

**NON-STANDARD RETAIL WATER SERVICE AGREEMENT
BETWEEN
DRIPPING SPRINGS WATER SUPPLY CORPORATION
AND
CYPRESS FORK RANCH, L.P.
FOR THE
FELLERS PROJECT**

This Non-Standard Retail Water Service Agreement (“Agreement”) is between Dripping Springs Water Supply Corporation (“Dripping Springs WSC”), a Texas nonprofit, member-owned water supply corporation operating under the authority of Texas Water Code chapter 67, and Cypress Fork Ranch, L.P. (“Developer”), a Texas limited partnership having its principal place of business at 1300 Creek Road, Dripping Springs, Texas 78620.

Background

- Dripping Springs WSC operates, maintains, and controls facilities that provide water service within its certificated service area under certificate of convenience and necessity (“CCN”) number 10315.
- Developer owns about 14.1 acres of land called Fellers and identified by Hays County Appraisal District property-identification number R136311 (“Property”), which is further described by the Property’s most recent survey in Exhibit B (attached and incorporated into this Agreement).
- The Property is located in Dripping Springs WSC’s certificated service area.
- Developer plans to develop the Property into 18 single-family, residential lots and wants Dripping Springs WSC to provide water service to the Property.
- Developer wants Dripping Springs WSC to connect the Property to Dripping Springs WSC’s existing Water System.

In consideration of the promises stated in this Agreement, the parties agree as follows:

The Agreement

1. Water service.

1.1 Retail water service. Dripping Springs WSC will provide up to 18 living-unit equivalents (“LUEs”) of retail water service to Developer for use within the Property.

1.2 Water-service and Project definitions.

(A) “LUE” means an amount of water service sufficient for 1 living-unit equivalent: an annual daily average of 864 gallons per day per connection served by 1 standard 5/8" × 3/4" meter.

(B) “Project” means all water transmission or distribution facilities, lines, mains, storage facilities, reservoirs, pump stations, connections, and other

components necessary to transmit water from the existing Water System to the Property and distribute water within the Property but does not include any facilities constructed on a customer's side of an individual meter located within the Property.

- (C) "Tariff" means the Tariff for Dripping Springs Water Supply Corp, as amended on May 22, 2023; February 19, 2024; and May 19, 2025, and as it may be further amended from time to time.
- (D) "Water System" means all water supply, treatment, transmission, or distribution facilities, lines, mains, reservoirs, pump stations, connections, and other components that compose Dripping Springs WSC's public water system, including all extensions, expansions, improvements, enlargements, betterments, and replacements of those facilities.

1.3 LUE reservation. Dripping Springs WSC will not reserve an LUE for Developer until Developer pays the first installment payment under § 2.5(A) for the Project or phase of the Project that includes the LUE. When Developer pays the first installment payment under § 2.5(A) for the Project or phase of the Project that includes the LUE, Dripping Springs WSC will reserve the LUE for Developer.

1.4 LUE-reservation termination. Until Dripping Springs WSC reserves an LUE for Developer under § 1.3, Dripping Springs WSC may terminate its agreement to provide that LUE to Developer without recourse and may sell or reserve the LUE to another person.

1.5 Developer's preservice requirements. Notwithstanding § 1.1 of this Agreement, Dripping Springs WSC has no obligation to provide water service to the Property until Developer:

- (A) obtains approval from the applicable governmental authority of a final plat for the Property and records that final plat in the Official Public Records of Hays County, Texas;
- (B) completes the design, construction, installation, inspection, and testing of the Project in accordance with the plans and specifications approved by Dripping Springs WSC and any other agency or entity with jurisdiction;
- (C) obtains Dripping Springs WSC's acceptance (which must not be unreasonably withheld or delayed) of the Project;
- (D) pays all required fees and charges to Dripping Springs WSC and reimburses Dripping Springs WSC for all applicable expenses and costs as required by this Agreement or the Tariff; and
- (E) complies with all other applicable requirements for water service under this Agreement and the Tariff.

1.6 Modification of total LUEs. Before Developer pays the first installment under § 2.5(A) for the Project or a phase of the Project, Developer may request and

Dripping Springs WSC's general manager may approve a modification to the number of LUEs under § 1.1, but this request must not exceed 18 LUEs for the Project.

- 1.7 **Water service nontransferable.** The water service that Dripping Springs WSC will provide under this Agreement applies to only the Property, and Developer must not assign or transfer the water service to any other property without Dripping Springs WSC's prior written consent.

2. **Charges to Developer.**

- 2.1 **Reservation fee.** Beginning with the first month after Developer pays the first installment payment under § 2.5(A), Developer will pay Dripping Springs WSC a monthly \$17.50 reservation fee (half of Dripping Springs WSC's current base rate for retail residential service) for each reserved LUE until the LUE is connected to Dripping Springs WSC's system. For example, in the first month after Developer pays the first installment payment under § 2.5(A), this would be the calculation: $\$17.50 \times 18 = \315 .
- 2.2 **Capital contribution fee.** In accordance with § 2.5's payment schedule and to compensate Dripping Springs WSC for its investment in the water supply, treatment, transmission, or distribution facilities that Developer will use, Developer will pay a capital contribution fee of \$8,614 per LUE.
- 2.3 **Membership fee.** When Developer pays the first installment payment under § 2.5(A), Developer will become a Dripping Springs WSC member and pay a \$100 membership fee.
- 2.4 **Hays Trinity Groundwater Conservation District ("HTGCD") fee.** In accordance with HTGCD's rules as they may be further amended from time to time, when Developer pays the second installment payment under § 2.5(B) for the Project or a phase of the Project, Developer will give Dripping Springs WSC a separate check payable to HTGCD for HTGCD's service connection fee of \$1,000 per LUE in the Project or phase of the Project, and Dripping Springs WSC will promptly give that check to HTGCD. For example, for a single-phase project or the first phase of a multi-phase project, this would be the calculation: $\$1,000$ (HTGCD's current service connection fee) \times 18 (LUEs in the Project or phase of the Project) = \$18,000.
- 2.5 **Payment schedule for capital contribution fee.** Developer will pay the capital contribution fee in 2 installments for the Project or each phase of the Project as applicable.
- (A) **First installment payment.** Within 48 hours after Developer records a plat for the Project or a phase of the Project in the Official Public Records of Hays County, Texas, Developer will pay Dripping Springs WSC a non-refundable first installment payment of 50% of the capital contribution fee for the Project or phase of the Project. For example, for a single-phase project or the first phase of a multi-phase project, this would be the calculation:

