

**MUNICIPAL SERVICES AGREEMENT BETWEEN THE
CITY OF DRIPPING SPRINGS, TEXAS AND
CYPRESS FORK RANCH, L.P. (FELLERS RESIDENTIAL PROJECT)**

This Municipal Services Agreement (“Agreement”) is entered into on ____ day of _____ 2026, by and between the City of Dripping Springs, Texas, a General Rule municipality of the State of Texas, (“City”) and CYPRESS FORK RANCH, L.P. (“Owner”).

RECITALS

The parties agree that the following recitals are true and correct and form the basis upon which the parties have entered into this Agreement.

WHEREAS, Owner owns certain parcels of land situated in Hays County, Texas, which consists of approximately 14.06 acres of land situated in the A0222 Benjamin Hanna Survey, in the City’s extraterritorial jurisdiction, such property being more particularly described and set forth in **Exhibit “A”** attached and incorporated herein by reference (“Property”);

WHEREAS, City and Owner desire to set out the City services and Owner duties to be provided for the Property on or after the effective date of annexation; and

WHEREAS, Sections 43.0671 and 43.0672 of the Texas Local Government Code authorizes the City and the Owner to enter into an Agreement for annexation and provision of city services.

NOW THEREFORE, in exchange for the mutual covenants, conditions, and promises contained herein, City and Owner agree as follows:

- 1. PROPERTY.** This Agreement is only applicable to the Property, more specifically described in **Exhibit “A”**.
- 2. INTENT.** It is the intent of the City that this Agreement provide for the delivery of full, available municipal services to the Property in accordance with state law, which may be accomplished through any means permitted by law.
- 3. MUNICIPAL SERVICES.** Commencing on the effective date of annexation, the City will provide the municipal services set forth below. As used in this Agreement, “providing services” includes having services provided by any method or means by which the City may extend municipal services to any other area of the City.

The City of Dripping Springs hereby declares the following services to be made available to the property and its owner(s):

a. POLICE PROTECTION

The City does not provide municipal police protection but works with Hays County for

protection through the Hays County Sheriff's Office and Hays County Constable's Office for our precinct.

b. FIRE SERVICE

The City does not provide municipal fire services, but this area is served by the North Hays County Fire/Rescue—Emergency Services District # 6. Fire prevention activities will be provided by the Hays County Fire Marshal's Office.

c. BUILDING INSPECTION/CODE ENFORCEMENT SERVICES

The City will provide Building and Code Enforcement Services upon annexation. This includes issuing building, electrical, mechanical, and plumbing permits for any new construction and remodeling, and enforcing all other applicable codes which regulate building construction within the City of Dripping Springs.

d. LIBRARIES

The City does not own a municipal library. A community library is provided by the Dripping Springs Community Library.

e. ENVIRONMENTAL HEALTH AND HEALTH CODE ENFORCEMENT SERVICES

The City has a septic system/on-site sewage facility ordinance. Complaints of ordinance or regulation violations within this area will be answered and investigated by City personnel, beginning with the effective date of the annexation ordinance. Septic permitting services, where applicable, is also provided by the City.

f. PLANNING AND ZONING

The planning and zoning jurisdiction of the City will be extended to this area on the effective date of the annexation ordinance.

g. PARKS AND RECREATION

All services and amenities associated with the City's Parks and Recreation activities will extend to this area on the effective date of the annexation ordinance.

h. STREET AND DRAINAGE MAINTENANCE

The City will provide street and drainage maintenance to public streets in the area in accordance with standard City Policy as the area develops.

i. STREET LIGHTING

The City provides street lighting to public streets in the area in accordance with standard City Policy as the area develops.

j. TRAFFIC ENGINEERING

The City will provide, as appropriate, street names signs, traffic control devices, and other traffic system design improvements to the area for any public roads.

k. SANITATION/SOLID WASTE COLLECTION AND DISPOSAL

The City does not directly provide municipal sanitation/solid waste collection and disposal services. However, the City has granted an exclusive franchise for these services to a company, which will be notified of all newly-annexed parcels. Access to information related to solid waste service can be found on the city's website.

l. WATER SERVICE

The City is a water provider however, the City will not be the water provider for this property. Dripping Springs Water Supply Corporation is the water provider for this area.

m. SEWER SERVICE

The City municipal sewage collection treatment and disposal system is limited in geographic scope and ability to serve. However, per the Agreement referenced in **Exhibit "B"**, the City will reserve 80 LUEs of capacity in the Wastewater Collection System for Owner for up to eight (8) years, with the term beginning after notification from the City that the TPDES WWTP permitted under WQ0014488003 is operational. Refer to agreement (**Exhibit "B"**) for further details. A wastewater utilities agreement must be negotiated and approved prior to sewage service being available.

n. MISCELLANEOUS

All other applicable municipal services will be provided to the area in accordance with policies established by the City of Dripping Springs.

