

**SECOND AMENDMENT
TO AGREEMENT CONCERNING CREATION AND OPERATION
OF DRIPPING SPRINGS MUNICIPAL UTILITY DISTRICT NO. 1**

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

This **SECOND AMENDMENT TO AGREEMENT CONCERNING CREATION AND OPERATION OF DRIPPING SPRINGS MUNICIPAL UTILITY DISTRICT NO. 1** (this “Amendment”) is entered into effective as of _____, 2026 between the **CITY OF DRIPPING SPRINGS, TEXAS**, a general law city located in Hays County, Texas (the “City”); **DRIPPING SPRINGS PARTNERS, LLC**, a Texas limited liability company (“DSP”); **NORTH DSP, LLC**, a Texas limited liability company (“NDSP”); and **DRIPPING SPRINGS MUNICIPAL UTILITY DISTRICT NO. 1**, a political subdivision of the State of Texas operating under Chapters 49 and 54 of the Texas Water Code (the “District”). The City, DSP, NDSP, and the District are sometimes referred to herein as the “Parties” and individually as a “Party”.

RECITALS

The City, DSP, and the District are parties to that certain “Agreement Concerning Creation and Operation of Dripping Springs Municipal Utility District No. 1” dated effective October 19, 2021 (the “Original Consent Agreement”), as amended by that certain “First Amendment to Agreement Concerning Creation and Operation of Dripping Springs Municipal Utility District No. 1” dated effective March 18, 2023 (the “First Amendment”; the Original Consent Agreement as assigned and amended being referred to herein as the “Consent Agreement”), which, among other things, provided for the creation of the District over ±112.4 acres of land in Hays County, Texas within the city limits of the City. As contemplated by the First Amendment, the portion of the Cannon Tract (as defined in the First Amendment) described on **Exhibit “A”** to this Amendment (the “MUD Annexation Tract”) has been annexed into the boundaries of the District; and the Parties now desire to amend the Consent Agreement to memorialize such annexation and make certain conforming clarifications related thereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

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

2. Annexation of a Portion of the Cannon Tract into the District. The Cannon Tract also referred to interchangeably herein as the “Gateway Village Project”) has been annexed into the corporate boundaries of the City pursuant to City Ordinance No. 2023-14 (including the “Municipal Services Agreement” attached thereto) (the “City Annexation Ordinance”) and made subject to the City’s Planned Development District Ordinance No. 2023-15 (the “PDD Ordinance”); that certain “Agreement for the Provision of Nonstandard Retail Water Service (Gateway Village)” dated effective May 31, 2023 between NDSP and the City (the “Retail Water Contract”); that certain “Wastewater Utility Service and Fee Agreement (Gateway Village)” dated effective May 31, 2023 between NDSP and the City (the “Retail Wastewater Contract”); that certain “Offsite Road Agreement” dated effective April 18, 2023 between NDSP and the City (the “Offsite Road Agreement”); and that certain “East Interceptor Agreement” dated effective April 18, 2023 between NDSP and the City (the “East Interceptor Agreement”; the City

Annexation Ordinance, the PDD Ordinance, the Retail Water Contract, the Retail Wastewater Contract, the Offsite Road Agreement, and the East Interceptor Agreement being referred to collectively herein as the “*Gateway Village Project Entitlements*”); and the MUD Annexation Tract (being all of the Cannon Tract except the ±7.30 acre commercial area) has been annexed into the boundaries of the District. The MUD Annexation Tract is hereby added to the real property covered by the Consent Agreement, and NDSP hereby joins in the Consent Agreement as an “Owner” and “Developer” thereunder with respect to the MUD Annexation Tract; however, and for the avoidance of doubt:

a. the MUD Annexation Tract will be developed in accordance with the Gateway Village Project Entitlements, and, to the extent of any conflict between the Gateway Village Project Entitlements and the Consent Agreement, as amended hereby, the Gateway Village Project Entitlements will control;