Step 1: 18 (platted LUEs) × \$8,614 (capital contribution fee) = \$155,052 (total capital contribution fee payment); and

Step 2: \$155,052 (Step 1 amount) × 50% = **\$77,526** (first installment payment).

(B) **Second installment payment.** After Dripping Springs WSC inspects and accepts the Project or a phase of the Project and before Developer dedicates the Project or phase of the Project to Dripping Springs WSC under § 4.15, Developer will pay Dripping Springs WSC a non-refundable second installment payment for the remainder of the capital contribution fee for the Project or phase of the Project. For example, for a single-phase project or the first phase of a multi-phase project, this would be the calculation: \$155,052 (total capital contribution fee payment) – \$77,526 (first installment payment) = **\$77,526** (second installment payment).

2.6 Modification of fees. Dripping Springs WSC may modify the fees in §§ 2.1–2.3 as appropriate to recover Dripping Springs WSC’s system costs in a just and reasonable manner. And HTGCD may modify its service connection fee described in § 2.4. If Drippings Springs WSC modifies the fees in §§ 2.1–2.3 or HTGCD modifies the service connection fee in § 2.4 before Developer makes a payment, Dripping Springs WSC will notify Developer of the modification, and Developer will make all future payments based on the modified fees. For example, if Dripping Springs WSC increased the capital contribution fee by \$500 per LUE after Developer paid the first installment payment but before Developer paid the second installment payment, this would be the calculation for the second installment payment:

Step 1: 18 (platted LUEs) × \$9,114 (capital contribution fee) = \$164,052 (total capital contribution fee payment); and

Step 2: \$164,052 (total capital contribution fee payment) – \$77,526 (first installment payment) = **\$86,526** (second installment payment).

3. Additional obligations of Developer.

3.1 Operations tract or well and operations tract. By indicating in the signature block below, Dripping Springs WSC may require Developer to provide Dripping Springs WSC with either an operations tract or a well and operations tract as follows:

(A) **Operations tract.** Dripping Springs WSC may require Developer to give Dripping Springs WSC an easement for an up to 15' × 15' tract of land within the Property for Dripping Springs WSC to build, operate, and maintain a remote-meter-reader antenna for the Project. Developer will pay Dripping Springs WSC for the cost to acquire the antenna and will ensure that this tract has:

(1) a fence with a gate surrounding the tract;

(2) 120-volt electric service stubbed out to the tract; and

- (3) antenna-mounting facilities inside the fence and constructed to the dimensions that Dripping Springs WSC determines are necessary for the antenna to function properly.
 - (B) **Well and operations tract.** Dripping Springs WSC may require Developer to convey to Dripping Springs WSC, by general warranty deed, a 0.5-acre tract of land within the Property for Dripping Springs WSC to build, operate, and maintain a remote-meter-reader antenna for the Project, 1 water well, and any other necessary appurtenances or improvements. Developer will pay Dripping Springs WSC for the cost to acquire the antenna and will ensure that this tract has:
 - (1) a driveway capable of providing all-weather access to the tract;
 - (2) a fence with a gate surrounding the tract;
 - (3) three-phase, 480-volt electric service stubbed out to the tract;
 - (4) telecommunication facilities stubbed out to the tract;
 - (5) antenna-mounting facilities inside the fence and constructed to the dimensions that Dripping Springs WSC determines are necessary for the antenna to function properly; and
 - (6) minimum setbacks of 375' from the Property's boundaries.
 - (C) **Access to operations tract or well and operations tract.** After Developer identifies the operations tract or well and operations tract, Dripping Springs WSC may access and use the operations tract or well and operations tract, but this access and usage must not interfere with Developer's other uses of the Property. Developer will provide Dripping Springs WSC with permanent access to the operations tract or well and operations tract by ingress-and-egress easement or other instrument approved by Dripping Springs WSC.
- 3.2 **Approved plat copies.** Developer will give Dripping Springs WSC 1 reproducible copy of the approved Property plat before recording the plat.
- 3.3 **Compliance with Tariff.** Developer will comply with the Tariff, and all rights accruing to Developer under this Agreement are subject to the Tariff.
- 3.4 **Private-water-well prohibition.** Developer will record deed restrictions that prohibit private water wells within the Property except water wells that Dripping Springs WSC builds or operates.
- 3.5 **Water conservation.** To maximize water conservation and in accordance with Tariff §§ F.11 and H, Developer will:
- (A) comply with Dripping Springs WSC's drought restrictions, including outdoor-water-use restrictions and Dripping Springs WSC's Drought Contingency Plan;

- (B) encourage the use of rainwater-collection systems, including by ensuring that any property-owners'-association rules allow for installation of rain-water-collection systems in accordance with Texas Property Code § 202.007;
- (C) ensure that locations within the Property that Dripping Springs WSC will provide water service to use permanent water conservation-oriented fixtures and devices;
- (D) design, construct, and install all landscaping and related facilities to comply with the City of Dripping Springs Residential and Commercial Landscape Ordinance in the form that was effective on the Effective Date except the provisions of the ordinance relating to removal or protection of existing trees if the Property is not located in the City of Dripping Springs's city limits or extraterritorial jurisdiction;
- (E) install only drought-tolerant native grasses, landscaping vegetation, and trees;
- (F) not install Saint Augustine grass at any time;
- (G) not irrigate new landscapes or turf grass during drought stage 4 or stage 5;
- (H) not request an irrigation variance during drought stage 4 or stage 5; and
- (I) not fill or refill a pool during drought stage 4 or stage 5 unless Developer sources the water outside of Dripping Springs WSC's certificated service area.

