detailed plan signed and sealed by a professional engineer licensed in the State of Texas will be submitted to the City for approval. The plan shall include (i) all weather access road to final collection site, (ii) calculations of projected flow, (iii) calculations of float elevations and wet well volumes during peak wet weather flow, (iv) plan and profile of wet well/holding tank and sewer main(s), including maximum design level elevation on profile, (v) calculations of storage volume in sewer laterals to be backed up, and (vi) constant storage tank monitoring with auto-dialer. Owner will report any spills or leaks from the Pump & Haul Facilities to the Deputy City Administrator immediately, but no later than 12 hours of discovery. Owner will cooperate with City to provide any information to and file any reports with the Texas Commission on Environmental Quality or successor agency (the "TCEQ") as required by law. Upon termination of use of the Pump &

Haul Facilities, Owner will remove at its sole cost and expense the Pump & Haul Facilities (except for those facilities that will be used for the Onsite or Offsite Facilities). Pump and Haul service shall be temporary and shall be terminated as soon as practicable and replaced with wastewater service through the Package Plant or the System. Wastewater Service through pump and haul facilities on the Land shall not exceed 75 LUEs.

d. Pump and Haul Provider. Owner shall contract with a company that holds all licenses required by the TCEQ and has the experience, expertise and financial capacity (the “Provider”) to pump and haul wastewater from the Development and to maintain all pump and haul facilities. The Provider shall also not owe any delinquent taxes or fees to City nor shall the Provider be in material default under any agreement by and between the Provider and City. Owner shall further maintain with City at all times the Provider’s current contact information and designated representatives who are available twenty-four hours a day to respond to complaints or issues related to wastewater disposal. The Provider shall maintain insurance in an amount that is acceptable to City.

e. Fees and Charges. City shall charge and collect standard wastewater rates and fees (including impact fees) to customers on a particular lot receiving wastewater service through Pump & Haul Facilities (hereafter “Pump and Haul Lot”). The monthly fees and charges charged to the Pump and Haul Lot customer will be equivalent to an estimated average of that charged to other residential City customers that are not utilizing a pump and haul system. Fees and charges to Pump and Haul Lot customers shall not be calculated to pay the costs and expenses of the Pump & Haul Facilities. Until the Pump and Haul Lots are converted to permanent wastewater service, the money collected for the monthly wastewater charge shall be delivered to Owner (less a 6% administrative charge) to assist with the costs of operating the pump and haul system. Owner understands and agrees that it will not likely recoup the costs of pump and haul from users of the Pump & Haul Facilities, and that Owner is responsible for any deficiency in its operation. Owner will receive no impact fee credit or reimbursement for Pump & Haul Facilities or for the removal of any Pump & Haul Facilities.

f. Records. Owner shall make commercially reasonable efforts to cause the Provider to maintain complete records of the pump and haul service provided, and Owner shall maintain with City a copy of any reports required by applicable state and federal regulations, related to providing pump and haul services.

g. Transition of Services. City and Owner shall reasonably cooperate to smoothly transition wastewater service from Owner to City upon completion of the Package Plant or the System.

h. Enforcement Actions. In the event that the EPA or the TCEQ issues any form or order or penalty for violations of applicable law resulting from the pump and haul services provided under this Amendment, Owner shall be responsible for payment of said penalties within the time required under the order or applicable law.

i. Notice of Agreement and Pump and Haul Services. A memorandum of this Agreement (“Memorandum”) acceptable to City and Owner shall be recorded in the Official Public Records of Hays County, Texas that places prospective property owners on notice that wastewater service may be provided by pump and haul service. Owner shall further give notice to purchasers of lots within the Development that wastewater service will be provided by pump and haul until completion of the Package Plant or System improvements and shall cause homebuilders who purchase lots within the Development to give such notice to subsequent purchasers.

j. Pumping for Pump and haul activities may only be from a location approved by the City.

7. Section 3.2.e of the Original Agreement is deleted in its entirety and the following is substituted therefor:

e. Owner will be responsible for the cost of the designing, permitting, construction, and installation of the Package Plant and associated facilities (including necessary irrigation fields). If a leased package plant is utilized, Owner will be responsible for the cost of the lease/rental. After construction of the Onsite Facilities required for the Package Plant to be operated (including the necessary irrigation fields) and after construction of the Package Plant, the City shall operate (but not own) the Package Plant and its associated facilities. All Onsite Facilities associated with the Package Plant and easements shall be owned by Owner but and City will operate such facilities and be solely responsible for the cost, maintenance and repair of the Onsite Facilities (but in no event will the City be responsible for the lease payments or purchase price of the Package Plant); Notwithstanding any of the foregoing, Owner will be responsible for the cost of and maintenance of and repair of the irrigation fields. City will bill retail customers and retain all monies collected from retail customers to cover the costs of operating the Package Plant and its associated facilities; provided, however, if City ceases to operate the Package Plant, the successor operator will bill retail customers and retain all monies collected from retail customers to cover the costs of operating the Package Plant and its associated facilities.