b. the City confirms and agrees that the requirements of the Section 3.1.b of the Retail Wastewater Contract regarding “MUD Annexation” have been satisfied and/or are hereby waived by the City; and

c. The City and NDSP acknowledge that the MUD Annexation Tract has been annexed into the District in order to, among other things, finance the construction of the water, wastewater, drainage, and road improvements and capacity serving the MUD Annexation Tract. The City, the District, and NDSP contemplate that NDSP will, on behalf of the District, finance, construct, and dedicate to the City the facilities required for the City to provide the services contemplated by the Gateway Village Project Entitlements to customers within the MUD Annexation Tract in accordance with Section 552.014 of the Texas Local Government Code, which authorizes a municipality to enter into a contract with a water district under which the district will acquire for the benefit of and convey to the municipality one or more projects, which may include a water supply or treatment system, a water distribution system, a sanitary sewage collection or treatment system, works or improvements necessary for drainage of land, and roads and improvements in aid of roads (“*Projects*”). NDSP intends, and the City acknowledges, that the costs, fees, and charges and the construction and conveyance of the Projects contemplated by the Gateway Village Project Entitlements will be performed by NDSP on behalf of the District; and the City agrees that the District will have the right to reimburse NDSP or other persons that pay costs, fees, or charges or construct Projects contemplated by the Gateway Village Project Entitlements on behalf of the MUD in accordance with applicable law (including, without limitation, costs related to Pump & Haul Facilities and Impact Fees, as such terms are defined and used in the Retail Wastewater Contract). The Projects to be constructed by NDSP to serve the MUD Annexation Tract under the Gateway Village Project Entitlements; the easements and other real property interests to be conveyed or dedicated by NDSP to the City under the Gateway Village Project Entitlements; and the fees, charges, and other payments to be paid by NDSP under the Gateway Village Project Entitlements will be constructed, conveyed, dedicated, and paid, as applicable, by NDSP on behalf of the District, subject to (a) the City’s obligation to provide service to the MUD Annexation Tract as provided in the Gateway Village Project Entitlements, (b) a reservation of the capacity in those Projects for the benefit of the District, and (c) NDSP’s right, if any, to reimbursement from the District for the cost of those Projects in accordance with applicable law. Conveyance or dedication will not affect NDSP’s right to reimbursement from the District for the cost of any Projects. In consideration of the payment of impact, capital recovery, capacity reservation, or similar fees for the MUD Annexation Tract in accordance with the Gateway Village Project Entitlements, NDSP will acquire, on behalf of the District, the guaranteed right to receive service from the City for the LUEs of service for which such impact fees have been fully paid.

3. Effect of Amendment. Except as specifically provided in this Amendment, the terms of the Consent Agreement continue to govern the rights and obligations of the Parties, and the terms of the Consent Agreement remain in full force and effect. If there is any conflict or inconsistency between this Amendment and the Consent Agreement, this Amendment will control and modify the Consent Agreement.

4. 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:

**SECOND AMENDMENT
TO AGREEMENT CONCERNING CREATION AND OPERATION
DRIPING SPRINGS MUNICIPAL UTILITY DISTRICT NO. 1**

CITY:

CITY OF DRIPPING SPRINGS, TEXAS

By:_____

Name:_____

Title:_____

Date:_____

COUNTERPART SIGNATURE PAGE TO:

**SECOND AMENDMENT
TO AGREEMENT CONCERNING CREATION AND OPERATION OF
DRIPPING SPRINGS MUNICIPAL UTILITY DISTRICT NO. 1**

DSP:

**DRIPPING SPRINGS PARTNERS,
LLC**, Texas limited liability company

By:_____

Name:_____

Title:_____

Date:_____

COUNTERPART SIGNATURE PAGE TO:

**SECOND AMENDMENT
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DRIPING SPRINGS MUNICIPAL UTILITY DISTRICT NO. 1**

NDSP:

NORTH DSP, LLC, Texas limited liability
company

By:_____

Name:_____

Title:_____

Date:_____

COUNTERPART SIGNATURE PAGE TO:

