

WASTEWATER SERVICE AND IMPACT FEE AGREEMENT

BY AND BETWEEN

THE CITY OF DRIPPING SPRINGS

AND

SLF IV - DRIPPING SPRINGS JV, L.P., A TEXAS LIMITED PARTNERSHIP

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WASTEWATER SERVICE AND IMPACT FEE AGREEMENT

This Wastewater Service and Impact Fee Agreement ("Agreement") is made and entered into effective as of October 17, 2017 ("Effective Date") by and between the City of Dripping Springs, a Type A General Law City located in Hays County, Texas (the "City"), and SLF IV - Dripping Springs JV, L.P., a Texas limited partnership ("Owner"), whose address is 5949 Sherry Lane, Suite 800, Dallas, TX 75225. The City and Owner may be individually referred to as a "Party" and collectively referred to as the "Parties."

RECITALS:

- A. Owner owns or controls land consisting of approximately 189 acres of undeveloped land located within the City, as depicted on Exhibit A and more particularly described in Exhibit B (the "Land").
- B. Owner intends that the Land will be developed by Owner, its affiliates, or their successors and assigns with improvements and infrastructure in phases pursuant to that certain PDD Ordinance and that certain Annexation and Development Agreement by and between Owner and the City dated October 17, 2017 (together, the "PDD").
- C. Owner wishes to receive wastewater service for the Land through the City's System and to connect to the System through two locations: 1) the City's Sportsplex Drive existing eight inch (8") wastewater collection line adjacent to the Land, and 2) at the existing System twelve inch (12") gravity flow wastewater collection line at Mercer Street (which will require the construction of Force Main Improvements for service to the Stage 3 LUEs). Wastewater service by the City to the Land will be initiated in three stages, based upon the corresponding wastewater system permitting plans of the City.
- D. Owner shall have the right and option to construct, own and operate the On-Site WWTP at Owner's construction cost in the event that permitting or construction delays specified in this Agreement affect the City's ability to serve the phases of the Development beyond the Stage 1 LUEs.
- E. The Parties wish to enter into this Agreement providing for, among other things, the timing and payment of wastewater Impact Fees for service to the Development.

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

ARTICLE I DEFINITIONS

The following capitalized terms, as and when used in this Agreement, shall have the meanings set forth below:

1.1 **Agreement.** This agreement between City and Owner, including all Exhibits, which are incorporated herein for all intents and purposes.

1.2 **Amendment 1.** Amendment No. 1 to the City's existing TCEQ Permit WQ0014488001 which was issued by TCEQ on November 19, 2015, and allows for additional service capacity by spray or subsurface area drip disposal on a portion of a current development project commonly known as Caliterra.

1.3 **Chapter 395.** Chapter 395 of the Texas Local Government Code, as such may be amended from time to time.

1.4 **City.** The City of Dripping Springs, an incorporated Type A, general law municipality located in Hays County, Texas.

1.5 **City Engineer.** The person or firm designated by the City Council as the wastewater engineer for the City.

1.6 **City Utility Standards.** City standards for design, location, construction, installation and operation of wastewater utility infrastructure, as enacted and as they may be amended thereafter from time to time, and expressly including the following chapters of the City's Code of Ordinances and all related regulations and permits:

- (a) Utilities (Chapter 20)
- (b) Development and Water Quality Protection (Chapter 22)
- (c) Building Regulations (Chapter 24)
- (d) Subdivision and Site Development (Chapter 28)

1.7 **Construction Costs.** All costs of construction of a pipeline or facility, including costs of engineering, design, labor, materials, construction, testing and right-of-way acquisition.

1.8 **Contractor.** A person or entity engaged by Owner to design, construct, install, alter or repair infrastructure required to serve the Land, whether located on or outside the Land, as further described in Section 3.2.

1.9 **Development.** The development on the Land, consisting of improvements and infrastructure located thereon.

1.10 **Discharge Permit.** The Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0014488003 (EPA I.D. No. TX0136778), which the City has already made application for with TCEQ, that will authorize the discharge of treated effluent at a volume not to exceed a daily average flow of 995,000 gallons per day.

1.11 **Discharge Permit Facilities.** All infrastructure and facilities necessary to operate the City's wastewater treatment plant in accordance with the terms of the Discharge Permit and sufficient to provide Owner with capacity for Stage 1 LUEs, Stage 2 LUEs, and Stage 3 LUEs, except the term "Discharge Permit Facilities" specifically excludes the Effluent Transmission Line and the Force Main Improvements. Except as otherwise provided herein, Discharge Permit Facilities will be built by City at City's cost.