3.6 Water conservation applicable to purchasers. Developer will require each developer, contractor, builder, or other person who purchases a lot within the Property to comply with § 3.5's requirements.

4. Design, construction, installation, and maintenance of water facilities.

4.1 Project in Developer's name. Developer will design, construct, and install the Project and acquire all equipment, materials, and supplies in Developer's name.

4.2 Contract provision. In all design, construction, or installation contracts for the Project, Developer will include a provision that requires the contractor, supplier, or other party to look solely to Developer for payment under the contract and states that Dripping Springs WSC has no obligations to the party.

4.3 Soft costs. Within 30 calendar days after Dripping Springs WSC requests payment, Developer will pay Dripping Springs WSC for all soft costs incurred by Dripping Springs WSC and associated with the Project, including costs for:

- (A) reviewing, inspecting, and testing the Project;
- (B) acquiring, validating, and retaining waterline easements; and
- (C) administrative and professional expenses, including expenses for outside engineering and legal consultants.

- 4.4 **Project costs.** Developer will pay all design, construction, and installation costs for the Project, including all planning; design; surveying; geotechnical; materials; labor; inspection; testing; workers' compensation and general liability insurance; payment, performance, and maintenance bond coverage; capital; and easement-acquisition costs.
- 4.5 **Easements.** Developer will use reasonable efforts to acquire all necessary easements and provide the easements to Dripping Springs WSC.
- (A) **Cooperation.** The parties will work together to:
- (1) determine the most cost-effective route for the Project; and
 - (2) use public rights-of-way to the maximum degree possible.
- (B) **Routing.** Developer may determine the routes of all water easements in the Property subject to Dripping Springs WSC's engineer's and Dripping Springs WSC's general manager's final approval, which must not be unreasonably withheld or delayed.
- (C) **Eminent domain.** If necessary, Developer may request that Dripping Springs WSC obtain the easements by eminent domain, and Dripping Springs WSC may determine to exercise eminent-domain power in a manner it considers appropriate.
- 4.6 **Design, construction, and installation standards.**
- (A) **Compliance with standards and specifications.** The design, construction, and installation of the Project must meet the standards and specifications established by the Tariff, Dripping Springs WSC Waterline Construction Guidelines and Details, Texas Commission on Environmental Quality ("TCEQ"), Public Utility Commission of Texas ("PUC"), and any municipality, county, or other governmental entity with jurisdiction.
- (B) **Design documents.** Before beginning construction or installation of the Project, Developer will prepare the designs (including phases of construction), plans (including engineering plans), specifications, and other contract documents for the Project and will submit those documents to:
- (1) Dripping Springs WSC for its review and approval, which must not be unreasonably withheld or delayed; and
 - (2) any municipality, agency, or other governmental entity with jurisdiction for review and approval.
- (C) **Construction and installation standards.** Developer will construct and install the Project in a good and workmanlike manner, so that it is fit for its intended purpose, and using only new, not used, materials that are free from defects.
- 4.7 **Water-facility oversizing.** Dripping Springs WSC may require Developer to oversize any part of the Project in anticipation of the needs of other members.

- (A) **Oversizing notification.** Dripping Springs WSC will notify Developer in writing of any Project-oversizing requirement when Dripping Springs WSC reviews Developer's Project bid forms.
- (B) **Oversizing cost responsibility.** Dripping Springs WSC is responsible for any additional construction costs attributable to the oversizing, as reasonably determined by Dripping Springs WSC's engineer and Developer's engineer.
- (C) **Oversizing cost payment.** Within 30 calendar days after Developer notifies Dripping Springs WSC in writing that Developer incurred costs attributable to oversizing, Dripping Springs WSC will pay Developer for the oversizing costs.

4.8 Dead-end mains.

- (A) **Tanks.** Developer may install an adequately sized tank (as determined by Dripping Springs WSC's engineer) at or near each dead-end main within the Project to allow Dripping Springs WSC to capture the water that Dripping Springs WSC flushes from the hydrant at the dead-end main.
- (B) **Water usage.** If Developer installs a tank at or near each dead-end main within the Project under § 4.8(A), Developer or the Property's property-owners' association may use the water that Dripping Springs WSC captures in each dead-end tank at no additional cost and for any beneficial purpose, including irrigation or fire suppression.

4.9 Developer's insurance requirements.

- (A) **Workers' compensation insurance.** Developer will ensure that all non-Dripping Springs WSC workers constructing or installing the Project are covered by workers' compensation insurance in accordance with Texas law.
- (B) **General liability insurance.** Before beginning construction and installation of the Project and through the date that Dripping Springs WSC inspects and accepts the Project, Developer will maintain comprehensive general liability insurance insuring against the risks of bodily injury, property damage, and personal injury liability occurring from or arising out of construction or installation of the Project in the amount of a combined single limit of liability of at least \$500,000 and a general aggregate limit of at least \$1,000,000.
- (C) **Certificate of insurance.** Before beginning construction and installation of the Project, Developer will provide Dripping Springs WSC with a certificate of insurance evidencing the insurance required by § 4.9(B).