**SECOND AMENDMENT
TO AGREEMENT CONCERNING CREATION AND OPERATION OF
DRIPPING SPRINGS MUNICIPAL UTILITY DISTRICT NO. 1**

THE DISTRICT:

**DRIPPING SPRINGS MUNICIPAL
UTILITY DISTRICT NO. 1**, a political
subdivision of the State of Texas

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION OF THE MUD ANNEXATION TRACT



Exhibit " — "

7401B Highway 71 West, Suite 160
Austin, TX 78735
Office: 512.583.2600
Fax: 512.583.2601

Doucetengineers.com

**90.14-Acre Tract
Hays County, Texas**

**D&A Job No. 2511-001
August 21, 2023**

DESCRIPTION
90.14-Acre Tract

BEING A 90.14-ACRE TRACT OUT OF THE PHILIP A. SMITH SURVEY, ABSTRACT NUMBER 415, THE C.H. MALOTT SURVEY, ABSTRACT NUMBER 693, THE I.V. DAVIS JR. SURVEY NUMBER 191, ABSTRACT NUMBER 673, THE EDWARD W. BROWN SURVEY NUMBER 136, ABSTRACT NUMBER 44, AND THE WILLIAM WALKER SURVEY NUMBER 130, ABSTRACT NUMBER 475, HAYS COUNTY, TEXAS, BEING ALL OF A CALLED 54.484-ACRE TRACT, CONVEYED TO NORTH DSP, LLC, RECORDED IN DOCUMENT NUMBER 23025969 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS [O.P.R.H.C.T.], AND BEING A PORTION OF A CALLED 277.23-ACRE TRACT, CONVEYED TO CANNON FAMILY, LTD. (KNOWN AS SHARE NUMBER TWO) RECORDED IN VOLUME 198, PAGE 151 [O.P.R.H.C.T.]; SAID 90.14-ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron pipe found in the west line of said 277.23-acre tract, being in the east line of the remainder of a called 291-1/3-acre tract, conveyed to Cynosure Corporation, recorded in Volume 258, Page 123 of the Deed Records of Hays County, Texas [D.R.H.C.T.];

THENCE, N50°38'14"E, with the common line of said 277.23-acre tract, and said 291-1/3-acre remainder tract, for a distance of 53.17 feet to a 1/2-inch iron rod with cap stamped "DOUCET" found for an angle corner of the tract described herein;

THENCE, continuing with the common line of said 277.23-acre tract and the remainder of said 291-1/3-acre tract, the following six (6) courses and distances:

- 1) N21°13'11"E, for a distance of 64.75 feet to a MAG nail found for an angle corner of the tract described herein,
- 2) N09°17'53"E, for a distance of 327.10 feet to a MAG nail found for an angle corner of the tract described herein,
- 3) N20°28'59"W, for a distance of 204.36 feet to a calculated point for an angle corner of the tract described herein, from which a MAG nail found bears S13°52'35"E, for a distance of 2.61 feet,
- 4) N14°46'26"W, for a distance of 324.06 feet to a 1/2-inch iron pipe found for an angle corner of the tract described herein,
- 5) N11°59'53"W, for a distance of 327.25 feet to a 1/2-inch iron pipe with 60D nail found for the northwest corner of the tract described herein, and
- 6) N89°15'51"E, for a distance of 1,222.57 feet to an 8-inch Cedar Fence Post for the northeast corner of a called 1.097-acre tract, conveyed to Bordie Partners LP, recorded in Volume 5086, Page 174 [O.P.R.H.C.T.], and for the northeast corner of the tract described herein;

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COMMITMENT YOU EXPECT.
EXPERIENCE YOU NEED.
PEOPLE YOU TRUST.