- 1.12 **Effective Date.** The date set forth in the first paragraph of this Agreement.
- 1.13 **Effluent Transmission Line.** The off-site wastewater line consisting of an extension of a twelve inch (12”) wastewater line conveying treated effluent to that nearby development commonly known as Caliterra and running to the Treated Effluent Ground Storage Tank at the Development as described on Exhibits D-1 and D-2.
- 1.14 **First Amendment Facilities.** Those facility improvements needed by the City to provide wastewater service to the Stage 1 LUEs, but not including the Stage 1 Facilities.
- 1.15 **Force Main Improvements.** Those offsite facility improvements which consist of the construction of a lift station at the northeast intersection of Ranch Road 12 and Mercer Street to accommodate up to 250 LUEs, and the construction of approximately 3,100 LF of 4” wastewater force main from the lift station to the gravity line located near HEB on Rob Shelton Boulevard, with the routing as shown on Exhibit E, hereto. Or, such alternative engineering solution mutually agreed upon by Owner and City (“Agreed Alternative”), prior to the initiation of construction of the above described offsite facility improvements.
- 1.16 **Heritage Stage 2 Effluent Disposal Field.** The approximate 600,000 square foot (13.77 acres) of subsurface area drip disposal fields (“SADDs”) and the 175,000 gallon Treated Effluent Ground Storage Tank and Drip Irrigation Pump Station, all to be located on the Land, at locations to be determined by Owner and as approved (if so required) by TCEQ when it issues TLAP Amendment 2.
- 1.17 **Heritage WWTP Effluent Disposal Field.** The approximate 800,000 square foot (18.37 acres) of subsurface area drip disposal fields to be located on the Land related to the Onsite WWTP, at a location to be determined by Owner.
- 1.18 **Impact Fees.** Impact Fees adopted by the City pursuant to Chapter 395 of the Texas Local Government Code and City Ordinance, Sec. 20.02.005, Sewer Services of Chapter 20, Utilities of the Code of Ordinances of the City of Dripping Springs, Texas. The amount of the Impact Fee shall be in an amount that is equivalent to the impact fee amount for new wastewater service adopted and assessed by City pursuant to Chapter 395 of the Texas Local Government Code and City Ordinance.
- 1.19 **Land.** Land (or such applicable portions thereof) as defined in the Recitals of this Agreement.
- 1.20 **LUE.** Living Unit Equivalent of sewer usage, as established from time to time by City Ordinance.
- 1.21 **Notice.** Notice as defined in Section 7.2 of this Agreement.
- 1.22 **Owner.** SLF IV - Dripping Springs JV, L.P., a Texas limited partnership.
- 1.23 **Onsite Facilities.** Those wastewater facilities, equipment or related improvements collectively comprising the Stage 1 Facilities, the Stage 2 Onsite Facilities, and the Stage 3

Onsite Facilities. All Onsite Facilities will be built by Owner at Owner's cost, but will be subject to the standards and procedures set-forth at Article III of this Agreement.

1.24 **Onsite WWTP.** An extended aeration wastewater treatment plant rated at approximately 80,000 gallons per day ("GPD"), capable of producing a minimum effluent quality of 20 mg/l BOD5 and 20 mg/l TSS, and related plant appurtenances including those necessary for storing, processing, treating or disposing of waste, and for injection activities, and those subsurface area drip lines and facilities located within the Heritage WWTP Effluent Disposal Field. The Onsite WWTP does not include the lateral collection lines, lift stations or other facilities comprising the Onsite Facilities. The Onsite WWTP is a temporary facility and must be removed as described in Section 2.9.

1.25 **Party.** Individually, the City or Owner.

1.26 **PID.** That certain Heritage Public Improvement District, created on November 14, 2017 pursuant to Chapter 372 of the Texas Local Government Code.

1.27 **Stage 1 Facilities.** All wastewater facilities, equipment or related improvements necessary to serve the Land (or such portions thereof) with the Stage 1 LUEs and located between the structures on the Land (or such portions thereof) and including the off-site wastewater lines between the Land and the existing City facilities located on Sportsplex Drive and Mercer Street, as shown on the attached Exhibit C. Stage 1 Facilities will be built by Owner at Owner's cost, but will be subject to the standards and procedures set-forth at Article III of this Agreement.

1.28 **Stage 2 Onsite Facilities.** All onsite wastewater facilities, equipment or related improvements necessary to serve the Land (or such portions thereof) with the Stage 2 LUEs and located between the structures on the Land (or such portions thereof) and the then existing on-site City facilities. Stage 2 Onsite Facilities will be built by Owner at Owner's cost, but will be subject to the standards and procedures set-forth at Article III of this Agreement.

1.29 **Stage 3 Onsite Facilities.** All onsite wastewater facilities, equipment or related improvements necessary to serve the Land (or such portions thereof) with the Stage 3 LUEs and located between the structures on the Land (or such portions thereof) and the then existing on-site City facilities. Stage 3 Onsite Facilities will be built by Owner at Owner's cost, but will be subject to the standards and procedures set-forth at Article III of this Agreement.