- 4.10 **Contractor warranty.** Before beginning construction and installation of the Project, Developer will require each of its contractors to remain responsible for material, construction, or installation defects that occur within a warranty period of 2 years after the date that Dripping Springs WSC accepts the Project or applicable phase of the Project.

- (A) **Dripping Springs WSC's responsibilities.** Within the warranty period, Dripping Springs WSC will notify Developer's contractor in writing upon Dripping Springs WSC's discovery of any Project defects and give Developer's contractor 30 calendar days to correct the defects or pay Dripping Springs WSC to correct the defects. But if delaying the correction of the defects would cause serious risk of loss or damage to Dripping Springs WSC or its members, Dripping Springs WSC may correct the defects itself and charge Developer's contractor for all expenses that Dripping Springs WSC incurs.
 - (B) **Developer's contractors' responsibilities.** Developer will require each of its contractors to correct any Project defects or pay Dripping Springs WSC to correct any defect that occurs within the warranty period within 30 calendar days of Dripping Springs WSC notifying Developer's contractor of the defects.
- 4.11 Bonds.** Before beginning construction and installation of the Project, Developer will post payment, performance, and maintenance bonds in forms acceptable to Dripping Springs WSC.
- (A) **Payment and performance bonds requirements.** Developer's payment and performance bonds must:
 - (1) be posted for 110% of the Project's construction and installation costs (as stated in the applicable construction contract);
 - (2) allow Dripping Springs WSC to use the bonds to complete or repair (as applicable) the Project if Developer or Developer's contractor defaults; and
 - (3) must be issued by an approved surety company holding a permit from the State of Texas, indicating that the surety company is authorized and admitted to write surety bonds in Texas.
 - (B) **Payment and performance bonds submission.** Within 10 calendar days after Developer notifies Dripping Springs WSC that Developer has awarded a construction contract for the Project, Developer will satisfy its payment and performance bonds requirement by either:
 - (1) submitting the payment and performance bonds to Dripping Springs WSC for its approval (which must not be unreasonably withheld or delayed) and designating Dripping Springs WSC as a beneficiary; or
 - (2) upon prior written approval from Dripping Springs WSC, assigning to Dripping Springs WSC the payment and performance bonds posted by the contractor for the Project.
 - (C) **Maintenance bond requirements.** Developer's maintenance bond must:
 - (1) have a 2-year term from the date that Developer dedicates the Project to Dripping Springs WSC under § 4.15; and

(2) be posted for 35% of the Project's final construction and installation costs.

(D) **Bond copies.** Developer will provide 1 original copy of the payment, performance, and maintenance bonds to Dripping Springs WSC and retain 1 original copy for itself or its contractor.

4.12 Construction notices.

(A) **Commencement notice.** Before beginning construction and installation of the Project, Developer will give Dripping Springs WSC at least 2 weeks of written notice of the start date, so that Developer and Dripping Springs WSC can schedule a pre-construction meeting.

(B) **Tap or connection notice.** Developer will give Dripping Springs WSC's engineer at least 48 hours of written notice before making any tap or connection into the Water System.

4.13 Dripping Springs WSC water-facility inspection. Dripping Springs WSC may inspect, test, and approve all phases of the Project construction for compliance with the approved designs, plans, and specifications and will inspect, test, and approve all taps or connections made to the Water System. Dripping Springs WSC's approval must not be unreasonably withheld or delayed.

4.14 Post-construction requirements. After completing construction of the Project or a phase of the Project, Developer will promptly complete the following requirements.

(A) **Water-facility drawings.** Developer will give Dripping Springs WSC 1 reproducible copy of the Project's or phase of the Project's as-built or record drawings.

(B) **Bacteriological samples and pressure tests.** In accordance with TCEQ regulations, Developer will:

(1) obtain bacteriological samples and perform pressure tests for the Project or phase of the Project in the presence of Dripping Spring WSC's general manager or another representative;

(2) have an experienced water-sampling contractor perform the bacteriological sampling and test the bacteriological samples at a TCEQ-accredited laboratory;

(3) promptly give Dripping Springs WSC the pressure-test results after completing the pressure tests; and

(4) promptly give Dripping Springs WSC the bacteriological-testing results after the contractor completes the bacteriological tests.

(C) **Concurrence letter.** Developer will give Dripping Springs WSC a concurrence letter from Developer's engineer certifying that:

- (1) the construction of the Project or phase of the Project has been completed in accordance with the designs, plans, specifications, and change orders approved by Dripping Springs WSC;
- (2) the facilities have been tested and approved for use in accordance with the approved contract documents, the Tariff, the Dripping Springs WSC Waterline Construction Guidelines and Details, and TCEQ regulations; and
- (3) the facilities are properly located within rights-of-way or legal easements.

4.15 Water-facility dedication to Dripping Springs WSC. Within 30 calendar days after the date that Dripping Springs WSC inspects and accepts the Project or a phase of the Project, Developer will dedicate the Project or phase of the Project (including all easements necessary to access, operate, maintain, and repair the Project) to Dripping Springs WSC clear of all liens and other encumbrances through a document that:

- (A) is in a form approved by Dripping Springs WSC's attorney;
- (B) includes a representation by Developer that the Project or phase of the Project has been constructed within rights-of-way or within legal easements that are at least 15' wide and dedicated to Dripping Springs WSC; and
- (C) binds Developer and its successors and assigns to warrant and defend the title to the Project or phase of the Project, including against any claims that the Project or phase of the Project was constructed illegally or outside of proper rights-of-way or easements.