THENCE, with the common line of said 277.23-acre tract and said 1.097-acre tract, the following ten (10) courses and distances:

- 1) S02°19'16"W, for a distance of 418.07 feet to a 6-inch Cedar Fence Post for an angle corner of the tract described herein,
- 2) S05°15'07"E, for a distance of 88.61 feet to a 6-inch Cedar Fence Post for an angle corner of the tract described herein,
- 3) S16°28'50"E, for a distance of 73.40 feet to a 6-inch Cedar Fence Post for an angle corner of the tract described herein,
- 4) S03°28'59"E, for a distance of 14.21 feet to a 10-inch Cedar Fence Post for an angle corner of the tract described herein,
- 5) S11°47'06"E, for a distance of 7.00 feet to a 10-inch Cedar Fence Post for an angle corner of the tract described herein,
- 6) S22°31'47"E, for a distance of 32.14 feet to a 6-inch Cedar Fence Post for an angle corner of the tract described herein,
- 7) S27°26'26"E, for a distance of 141.35 feet to a 6-inch Cedar Fence Post for an angle corner of the tract described herein,
- 8) S39°07'52"E, for a distance of 222.18 feet to a 6-inch Cedar Fence Post for an angle corner of the tract described herein,
- 9) S32°56'45"E, for a distance of 229.21 feet to a calculated point for an angle corner of the tract described herein, from which a 5/8-inch iron rod bears, N88°54'02"E, for a distance of 47.22 feet, and
- 10) S14°21'53"E, for a distance of 407.89 feet to a calculated point in the north line of Lot 4, Block A, Blue Blazes Ranch Phase 1 Subdivision, recorded in Document Number 18010223 of the Plat Records of Hays County, Texas [P.R.H.C.T.], for the southeast corner of said 277.23-acre tract, being the southwest corner of said 1.097-acre tract, same being the southeast corner of the tract described herein, from which a 5/8-inch iron rod bears, N89°22'55"E, for a distance of 30.48 feet;

THENCE, S89°22'55"W, with the common line of said 277.23-acre tract and said Lot 4, for a distance of 165.73 feet to a 1/2-inch iron rod with cap stamped "G&R" found for the northwest corner of said Lot 4, Block A, same being for the northeast corner of Lot 5, Block A of said Blue Blazes Ranch Phase 1 Subdivision, a distance of 264.31 feet passing a 1/2-inch iron rod with cap stamped "G&R" found for the northwest corner of said Lot 5, Block A, and the northeast corner of the remainder of Tract A-3 of Vista Tract Ranch Tract A, a subdivision recorded in Volume 14, Page 12 [P.R.H.C.T.], a distance of 547.78 feet passing a 1/2-inch iron rod found for the northeast corner of said Tract A-3, and for the northeast corner of Lot 4, Block B of said Blue Blazes Ranch Phase 1 Subdivision and continuing for a total distance of 1,370.57 feet to a 5/8-inch iron rod with cap stamped "Charles Swart" found for the northwest corner of said Lot 4, Block B;

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THENCE, with the common line of said 14.3372-acre tract and said Block B of said Blue Blazes Ranch Phase 1 Subdivision, the following two (2) courses and distances:

- 1) S10°17'27"E, for a distance of 721.25 feet passing a 1/2-inch iron rod with cap stamped "G&R" found for the southwest corner of said Lot 4, Block B and for the northwest corner of Lot 3, Block B, of said Blue Blazes Ranch Phase 1 Subdivision, and continuing for a total distance of 937.32 feet to a 1/2-inch iron rod found for the west corner of Lot 3, Block B, same being for an angle corner of the tract described herein, and
- 2) S52°44'27"E, for a distance of 221.16 feet passing a 1/2-inch iron rod with cap stamped "Charles Swart" found for the south corner of said Lot 3, Block B, same being the southwest corner of Lot 2, Block B of said Blue Blazes Ranch Phase 1 Subdivision, and continuing for a total distance of 610.29 feet to a 1/2-inch iron rod found for the south corner of said Lot 2, Block B and the southeast corner of said 14.3372-acre tract, same being in the existing north right-of-way line of said East Highway 290, and for the southeast corner of the tract described herein;