1.30 **System.** The City's South Regional Wastewater Treatment System, including the City's wastewater treatment plant and all of the City-owned collection facilities transporting wastewater to that plant, wastewater laterals, and lift stations, including all subsequent upgrades, improvements or extensions of such facilities which, for purposes of clarity, shall include those facilities constructed by Owner and accepted for service by the City.

1.31 **TCEQ.** Texas Commission on Environmental Quality.

1.32 **TLAP Amendment 2.** An amendment to the City's existing TCEQ Permit WQ0014488001 that would provide additional wastewater capacity by subsurface area drip

disposal and provide for optional phases for construction of the new capacity, to accommodate the Owner and other developers. TLAP Amendment No. 2 capacity for the Property will be based upon disposal made available within the Heritage Stage 2 Effluent Disposal Field located on the Land.

1.33 **TLAP Amendment 2 Facilities**. The facilities to be constructed in conjunction with TLAP Amendment 2 that are set-forth at Exhibits I-1 and I-2. TLAP Amendment 2 Facilities do not include the Heritage Stage 2 Effluent Disposal Field or the Effluent Transmission Line.

1.34 **Treated Effluent Ground Storage Tank**. A 175,000 gallon treated effluent ground storage tank to be built in connection with the Heritage Stage 2 Effluent Disposal Field or the Effluent Transmission Line at a location to be determined through the City's site planning process.

ARTICLE II SERVICE TO THE DEVELOPMENT

2.1 **Retail Wastewater Service**. The City will provide retail wastewater service to customers within the Land in accordance with the City's standard ordinances, except as modified by the terms of this Agreement. The City will be responsible for operating and maintaining the System in good working order; for making all needed replacements, additions and improvements as required for the continued operation of the facilities (including, after acceptance by the City, those additions and improvements which are undertaken pursuant to this Agreement); for reading meters, billing and collecting from all customers within the Land; and for performing all other usual and customary services and administrative functions associated with wastewater utility systems.

2.2 **Stages of Service**. Wastewater service by the City to the Development will be initiated in three stages, based upon the corresponding wastewater system permitting plans of the City, which will total 700 LUEs.

- (a) **Stage 1 Service**. The City will provide wastewater collection, treatment and retail wastewater service to the Development through the City's System in an initial amount of 150 LUEs (the "**Stage 1 LUEs**"). The City will make this wastewater service available to the Development upon Owner's construction of the Stage 1 Facilities, which facilities may be constructed in phases by Owner so long as any individual phase connects to the lot or lots to be served.
- (b) **Stage 2 Service**. The City will provide wastewater collection, treatment and retail wastewater service to the Development through the City's System in a subsequent and additional amount of 330 LUEs (the "**Stage 2 LUEs**"). The City will make this wastewater service available to the Development upon (i) the issuance by TCEQ of TLAP Amendment 2, (ii) the completion of the TLAP Amendment 2 Facilities and (iii) Owner's construction of the Effluent Transmission Line, the Stage 2 Onsite Facilities and the Heritage Stage 2 Effluent Disposal Field within the Development. Notwithstanding the foregoing, if Owner makes the election in **Section 2.5(a)** (to forgo constructing the TLAP Amendment 2 Facilities and the

Heritage Stage 2 Effluent Disposal Field) the City will make wastewater service available to the Stage 2 LUEs upon (i) the issuance by TCEQ of the Discharge Permit, (ii) the completion of the Discharge Permit Facilities and (iii) Owner's construction of the Stage 2 Onsite Facilities.

- (c) Stage 3 Service. The City will provide wastewater collection, treatment and retail wastewater service to the Development through the City's System in a final additional amount of 220 LUEs (the "Stage 3 LUEs"). The City will make this wastewater service available to the Development upon (i) the issuance by TCEQ of the Discharge Permit, (ii) the completion of the Discharge Permit Facilities and Force Main Improvements, and (iii) Owner's construction of the Stage 3 Onsite Facilities.
- (d) The City shall have no obligation to provide for Stage 2 LUEs or Stage 3 LUEs if Owner fails to construct the applicable facilities for such LUEs, as set forth herein.

2.3 Construction of the First Amendment Facilities. As of the Effective Date, the City has allocated capacity in the System for the Stage 1 LUEs and has dedicated such capacity to Owner for use at the Development. The City shall complete construction of the First Amendment Facilities so that the required facilities are ready when needed to serve the Stage 1 LUEs. Owner shall complete construction of Stage 1 Facilities so that the required facilities are ready when needed to serve the Stage 1 LUEs.

- (a) Funding Participation. Owner's only funding obligation for the First Amendment Facilities shall be payment of Impact Fees, as set forth in Article V.