8. The second sentence of section 3.3 of the Original Agreement is deleted in its entirety and the following is substituted therefor:

Except for facilities needed to utilize the Package Plant shall be removed at Owner’s sole expense in accordance with 30 Tex. Admin. Code § 222.163 requirements and as approved by the City. Except for the Package Plant itself,

which must be removed, to the extent that any of the facilities associated with the Package Plant (such as the irrigation fields or storage tanks) are used for beneficial reuse or are otherwise useful for the Development, such facilities may remain on the Land.

9. Phasing of Package Plant. This Amendment clarifies that notwithstanding anything in the Original Agreement to the contrary, the Package Plant may be built in phases consistent with its TCEQ Permit. As such, as long as construction of the Package Plant is phased in accordance with TCEQ guidelines and regulations, the City will issue building permits and certificates of occupancy for homes that will be connected to the constructed Package Plant in phases as well. To the extent the TCEQ permit so allows, and to the extent agreed upon between Owner and North DSP, Owner and North DSP may utilize the Package Plant for both the Land and for the land to be developed by North DSP (Gateway Village). To the extent that TCEQ authorizes the reduction in the number of gallons per day allocated to a LUE for the Package Plant, the City will allow an increase in available LUEs commiserate with such reduction provided the number of gallons per day does not exceed 100,000.
10. Warranty. Notwithstanding Section 4.4 of the Original Agreement, and in addition to the warranty specified in Section 4.4 of the Original Agreement, Owner agrees that Owner's Contractor will provide an additional 3-year warranty beyond the typical 2 year warranty (5 years total) for the 3 utility crossings only (the wastewater and Storm crossings along Village Grove Parkway).
11. Agreement between Owner and owner of Gateway Village. Nothing in the Original Agreement or this Amendment should be construed to address private arrangements as between Owner and the owner of Gateway Village.
12. Effect of Amendment. Except as specifically provided in this Amendment, the terms of the Original Agreement continue to govern the rights and obligations of the Parties, and the terms of the Original Agreement remain in full force and effect. If there is any conflict or inconsistency between this Amendment and the Original Agreement, this Amendment will control and modify the Original Agreement.
13. Ratification. By entering into this Amendment, the Parties hereby ratify the Original Agreement, and affirm and agree that it is in full force and effect, as amended. TM agrees to accept the rights and fulfill the obligations of DSP contained in the Original Agreement as they pertain to the 331 residential LUEs. TM and DSP, not the City, are responsible to allocate responsibilities for and obligations from the Original Agreement.
14. Counterparts. To facilitate execution, (a) this Amendment may be executed in any number of counterparts; (b) the signature pages taken from separate individually executed counterparts of this instrument may be combined to form multiple fully executed counterparts; and (c) a signature delivered by facsimile or in another electronic format (*e.g.*, DocuSign or .PDF via email) will be deemed to be an original signature for all purposes. All executed counterparts of this instrument will be deemed to be originals, and all such counterparts, when taken together, will constitute one and the same agreement.

\* \* \*

**IN WITNESS WHEREOF**, the Parties have executed this Amendment to be effective as of the date first written above.



**COUNTERPART SIGNATURE PAGE TO:**

**FIRST AMENDMENT  
TO WASTEWATER UTILITY SERVICE AND FEE AGREEMENT  
(VILLAGE GROVE)**

**CITY:**

**CITY OF DRIPPING SPRINGS, TEXAS**

By:\_\_\_\_\_

Name:\_\_\_\_\_

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

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

**COUNTERPART SIGNATURE PAGE TO:**

**FIRST AMENDMENT  
TO WASTEWATER UTILITY SERVICE AND FEE AGREEMENT  
(VILLAGE GROVE)**

**DSP:**

**DRIPPING SPRINGS PARTNERS, LP**

A Texas limited partnership

By its general partner:

DS Partners, LLC

a Texas limited liability company

By: \_\_\_\_\_

Name: Matthew Scrivener

Title: Manager

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

**COUNTERPART SIGNATURE PAGE TO:**

**FIRST AMENDMENT  
TO WASTEWATER UTILITY SERVICE AND FEE AGREEMENT  
(VILLAGE GROVE)**

**TAYLOR MORRISON OF TEXAS, INC.,**  
a Texas corporation

By:\_\_\_\_\_

Name:\_\_\_\_\_

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

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