4. ANNEXED PROPERTY REQUIREMENTS.

a. LIGHTING

The Property Owner agrees to bring the property into compliance with City's adopted regulations for outdoor lighting within one year after completion of the annexation process.

b. ZONING

The property shall be zoned Agriculture upon annexation unless zoning occurs concurrently with annexation process. If zoning does not occur concurrently, the Property Owner shall request rezoning to occur on or before the 120th day after annexation as required by City Ordinance.

5. AUTHORITY. City and Owner represent that they have full power, authority, and legal right to execute, deliver and perform their obligations pursuant to this Agreement.

6. SEVERABILITY. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable

7. INTERPRETATION. The parties to this Agreement covenant and agree that in any litigation relating to this Agreement, the terms and conditions of the Agreement will be interpreted

according to the laws of the State of Texas. The parties acknowledge that they are of equal bargaining power and that each of them was represented by legal counsel in the negotiation and drafting of this Agreement.

- 8. GOVERNING LAW AND VENUE.** This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Travis County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Travis County, Texas.
- 9. NO WAIVER.** The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.
- 10. GOVERNMENTAL POWERS.** It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities.
- 11. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
- 12. CAPTIONS.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
- 13. AGREEMENT BINDS SUCCESSORS AND RUNS WITH THE LAND.** This Agreement is binding on and inures to the benefit of the parties, their successors, and assigns. The term of this Agreement constitutes covenants running with the land comprising the Property and is binding on the Owner.
- 14. ENTIRE AGREEMENT.** It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Executed as of the day and year first above written to be effective on the effective date of annexation of the Property.

[Signature page follows.]

CITY OF DRIPPING SPRINGS:

Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary

CYPRESS FORK RANCH, L.P. (Doyle M. and Claireen Fellers)

Signature

Printed Name

Title

STATE OF TEXAS §

§

COUNTY OF HAYS §

§

This instrument was acknowledged before me on the ____ day of _____, 2022
by, _____ [Name and title of individual signing] of on behalf of said
_____ [insert name of company or individual if applicable].

Notary Public, State of Texas

Exhibit "A"