2.4 Construction of the Effluent Transmission Line. Owner agrees to construct and, subject to the payment cap specified herein, fund the Construction Costs of the Effluent Transmission Line, but Owner shall have no obligation for such construction and payment unless either the TLAP Amendment 2 is final and non-appealable or the Discharge Permit is final and non-appealable.

- (a) Funding of Effluent Transmission Line Based Upon Pro-Rata Capacity. Subject to the payment cap set forth below, all Construction Costs for the Effluent Transmission Line shall be funded pro-rata by Owner and any other person that obtains capacity in the City System (at any time, whether such capacity is obtained before or after the completion of construction of the Effluent Transmission Line) as a result of use of the Effluent Transmission Line (but not by persons who use the Effluent Transmission Line solely for receipt of treated effluent for beneficial reuse). The funding shall be based upon the actual Construction Costs of the Effluent Transmission Line and the respective share of the Effluent Transmission Line based on the capacity obtained in the City System (at any time, whether such capacity is obtained before or after the completion of construction of the Effluent Transmission Line) as a result of use of the Effluent Transmission Line (but not by persons who use the Effluent Transmission Line solely for receipt of treated effluent for beneficial reuse).

- (b) Owner's Funding Participation and Cap. To the extent that Owner's pro-rata share of the actual Construction Costs for the Effluent Transmission Line exceeds \$2,660,054 (to be adjusted from 2017 dollars by the Handy-Whitman water industry construction index) ("ETL Threshold"), Owner will be responsible for Owner's pro-rata share of one-half of the actual Construction Costs for the Effluent Transmission Line that exceed the ETL Threshold and the City will be responsible to fund one-half of the actual Construction Costs that exceed the ETL Threshold (although City's liability under this provision shall be capped at \$200,000). Throughout this Agreement "Owner's ETL Cost Share" shall consist of the Owner's pro-rata share of the actual Construction Costs for the Effluent Transmission Line up to the ETL Threshold plus Owner's pro-rata share of one-half of the actual Construction Costs for the Effluent Transmission Line that exceed the ETL Threshold.
- (c) Timing and Payments. After the TCEQ approval of TLAP Amendment 2 or the Discharge Permit (whichever comes first) is final and non-appealable, Owner shall design and bid the Effluent Transmission Line subject to the City's review and approval pursuant to Article III of this Agreement. To the extent that City has funding obligations under this Section, City's payment of City's share shall be due in multiple progress payments based upon the progress of construction of the Effluent Transmission Line and each such payment shall be made within 30 days after Owner's Notice to City for such payment. Likewise, pro-rata payments by others shall be due 30 days after City's Notice to them. City shall use its best efforts to ensure timely payment of pro-rata payments by others and City shall not allow persons who obtain capacity in the City System as a result of use of the Effluent Transmission Line to use such capacity until such payments have been made.
- (d) Construction. The design and construction of the Effluent Transmission Line shall meet the reasonable requirements of the City, as generally applicable to the Onsite Facilities as set forth in Article III, herein. The Effluent Transmission Line may, to the extent feasible, be located on public property or public rights-of-way (and the City hereby grants its consent for such location and use), but any portions of such facilities on private property shall be in an easement obtained in the manner, and conforming to the terms, set forth in Article IV, herein. Owner shall be entitled to reimbursement for all Construction Costs incurred in designing and constructing the Effluent Transmission Line, such that Owner's cost share shall not exceed Owner's ETL Cost Share. The City shall use its best efforts to ensure that Owner receives timely reimbursement from other users, or prospective users, of the Effluent Transmission Line (but not by persons who use the Effluent Transmission Line solely for receipt of treated effluent for beneficial reuse). City shall not allow persons who obtain capacity in the City System as a result of use of the Effluent Transmission Line to use such capacity until such payments have been made.

2.5 Construction of the TLAP Amendment 2 Facilities. The City shall file with TCEQ, not later than 90 days after the Effective Date, a complete permit amendment application comprising the request for TLAP Amendment 2. The Parties anticipate that TLAP Amendment 2 will be issued by the TCEQ prior to the issuance of the Discharge Permit. After the TCEQ approval of TLAP Amendment 2 is final and non-appealable, and except as provided below, City shall initiate construction of the TLAP Amendment 2 Facilities at Owner's expense.