4.16 Post-dedication responsibility. Except as provided by § 4.10, Dripping Springs WSC will be solely responsible for operating, maintaining, and administering the Project or a phase of the Project upon Dripping Springs WSC inspecting and accepting the Project or phase of the Project and Developer dedicating the Project or phase of the Project to Dripping Springs WSC.

4.17 Water-meter installation. Dripping Springs WSC will install water meters to service each approved service address within the Property receiving water service from Dripping Springs WSC in accordance with the Tariff and § 5.

5. Water service application, charges and fees, and payment. To receive water service from Dripping Springs WSC, individual property owners within the Property must apply for service and meet all terms and conditions of service and membership in accordance with the Tariff, including being a Dripping Springs WSC member and retail customer and paying the applicable meter and installation fee, membership fee, and customer service inspection fee.

6. Regulatory permits and approvals.

6.1 Developer responsibility. Developer is responsible for obtaining any permits and approvals required by a regulatory agency for construction, installation, or operation

of the Project, including permits and approval issued by TCEQ, the United States Environmental Protection Agency, the United States Fish and Wildlife Services, or the United States Army Corps of Engineers.

- 6.2 Cooperation.** Developer and Dripping Springs WSC will cooperate fully in all applications for any permits and approvals required by regulatory agencies for the construction, installation, or operation of the Project.
- 6.3 Costs.** Developer will:
- (A) obtain any permits and approvals required by regulatory agencies for the construction, installation, or operation of the Project at no cost to Dripping Springs WSC;
 - (B) pay Dripping Springs WSC in advance for the reasonable expenses that Dripping Springs WSC expects to incur under § 6.2; and
 - (C) settle the expected expenses that Developer paid to Dripping Springs WSC under § 6.3(B) with the actual expenses incurred by Dripping Springs WSC.
- 6.4 Failure to obtain permits and approvals.** Dripping Springs WSC is not responsible for any default or failure under this Agreement caused by Developer's failure to obtain in a timely manner any permits and approvals required by regulatory agencies for the construction, installation, or operation of the Project.
- 6.5 Enforcement matters.** Developer is not responsible for any costs pertaining to any regulatory-enforcement matters against Dripping Springs WSC that impact water delivery to the Property.

7. Disclaimers, representations, and warranties.

7.1 Dripping Springs WSC's disclaimers.

- (A) **No fire-flow guarantee.** Dripping Springs WSC's system is designed to provide fire flow, but Dripping Springs WSC does not guarantee fire flow of any kind.
- (B) **No responsibility for development.** Notwithstanding § 3.5, Dripping Springs WSC is not responsible for the development of the Property.
- (C) **No responsibility for non-water-service facilities.** Dripping Springs WSC is not responsible for designing, constructing, installing, owning, operating, or maintaining any wastewater, drainage, or other non-water-service facilities.
- (D) **No responsibility for damage to landscaping and improvements in easements.** Dripping Springs WSC is not responsible for any damage to landscaping or improvements located in easements that occurs due to damage to, failures of, or repairs to the Project or Water System.

7.2 Developer's representations and warranties. Developer represents and warrants that:

- (A) Developer is a Texas limited partnership qualified to conduct business in Texas;
- (B) the signatory for Developer is signing on behalf of Developer and has full authority to bind Developer;
- (C) Developer has not created or permitted any third person to create any liens or other encumbrances, leases, options, claims, or other adverse rights, claims, or interests regarding the Project that would impair Developer's ability to transfer good and warrantable title in the Project to Dripping Springs WSC;
- (D) Developer or its successor or assignee will be the true and lawful owner of the Project to be conveyed to Dripping Springs WSC, and no other third person will possess a legal or equitable right or interest, lien or other encumbrance, or other present or contingent adverse claim in or to the Project that would impair Developer's ability to transfer good and warrantable title in the Project to Dripping Springs WSC clear of any third-party interests, rights, encumbrances, or claims;
- (E) dedicating the Project to Dripping Springs WSC under § 4.15 will not violate any agreement to which Developer is a party or the United States Constitution, the Texas Constitution, or any federal, state, or local law, ordinance, or regulation;
- (F) signing this Agreement and completing its provisions will not constitute an event of default under any agreement binding on Developer; and
- (G) Developer has not previously entered into any agreement or caused or authorized any action that would impair Dripping Springs WSC's ownership or use of the Project or its value upon its dedication to Dripping Springs WSC under § 4.15.

7.3 Dripping Springs WSC's representations and warranties. Dripping Springs WSC represents and warrants that:

- (A) Dripping Springs WSC duly and validly signed and delivered this Agreement;
- (B) this Agreement is a legal, valid, and binding agreement of Dripping Springs WSC enforceable against it in accordance with the Agreement's terms;
- (C) the signatory for Dripping Springs WSC is signing on behalf of Dripping Springs WSC and has full authority to bind Dripping Springs WSC;
- (D) Dripping Springs WSC has taken all actions required by applicable laws and its constituent documents to carry out this Agreement;
- (E) Dripping Springs WSC has the financial ability to complete this Agreement's provisions;

- (F) Dripping Springs WSC possesses a water CCN that either includes the Property or will be amended to include the Property; and
- (G) Dripping Springs WSC is not subject to any order or enforcement action from the TCEQ or PUC prohibiting it from providing retail water service to the Property in the quantities specified in this Agreement.