THENCE with the existing north right-of-way line of said East Highway 290, being the south line of said 277.23-acre tract, the following two (2) courses and distances:

- 1) S57°28'55"W, for a distance of 79.36 feet to 1/2-inch iron rod with cap stamped "Charles Swart" found for the beginning of a curve to the right and for an angle corner of the tract described herein, and
- 2) With said curve to the right, having an arc length of 1,452.88 feet, a radius of 2,814.79 feet, a delta angle of 29°34'25", and a chord which bears S72°17'49"W, for a distance of 1,436.80 feet to a concrete highway monument found for an angle corner of the tract described herein;

THENCE, departing the existing north right-of-way line of East Highway 290, over and across said 277.23-acre tract, the following five (5) courses and distances:

- 1) N02°52'23"W, for a distance of 258.84 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for an angle corner of the tract described herein,
- 2) S88°14'39"W, for a distance of 268.99 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for an angle corner of the tract described herein,
- 3) N01°06'51"W, for a distance of 22.97 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for an angle corner of the tract described herein,
- 4) N12°06'22"E, for a distance of 485.72 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for an angle corner of the tract described herein, and
- 5) N56°37'56"W, for a distance of 250.00 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set in the west line of said 277.23-acre tract, being the east line of a called 8.787-acre tract, conveyed to Meritage Homes of Texas, LLC., recorded in Document Number 21069284 [O.P.R.H.C.T], for an angle corner of the tract described herein;

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THENCE, with the common line of said 277.23-acre tract and said 8.787-acre tract, the following five (5) courses and distances:

- 1) N21°16'01"W, for a distance of 2.37 feet to a 1/2-inch iron rod with cap stamped "DOUCET" found for the beginning of a curve to the right, being an angle corner of the tract described herein,
- 2) With said curve to the right, having an arc length of 332.63 feet, a radius of 943.00 feet, a delta angle of 20°12'37", and a chord which bears N31°22'20"E, for a distance of 330.91 feet to a 1/2-inch iron rod with cap stamped "DOUCET" found for a point of tangency, being an angle corner of the tract described herein,
- 3) N41°28'38"E, for a distance of 315.03 feet to a 1/2-inch iron rod with cap stamped "DOUCET" found for the beginning of a curve to the left and for an angle corner of the tract described herein,
- 4) With said curve to the left, having an arc length of 681.06 feet, a radius of 1,057.00 feet, a delta angle of 36°55'03", and a chord which bears N23°01'06"E, for a distance of 669.34 feet to a 1/2-inch iron rod with cap stamped "DOUCET" found for a point of tangency, and for an angle corner of the tract described herein, and
- 5) N04°33'35"E, for a distance of 12.95 feet to a 1/2-inch iron rod with cap stamped "DOUCET" found for an angle point in the west line of said 277.23-acre tract, being the northeast corner of said 8.787-acre tract, same being in the east line of said 291-1/3-acre tract, and for the northwest corner of the tract described herein;

THENCE, N89°00'33"E, with the north line of said 277.23-acre tract, being the east line of said 291-1/3-acre tract, for a distance of 322.22 feet to the **POINT OF BEGINNING** and containing 90.14-acres.

Basis of bearings is the Texas Coordinate System, South Central Zone [4204], NAD83 (2011), Epoch 2010. All distances are surface values and may be converted to grid by dividing by the surface adjustment factor of 1.000077936.

Units: U.S. Survey Feet.

I, Joshua P. Armendariz, Registered Professional Land Surveyor, hereby certify that this description and accompanying exhibit of even date represent an actual survey performed on the ground.

A handwritten signature in black ink, appearing to read "Josh P. Armendariz".

08/21/2023

Date

Joshua P. Armendariz
Registered Professional Land Surveyor
Texas Registration No. 6822
Doucet & Associates
jarmendariz@doucetengineers.com
TBPELS Firm Registration No. 10194551