- (a) Owner's Election. Notwithstanding the foregoing, Owner may elect to forgo construction of the TLAP Amendment 2 Facilities and the Heritage Stage 2 Effluent Disposal Field, and in doing so await the completion of the Discharge Permit Facilities for service to the Stage 2 LUEs or alternatively, in the event that City is not able to obtain TLAP Amendment 2 from TCEQ before the Stage 2 service is needed by Owner, Owner may elect to proceed pursuant to Section 2.8 below with the Onsite WWTP for such service. Either such election must be made in writing and shall occur not later than 30 days after Notice to Owner by the City that (i) the authorization issued by TCEQ for TLAP Amendment 2 is final and non-appealable (a "Final Authorization") and (ii) the City has determined that initiation of design and construction of the TLAP Amendment 2 Facilities are then needed to serve the Development. Owner shall not be in default under this Agreement if Owner makes the election set forth in this subpart.
- (b) Construction of Heritage Stage 2 Effluent Disposal Field. If Owner has timely made the election under Section 2.5(a) then Owner shall have no construction or funding obligations under this Section 2.5. Otherwise Owner shall initiate construction of the Heritage Stage 2 Effluent Disposal Field and the Treated Effluent Ground Storage Tank (each subject to the City's review and approval pursuant to Article III of this Agreement). All Construction Costs for the Heritage Stage 2 Effluent Disposal Field and the Treated Effluent Ground Storage Tank shall be funded by Owner.
 - (i) Phasing. The Heritage Stage 2 Effluent Disposal Field may be constructed in phases to accommodate growth trends on the Development and shall be used exclusively for the Development.
 - (ii) Use of the Heritage Stage 2 Effluent Disposal Field. In no event shall the City utilize the Heritage Stage 2 Effluent Disposal Field for disposal of treated effluent in excess of the amount of treated effluent generated by the active number of Stage 2 LUEs located within the Development.
- (c) Construction and Funding of TLAP Amendment 2 Facilities. If Owner has timely made the election under Section 2.5(a) then Owner shall have no construction or funding obligations under this Section 2.5. If Owner does not timely make the election under Section 2.5(a), then City shall construct the TLAP Amendment 2 Facilities, including meeting the design and construction milestones set forth in Section 2.5(c)(vii), and Owner shall be responsible for funding a portion of the

Construction Costs of the TLAP Amendment 2 Facilities as set forth below (hereafter referred to as "Owner's Net Pro-rata Portion").

- (i) At the time this Agreement is executed, it is not known whether Owner will be the only entity obtaining wastewater capacity from TLAP Amendment 2, or whether the owner or owners of another tract (hereafter "Third Party Developer") might also obtain wastewater capacity from TLAP Amendment 2. If Owner does not timely exercise its option to forgo construction of the TLAP Amendment 2 Facilities and the Heritage Stage 2 Effluent Disposal Field, then, except as noted below, Owner's funding obligations for the TLAP Amendment 2 Facilities are as follows: (a) as set-forth at Exhibit I-1 if Third Party Developer does not also obtain wastewater capacity from TLAP Amendment 2 (which identifies the Phase 1 TLAP Amendment 2 Facilities to benefit Owner) or (b) if Third Party Developer also obtains wastewater capacity from TLAP Amendment 2 (regardless of when such capacity is obtained), then Owner shall fund its pro-rata share of the TLAP Amendment 2 Facilities that will benefit Owner and Third Party Developer shall fund its pro-rata share of those TLAP Amendment 2 Facilities that will benefit Third Party Developer (Exhibit I-2 presents an example of a theoretical cost allocation implementing this pro-rata cost-sharing method). In the event that Owner funds any portion of the cost of any permanent TLAP Amendment 2 Facilities that benefit the Discharge Permit Facilities (as identified on Exhibit I-1 or I-2, as applicable), City shall reimburse Owner the cost of such facility not later than the earlier to occur of 30 days after: (a) the City receives the Discharge Permit from TCEQ and the Discharge Permit is final and non-appealable, or (b) the City begins using the Discharge Permit Facilities.

- (ii) Third Party Developer Participation. Prior to construction of the TLAP Amendment 2 Facilities, Owner shall give Notice of Owner's intent to cause City to initiate construction to a) the City, and b) any Third Party Developer that has expressed a credible interest to the City in participating in TLAP Amendment 2. The Notice shall include the information needed for a cost allocation as between the Owner and Third Party Developer, similar to that shown in the sample at Exhibit I-2, and the estimated amount of Third Party Developer's pro-rata share of the Construction Costs ("Estimated Third Party Developer Cost Share"). The Third Party Developer shall have 30 days after such Notice to provide written confirmation to Owner of Third Party Developer's intent to participate ("Written Confirmation") in the TLAP Amendment 2 Facilities. If Third Party Developer chooses to participate, an agreement between the City, Third Party Developer and Owner shall be negotiated in good faith and executed not later than 60 days after the date of the Written Confirmation that contains the following terms: (a) with regard to permitting costs, Third Party Developer and Owner shall pay their share of progress