8. Agreement term and termination.

- 8.1 Effective Date.** This Agreement is effective on the date when both parties have signed it, as indicated by the last date in the signature blocks below.
- 8.2 Term.** The term of this Agreement begins on the Effective Date and continues after that time unless it is terminated under this Agreement.
- 8.3 Developer's deadlines.** If Developer does not meet the following deadlines, Dripping Springs WSC may terminate or renegotiate the Agreement.
 - (A) **Agreement signing.** Developer will sign this Agreement within 45 calendar days after Dripping Springs WSC signs and delivers the Agreement to Developer.
 - (B) **Project commencement.** Developer will begin substantial construction of the Project within 1 year after the later of the Effective Date or the date that Developer receives final land-use approval for the Property from all applicable governmental authorities.
 - (C) **Meter connection.** Developer will connect the first Project meter within 3 years after the Effective Date.
 - (D) **Project completion.** Developer will complete the Project within 5 years after the Effective Date.
- 8.4 Termination responsibilities.** If Dripping Springs WSC terminates this Agreement under § 8.3:
 - (A) Developer is responsible for all liability, costs, and damages incurred by Dripping Springs WSC under this Agreement and will reimburse Dripping Springs WSC for all costs and expenses incurred by Dripping Springs WSC under this Agreement;
 - (B) Dripping Springs WSC is not responsible for any liability, costs, or damages incurred by Developer under this Agreement and will not reimburse Developer for any costs or expenses incurred by Developer under this Agreement;
 - (C) Developer will not continue constructing or installing the Project; and
 - (D) if Developer wants to continue constructing and installing the Project, Developer will enter into a new agreement with Dripping Springs WSC establishing the terms and conditions under which Dripping Springs WSC will provide water service to the Property.

9. **Default.**

9.1 **Notice and opportunity to cure.** If a party defaults on the payment of an amount due or the performance of a material obligation under this Agreement, the other party may temporarily limit its performance under this Agreement until the defaulting party cures its default. Before temporarily limiting its performance, the non-defaulting party must give the defaulting party 90 calendar days of written notice and opportunity to cure the default.

9.2 **Failure to cure within 90 calendar days.** If the defaulting party fails to cure the default within § 9.1's 90-calendar-day period, then the non-defaulting party may permanently limit its performance under this Agreement to a level commensurate with the financial or operational impact of the default on the non-defaulting party after an additional:

(A) 15 calendar days if the default is on the payment of an amount due; or

(B) 30 calendar days if the default is on the performance of a material obligation.

9.3 **Dripping Springs WSC's limitation of performance.** Notwithstanding § 9.2, if Developer defaults under § 9.1 and fails to cure the default within § 9.1's 90-calendar-day period, Dripping Springs WSC may stop making new retail connections to individual property owners within the Property and terminate its obligation to provide water service to all areas within the Property other than to individual property owners receiving water service at that time after giving Developer an additional 30 calendar days of written notice that Dripping Springs WSC intends to do so.

9.4 **Default remedies.** This Agreement does not specify an exclusive remedy for any default, but the non-defaulting party may avail itself of the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies (except termination of this Agreement) because money damages alone cannot adequately compensate the non-defaulting party for the defaulting party's failure to perform a material obligation under this Agreement.

10. **Force majeure.** Neither party will be liable to the other for failure or delay in performing its obligations under this Agreement to the extent that failure or delay is due to a contingency beyond the affected party's reasonable control, including war, fire, flood, strike, labor trouble, breakdown of equipment or machinery, failure of manufacturing processes, shortage of raw materials, accident, riot, act of court having jurisdiction, act or request of government authority, reasons relating to health or safety of employees or the general public or to environmental protection, or act of God. The causes of failure or delay must be remedied by the affected party to the extent reasonably possible without undue delay, and performance must be resumed at the earliest practical time after cessation of the failure or delay. But neither party will be required to settle a labor dispute against its own best judgment. If any event specified in this § 10 occurs, the affected party must promptly notify the other party of the event and potential duration of the interruption.

11. **INDEMNITY.** Except for liabilities attributable to the other party's negligence or willful misconduct, each party will indemnify and defend the other party from all

liabilities (including reasonable attorneys' fees) arising from or in connection with this Agreement, including liabilities associated with:

- **a breach of this Agreement;**
- **delays completing the Project construction;**
- **water pressure or adequacy of service of the Project;**
- **noncompliance with any applicable laws, regulations, or ordinances; or**
- **a failure to obtain any required permits or approvals.**

12. General provisions.

- 12.1 Entire agreement.** This Agreement represents the entire agreement between the parties. It cannot be changed except by written agreement signed by the parties.
- 12.2 No assignment.** Neither party may assign this Agreement without the other party's prior written consent, which must not be unreasonably withheld or delayed. A party's entering into contracts with subcontractors is not considered an assignment. Dripping Springs WSC's general manager may consent on behalf of Dripping Springs WSC to Developer's assignment of this Agreement. Developer will promptly notify Dripping Springs WSC of an assignment of this Agreement using the notice of assignment in Exhibit A (attached and incorporated into this Agreement).
- 12.3 No waiver.** If either party fails to require the other to perform any provision of this Agreement, that failure does not prevent the party from later enforcing that provision. If either party waives the other's breach of a provision that waiver is not treated as waiving a later breach of the provision.
- 12.4 Indemnity survival.** Section 11 of this Agreement survives the termination of this Agreement.
- 12.5 Successors and representatives.** This Agreement binds and inures to the benefit of the parties and their heirs, personal representatives, successors, and (where permitted) assignees.
- 12.6 Further actions.** The parties will take all further actions that are reasonably required to fulfill their respective obligations and agreements under this Agreement and to ensure the binding effect of this Agreement.
- 12.7 Severability.** If a court having jurisdiction rules that any provision of this Agreement is invalid or otherwise unenforceable, the parties want the court to interpret this Agreement as follows:
- (A) by modifying the provision to the minimum degree necessary to make it enforceable or, if that modification is not allowed by law, by disregarding the provision;
 - (B) by giving effect to the rest of this Agreement; and