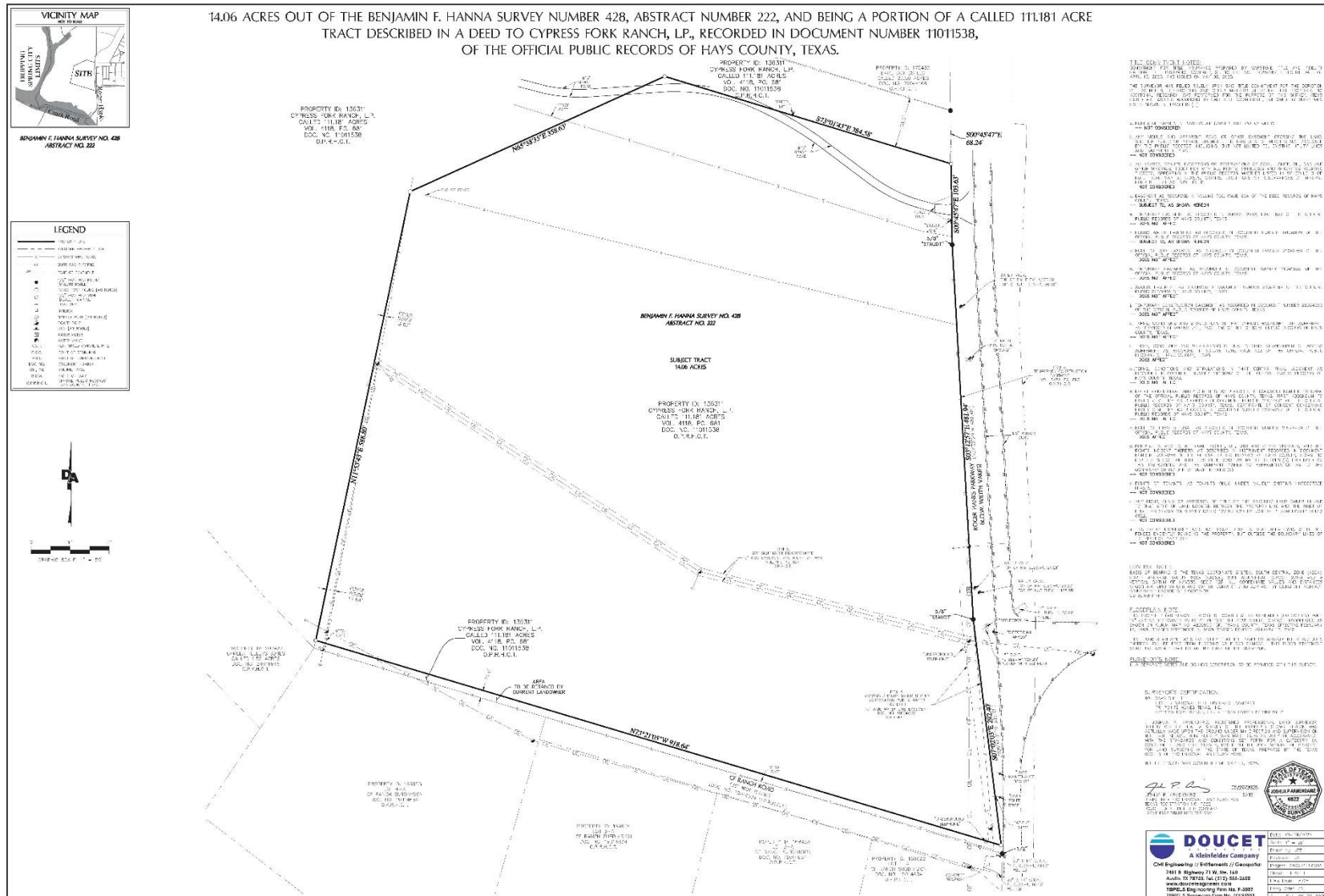


EXHIBIT B

Agreement with Fellers related to LUEs

EXHIBIT B

Capacity Reservation

WHEREAS, Owner has agreed to grant to City a Wastewater Easement, as further detailed in this Agreement; and

WHEREAS, City, as further consideration for that Wastewater Easement being granted by Owner, has agreed to reserve capacity in its wastewater collection system as set forth in this Agreement; and

WHEREAS, the parties desire to enter into this Agreement to set forth in writing their respective rights, duties, and obligations;

A. Definitions.

“City” means the City of Dripping Springs, an incorporated Type A, general law municipality located in Hays County, Texas.

“Land” means that certain approximately 54.0822-acre tract of land in Hays County, Texas, with the legal description of the tracts of land as described in Document No. 2012-12008148 recorded 3/30/2012, and Document No. 20058437 recorded 12/16/2020, save and except the property sold in Document No. 20044978 recorded 10/6/2020, and save and except the property conveyed in Document No. 22008563 recorded 2/22/2022, Official Public Records of Hays County, Texas.

“LUE” means Living Unit Equivalent of sewer usage, as established from time to time by City Ordinance.

“Owner” means Cypress Fork Ranch, L.P., a Texas limited partnership.

B. City’s Obligations

1. **Reserve Capacity.** City will reserve 80 LUEs of capacity in the Wastewater Collection System for Owner for up to eight (8) years, with the term beginning after notification from the City that the TPDES WWTP permitted under WQ0014488003 is operational. City will not charge any reservation fees to reserve this capacity. If the Land is fully platted within this eight-year-period and all 80 LUEs are not utilized, all remaining reserved LUEs are terminated.

C. Owners’ Obligations

1. Prior to obtaining wastewater service, Owner must negotiate and execute a Wastewater Utility Agreement with the City.

2. Facilities on the Land. Owner and future wastewater customers on Owner's property shall be responsible for the cost, construction, installation and maintenance of all sewer lines, wastewater taps, and other wastewater infrastructure between the service connection that has been constructed by the City and the facilities on the Land. Further, notwithstanding this Agreement, the Owner and all future wastewater customers on the Land remain subject to but not limited to applicable City ordinances, as these ordinances may be amended from time to time, including requirements related to development plans or site plans, and all provisions related to wastewater service availability, application, and commencement of retail wastewater service; payment of all wastewater rates, fees and charges, including all connection fees and Impact Fees; all applicable pretreatment requirements; and service termination, interest, and other charges as provided in the ordinance for delinquent accounts.

D. Assignment

1. Assignment. Owner may assign this Agreement as to all or part of the reserved LUEs without the written consent of the City to transferees of the Land from Owner.

EXECUTED this the 4th day of April, 2022.

CITY:
CITY OF DRIPPING SPRINGS, TEXAS

By: Bill Foulds
Mayor Bill Foulds

OWNER:
CYPRESS FORK RANCH, L.P.
BY: Cypress Fork Management, LLC, its General Partner

By: Doyle M. Fellers
Doyle M. Fellers, Manager

By: Claireen Fellers
Claireen Fellers, Manager