payments when due; (b) with regard to construction costs, Third Party Developer and Owner shall escrow their estimated share of construction costs that will be paid to contractors or others in such a manner as to assure payment to contractors or others for construction costs; (c) Third Party Developer's and Owner's construction cost escrow funds shall be due on the earlier of: (i) 180 days after the Notice or (ii) the date of the advertisement for bids for the work; and (d) in the event Third Party Developer or Owner fail to timely provide either the written confirmation or the payments identified in this paragraph, City may proceed with construction of the TLAP Amendment 2 Facilities without any participation from the recalcitrant party and without any obligation to use the TLAP Amendment 2 Facilities to serve the recalcitrant party, and then the TLAP Amendment 2 Facilities will be designed and constructed only to serve the non-recalcitrant party. In the event an agreement between the City, Third Party Developer and Owner is not executed, despite good faith efforts of Owner, not later than 60 days after the date of the Written Confirmation then, to avoid delays in completion of the TLAP Amendment 2 Facilities, City and Owner shall proceed without the participation of the Third Party Developer.

- (iii) Owner shall have no obligation to construct or fund effluent disposal facilities to serve the Third Party Developer.
- (iv) Cap on Owner's Construction Costs. Notwithstanding the cost allocation set-forth at Exhibit I-1 to the extent that Owner's Net Pro-rata Portion exceeds \$433,500 under Exhibit I-1 (to be adjusted from 2017 dollars by the Handy-Whitman water industry construction index) ("TLAP Amendment 2 Facilities Threshold"), Owner and City will equally split responsibility for the funding of any amount over the TLAP Amendment 2 Facilities Threshold (although City's liability under this provision shall be capped at \$100,000). In the event that a Third Party Developer elects to participate, Notwithstanding the sample cost allocation set-forth at Exhibit I-2 to the extent that Owner's Net Pro-rata Portion exceeds \$397,000 (to be adjusted from 2017 dollars by the Handy-Whitman water industry construction index) ("TLAP Amendment 2 Joint Facilities Threshold"), Owner will be responsible for Owner's pro-rata portion (based upon facility capacity) of one-half of the actual Construction Costs which exceed the TLAP Amendment 2 Joint Facilities Threshold and the City will be responsible to fund one-half of the actual Construction Costs which exceed the TLAP Amendment 2 Joint Facilities Threshold, and Third Party Developer will be responsible for the remainder. Nothing herein shall preclude the City from collecting from Third Party Developer any of the amounts owed by the City under this subsection.

To the extent that the City has funding obligations under this subsection (iv), the City's payment of its cost share shall be due in multiple progress

payments based upon the progress of construction of the TLAP Amendment 2 Facilities and each such payment shall be made within 30 days after Notice to the City.

- (v) True-Up of Construction Costs. If Third Party Developer participates in the TLAP Amendment 2 Facilities and the TLAP Amendment 2 Facilities are constructed to provide wastewater capacity for Third Party Developer, the multi-party agreement contemplated by paragraph 2.5(c)(ii) above, shall contain true-up provisions that contain terms set-forth in this subparagraph. At the end of the construction any under-payment or overpayment shall be rectified within 30 days of Notice of same. No recalcitrant party shall have any right to use capacity in the TLAP Amendment 2 Facilities until any underpayment is paid by the recalcitrant party. If not timely paid, the party to whom money is owed shall have the right to pursue legal recourse under the agreement negotiated and executed pursuant to Section 2.5(c)(ii).
- (vi) Reimbursement In the Event of Later Phase 2 Construction. To the extent that the Third Party Developer fails to participate in the construction and funding of the TLAP Amendment 2 Facilities as set forth in Section 2.5(c)(ii), but later constructs, or causes the construction of, the Phase 2 TLAP Amendment 2 Facilities (or similar facilities), the City shall ensure that the Third Party Developer reimburses Owner for all Construction Costs that exceed the Owner's share of costs for Phase 1 as set forth on Exhibit I-2. The Third Party Developer shall not have the right to use capacity in the TLAP Amendment 2 Facilities until the full reimbursement is paid to Owner. In no event shall such later construction of the Phase 2 TLAP Amendment 2 Facilities delay Owner's construction and use of capacity in the TLAP Amendment 2 Facilities.
- (vii) Design and Construction Milestones. After the TCEQ approval of TLAP Amendment 2 is final and non-appealable, the design and construction milestones are as follows: 1) the construction bid documents prepared by City shall be completed not later than 120 days after the deadline for the Third Party Developer to provide the Written Confirmation or, if there is no Third Party Developer, then 90 days after the City receives the Notice of Owner's intent to cause City to initiate construction; and 2) Not later than 90 days after the completion of the construction bid documents, the City shall initiate construction on the TLAP Amendment 2 Facilities. City will work diligently and in good faith to complete construction as quickly as reasonably possible.