- (C) by holding the entire Agreement unenforceable if modifying or disregarding the unenforceable provision would destroy an essential purpose of this Agreement.
- 12.8 **“Including.”** Unless the context requires otherwise, the word “including” means “including but not limited to.”
- 12.9 **Headings.** Headings are for convenience only and do not affect the interpretation of this Agreement.
- 12.10 **Exhibits.** The exhibits attached to this Agreement are an inherent part of it.
- 12.11 **Governing law.** Texas law applies to all matters arising under or relating to this Agreement without regard to any choice-of-law rules that might direct the application of another jurisdiction’s laws.
- 12.12 **Venue.** Venue for all matters relating to this Agreement is Hays County, Texas, unless Texas law requires mandatory venue in another county.
- 12.13 **Counterparts.** This Agreement may be signed in counterparts, each one of which is considered an original, but all of which constitute a single instrument.
- 12.14 **Notices.** All notices and other communications required or permitted under this Agreement must be in writing and must be sent or emailed to the party at that party’s address set forth below or at whatever other address the party specifies in writing.

Glossary of Definitions

Definition:	Meaning:	Location:
Agreement	This Non-Standard Retail Water Service Agreement	Preamble
CCN	Certificate of convenience and necessity	Background
Dripping Springs WSC	Dripping Springs Water Supply Corporation	Preamble
HTGCD	Hays Trinity Groundwater Conservation District	§ 2.4
Including	Including but not limited to	§ 12.8
LUE	An amount of water service sufficient for 1 living-unit equivalent: an annual daily average of 864 gallons per day per connection served by 1 standard 5/8" x 3/4" meter	§ 1.2(A)
Project	All water transmission or distribution facilities, lines, mains, storage facilities, reservoirs, pump stations, connections, and any other components necessary to transmit water from the existing Water System to the Property and distribute water within the Property but does not include any facilities constructed on the customer's side of all individual meters located within the Property	§ 1.2(B)
Property	About 14.1 acres of land called Fellers and identified by Hays County Appraisal District property-identification number R136311	Background
PUC	Public Utility Commission of Texas	§ 4.6(A)
Developer	Cypress Fork Ranch, L.P.	Preamble
Tariff	The Tariff for Dripping Springs Water Supply Corp, as amended on May 22, 2023; February 19, 2024; and May 19, 2025, and as it may be further amended from time to time	§ 1.2(C)
TCEQ	Texas Commission on Environmental Quality	§ 4.6(A)
Water System	All water supply, treatment, transmission, and distribution facilities, lines, mains, reservoirs, pump stations, connections, and any other components that compose Dripping Springs WSC's public water system, together with all extensions, expansions, improvements, enlargements, betterments, and replacements of those facilities	§ 1.2(D)

[Signature pages follow.]

Signatures

DRIPPING SPRINGS WATER SUPPLY CORPORATION

By: Charles B. Busby

Print Name: CHARLES B. BUSBY

Title: BOARD PRESIDENT

Date: DECEMBER 1, 2025

Print Dripping Springs WSC's mailing and email addresses for notices:

101 Hays Street

Suite 416

Dripping Springs, Texas 78620

Attention: General Manager

RickB@drippingspringswater.com

PRINT ADDITIONAL REQUIREMENT IN ACCORDANCE WITH § 3.1:

Operations tract or well and operations tract (§ 3.1): Not required.

Exhibit A: Notice of Assignment

[DATE]

Dripping Springs Water Supply Corporation
Attention: General Manager
101 Hays Street, Suite 416
Dripping Springs, Texas 78620

Re: Notice of Assignment of Fellers NSA

Dear General Manager:

We hereby notify you that, following receipt of your consent, an assignment was made on [DATE] by Cypress Fork Ranch, L.P. to us of the Non-Standard Retail Water Service Agreement, dated as of [DATE] between Cypress Fork Ranch, L.P. and Dripping Springs Water Supply Corporation (“Agreement”). As of the assignment’s effective date, we have assumed all of Cypress Fork Ranch, L.P.’s rights and obligations under the Agreement.

[ASSIGNEE] is a [STATE OF ORGANIZATION] [ENTITY TYPE], with offices located at [ADDRESS]. In accordance with Agreement § 12.14, all notices and other communications required or permitted under the Agreement should be sent to:

Contact Name: _____
Mailing Address: _____
Email Address: _____
Phone Number: _____

In the future, you should deal with us about all matters relating to the Agreement. All invoices, questions, and correspondence relating to the Agreement should be sent to us at the contact information listed above. The Agreement will continue on its existing terms in all other respects.

We have attached a copy of the assignment agreement with this notice. If you have any questions about the assignment, please contact [NAME/RELEVANT DEPARTMENT] at [PHONE NUMBER] or at [EMAIL ADDRESS].

Sincerely,

[ASSIGNEE]

By: _____
Name: _____
Title _____

Exhibit B: Property Survey



LINE	BEARING	DISTANCE
L1	S11°37'23"W	10.06'
L2	S07°07'03"E	10.92'

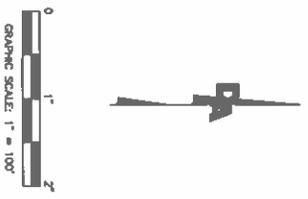
BENJAMIN F. HANNA SURVEY NO. 428
 ABSTRACT NO. 222
 CYPRESS FORK RANCH, L.P.
 CALLED 111.181 ACRES
 DOC. NO. 11011538
 O.P.R.H.C.T.