2.6 Construction of the Discharge Permit Facilities and Force Main Improvements. The Parties anticipate that the Discharge Permit will be issued by the TCEQ after TLAP Amendment 2. Upon issuance by TCEQ of the Discharge Permit and upon obtaining funding for the Discharge Permit Facilities, the City shall initiate design and construction of the Discharge

Permit Facilities and the Force Main Improvements (or the Agreed Alternative). To the extent not already constructed as a TLAP Amendment 2 Facility, Owner shall construct the Effluent Transmission Line in accordance with Section 2.4 above concurrently with the City's construction of the Discharge Permit Facilities. The City shall use its best efforts to timely complete its design and construction obligations under this Section 2.6.

- (a) Funding of the Discharge Permit Facilities and Force Main Improvements. All Construction Costs of the Force Main Improvements shall be funded pro-rata by Owner and other users of the Force Main Improvements. The funding shall be based upon the actual Construction Costs of the Force Main Improvements and the respective share of the Force Main Improvements capacity made available to such users. Owner shall have no funding obligation for any portion of the Discharge Permit Facilities.
- (b) Owner's Funding Participation. Owner's pro-rata share of the actual Construction Costs for the Force Main Improvements shall be known as "Owner's Force Main Cost Share." Following issuance by TCEQ of the Discharge Permit, and after the City's receipt of Owner's written Notice to proceed and contemporaneous with the design and bid of the Discharge Permit Facilities, the City shall design and bid the Force Main Improvements. Owner's payment of Owner's Force Main Cost Share, shall be due 30 days after City's Notice to Owner following City's receipt of bids for construction of the Force Main Improvements.
- (c) [RESERVED]
- (d) Applicability to Agreed Alternative. For the purposes of clarity, the Parties agree that the provisions in this Section 2.6 governing the Force Main Improvements shall equally apply in the event the funding and construction of the Force Main Improvements are actually undertaken as the Agreed Alternative.
- (e) Owner's Election. Notwithstanding any other section or provision in this Agreement, Owner may elect to forgo participation in the Force Main Improvements. If Owner so elects, Owner shall not be obligated to make any payments for the Construction Costs for the Force Main Improvements and correspondingly the City shall have no obligation to use the Force Main Improvements to serve the Stage 3 LUEs. Owner shall not be in default under this Agreement if Owner makes the election set forth in this subpart, but if Owner elects to forgo participation in the Force Main Improvements, the City shall have no obligations to serve the Stage 3 LUEs. Whether or not this election is invoked has no effect on the obligations in this Agreement regarding the construction of the Effluent Transmission Line.

2.7 Conversion to Reclaimed Water; Priority of Reclaimed Water Allocation. Upon completion of the construction of the upgrades to the City's System authorized by the Discharge Permit, the City shall, at its cost, convert the Effluent Transmission Line, if such transmission line was built, to a Chapter 210 reclaimed water line to supply reclaimed water to the Development.

- (a) Consideration and Initial Charge. As partial consideration for Owner's funding participation in the Effluent Transmission Line the City shall provide reclaimed water to the Development (including the homeowners association, POA or any other user approved by Owner) free of charge for a period of 3 years after the Chapter 210 reclaimed water service becomes available to the Development. After the initial period of three years where beneficial reuse reclaimed water is delivered free of charge, the Development shall receive the next three years of reclaimed water at the lesser of: 1) the prevailing rate for reclaimed water as established by ordinance, or 2) 75% of lowest volumetric rate tier of retail potable water rates adopted by Dripping Springs Water Supply Corporation (and any successor to such corporation) ("DSWSC"). Further, due to Owner's funding participation in the Effluent Transmission Line, Owner and the Land shall not be subject to the reuse fees or charges otherwise applicable to developments, including any fees or charges for contribution for reuse infrastructure construction under the City's Water Reuse Ordinance.
- (b) Rates and Charges. The price of reclaimed water shall be set by the City, but in no event shall the base rate exceed the base rate for comparable potable water supplied by DSWSC and the volumetric rate shall not exceed that of the lowest volumetric rate tier of the DSWSC for potable water.
- (c) Approvals. The City shall apply for and obtain approval from the TCEQ for the operation and provision of reclaimed water pursuant to Chapter 210 of the Texas Administrative Code. Reclaimed water supplied to the Development shall meet the reclaimed water quality standards set by TCEQ applicable to residential irrigation uses.
- (d) Priority of Supply to the Development. In the event of shortages of reclaimed water generated by the City's System, for the period of time that the Development is to receive reclaimed water free of charge pursuant to this Agreement, subject to contracts or agreements that were effective prior to the effective date of this Agreement that require the City to provide Chapter 210 reclaimed water, the City shall use its best efforts to supply the Development with Chapter 210 reclaimed water produced by the City and requested by the Development for beneficial reuse of up to 60,000 gallons per day to the extent it is available. Nothing herein shall require use of reclaimed water on residential or commercial platted lots within the Property.
- (e) Removal of the Heritage Stage 2 Effluent Disposal Field; Subsequent Disposition of the Treated Effluent Ground Storage Tank. Upon completion of the construction of the upgrades to the City's System authorized by the Discharge Permit, the City's use of the Heritage Stage 2 Effluent Disposal Field for disposal of treated effluent shall cease. Owner shall have the responsibility to remove or abandon any facilities or drain lines located within the area of the Heritage Stage 2 Effluent Disposal Field at Owner's cost, and after such removal Owner may utilize the land formerly comprising the Heritage Stage 2 Effluent Disposal Field