14.06 ACRES OUT OF THE BENJAMIN F. HANNA SURVEY NUMBER 428, ABSTRACT NUMBER 222, AND BEING A PORTION OF A CALLED 111.181 ACRE TRACT DESCRIBED IN A DEED TO CYPRESS FORK RANCH, L.P., RECORDED IN DOCUMENT NUMBER 11011538, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS.

LEGEND

—	PROPERTY LINE/ABSTRACT BOUNDARY
- - -	ADJACENT PROPERTY LINE
- · - · -	CRITICAL LINE (SEE NOTE)
○	1/2" IRON ROD FOUND
○	1/2" IRON ROD WITH "TODAY'S" CAP SET
○	POINT OF BEGINNING
○	POINT OF COMMENCEMENT
○	WELL
○	VALVE
○	POST-OFF-ICE
○	ORIGINAL NAIL PLUGS, 1/2" DIA. (SEE NOTE)



CONTROL NOTE:
 THIS SURVEY IS THE TEXAS COGNITIVE SYSTEM SOUTH CENTRAL ZONE BASED ON BEARING IS THE TEXAS COGNITIVE SYSTEM SOUTH CENTRAL ZONE. THE SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A COMMENT FROM THE TITLE AND MAY BE SUBJECT TO ADDITIONAL ADJUSTMENTS FOR THE PURPOSES OF THIS SURVEY. THE SURVEY WAS CONDUCTED ON 2/20/23. A SEPARATE METS AND BOUNDS DISCREPANCY IS PROVIDED WITH THIS SURVEY.

FLOODPLAIN NOTE:
 THIS SURVEY IS LOCATED WITHIN FLOODPLAIN ZONE 1 (AREA OF IMMEDIATE FLOOD HAZARD), AS SHOWN ON FIRM 15010 (FLOOD INSURANCE RATE MAP), TEXAS COUNTY, TEXAS EFFECTIVE FEBRUARY 18, 1980 AND REVISED SEPTEMBER 2, 2003. THIS FLOOD STATEMENT DOES NOT MEAN THAT THE PROPERTY AND/OR THE FLOOD STATEMENT SHALL NOT OBTAIN LIABILITY ON THE PART OF THE SURVEYOR.

SURVEYOR'S CERTIFICATION:
 I, HENRY GENTRY, A SURVEYOR OF THE PROPERTY SHOWN HEREON WAS SHOWN ON THE SURVEY. THIS SURVEY WAS MADE SUBSTANTIALLY IN ACCORDANCE WITH THE STANDARDS AND CONDITIONS SET FORTH BY THE TEXAS SOCIETY OF PROFESSIONAL SURVEYORS AND THE STANDARDS AND SPECIFICATIONS FOR A CONTRACT SURVEYOR AND THE STANDARDS AND SPECIFICATIONS FOR A CONTRACT SURVEYOR.

1201/2023
 HENRY GENTRY, SURVEYOR
 TEXAS REGISTRATION NO. 0622
 LICENSE EXPIRES 12/31/2024



DOUCET
 A Kleinfielder Company
 CMB Engineering // Earthworks // Geospatial
 7401 S. Highway 71 W. Ste. 140
 Austin, TX 78735, Tel: (512)-583-2400
 www.doucetengineering.com
 189233 Firm Number: 597
 Survey Date: 10/17/2023

**DRIPPING SPRINGS WATER SUPPLY CORPORATION'S
WAIVER OF DEADLINE ENFORCEMENT AND CONSENT TO TRANSFER THE
NON-STANDARD RETAIL WATER SERVICE AGREEMENT
FOR THE
FELLERS PROJECT**

Background

- On November 17, 2025, Dripping Springs Water Supply Corporation (“Dripping Springs WSC”) approved a Non-Standard Retail Water Service Agreement (“Agreement”) between Dripping Springs WSC and Cypress Fork Ranch, L.P. (“Developer”), a Texas limited partnership having its principal place of business at 1300 Creek Road, Dripping Springs, Texas 78620, for the Fellers Project.
- Agreement § 12.2 prohibits Developer from assigning the Agreement without Dripping Springs WSC’s prior written consent.
- Agreement § 8.3(C) allows Dripping Springs WSC to terminate or renegotiate the Agreement if Developer does not connect the first Fellers Project meter within 3 years after the Agreement’s Effective Date.
- Developer plans to sell the Property that is subject to the Agreement to Tri Pointe Homes Texas, Inc. (“Tri Pointe”), a Texas for-profit corporation having its principal place of business at 3161 Michelson Drive, Suite 1500, Irvine, California 92612.
- Developer requested that Dripping Springs WSC consent to Developer’s assignment or transfer of the Agreement to Tri Pointe or a subsidiary, parent company, or affiliate of Tri Pointe.
- Developer and Tri Pointe stated that the time required to complete the City of Dripping Springs’s planning-and-development process will prevent Developer and Tri Pointe from meeting the deadline in Agreement § 8.3(C).

Consent

Dripping Springs WSC hereby consents to Developer assigning or transferring the Agreement to Tri Pointe or a subsidiary, parent company, or affiliate of Tri Pointe.

Waiver

Dripping Springs WSC hereby waives its rights to terminate or renegotiate the Agreement under Agreement § 8.3(C) if Developer or Tri Pointe connects the first Fellers Project meter within 4 years after the Agreement’s Effective Date.

Signature

DRIPPING SPRINGS WATER SUPPLY CORPORATION

By: Charlie Busbey

Print Name: CHARLIE BUSBEY

Title: BOARD PRESIDENT

Date: DECEMBER 1, 2025