for any lawful purpose. At Owner's discretion the Treated Effluent Ground Storage Tank and associated pumps and appurtenances may be (a) removed from the Property upon decommissioning of the Heritage State 2 Effluent Disposal Field, or (b) retained for utilization by Owner (or its successors) in a Chapter 210 reclaimed water system to serve the Property.

2.8 Owner's Onsite WWTP. In the event that (i) any portion of the Stage 2 LUEs or Stage 3 LUEs described in this Agreement are not available, or are anticipated to not be available, to the Development when connections are needed by Owner, and (ii) Owner has not elected to forgo construction of the TLAP Amendment 2 Facilities and the Heritage Stage 2 Effluent Disposal Field as set forth in Section 2.5(a), then Owner shall be entitled to construct and operate, or cause to be constructed or operated, the Onsite WWTP to treat wastewater generated by the Development in excess of that generated from the Stage 1 LUEs. Such election must be made in writing and cannot be made (a) before the expiration of one year after the City timely submits the TLAP Amendment 2 application, unless such application is earlier denied or withdrawn, (b) if Owner has elected to forgo construction of the TLAP Amendment 2 Facilities and the Heritage Stage 2 Effluent Disposal Field as set forth in Section 2.5(a); or (c) after the date of the Final Authorization of the TLAP Amendment 2. The City shall cooperate with Owner in Owner's efforts to obtain all necessary permits, including those from TCEQ, for the design, construction and operation of the Onsite WWTP and the associated effluent disposal field (collectively the "WWTP Permits"). The Owner may make application for the WWTP Permits at any time. The City shall not object to, or interfere with, Owner's efforts to pursue or obtain the WWTP Permits. The City shall, within 15 days of Owner's written request for service to the Development, for service in excess of the Stage 1 LUEs, provide to Owner a letter reflecting the City's inability to provide wastewater service to the entirety of the Development (until TCEQ's approval of the Discharge Permit or approval of TLAP Amendment 2) for use by Owner in its application for the WWTP Permits or otherwise.

- (a) City's Permit and Construction Deadlines. Owner agrees to delay and not to begin construction of the Onsite WWTP, so long as the City is continuing its efforts to obtain approvals for the Discharge Permit and TLAP Amendment 2 and timely begin construction of the improvements necessary to serve the Stage 2 LUEs and the Stage 3 LUEs.
- (b) Impact on Funding of Other Facilities. If Owner begins construction of the Onsite WWTP, as set forth in this Section, then, notwithstanding anything to the contrary set forth in this Agreement, except as specified in the following sentence, Owner shall have no obligation to pay for, or fund, any portion of the Discharge Permit Facilities, the Force Main Improvements or the TLAP Amendment 2 Facilities. Owner acknowledges that upon decommissioning the Onsite WWTP and the development of the property comprising the Heritage WWTP Effluent Disposal Field, Owner shall be responsible for the Force Main Improvements (or the Agreed Alternative) as set forth in Section 2.6, but only to the extent that these improvements are necessary to serve such development as determined by Section 2.6(b).

- (c) Impact on Funding of Effluent Transmission Line. If Owner begins construction of the Onsite WWTP, as set forth in this Section, and Owner has not already committed to construction of the Effluent Transmission Line as otherwise provided in this Agreement, then the City may undertake construction of the Effluent Transmission Line.
- (i) After the City completes construction of the Effluent Transmission Line but not earlier than the date the City connects the first of the Stage 3 LUEs under this Agreement, the City may notify Owner to reimburse the City up to Owner's ETL Cost Share and Owner shall be responsible to pay that amount.
- (ii) If the City has not completed construction of the Discharge Permit Facility in order to provide service to the Stage 3 LUEs prior to seven (7) years after the Effective Date then, notwithstanding any provision in this Agreement to the contrary, Owner shall have no obligation to construct or fund any portion of the Effluent Transmission Line pursuant to this Section 2.8(c).
- (d) Ownership and Dedication. Upon completion, the Onsite WWTP will be dedicated to the City as a public improvement, the site of the Onsite WWTP (and the associated drip irrigation fields) will be leased to the City ("WWTP Lease"), and all permits and licenses required for the continued operation of the WWTP will be transferred or assigned by Owner to the City. The WWTP Lease shall be in the amount of \$100.00 per year during the term of the lease.
- (e) Onsite WWTP. If the Onsite WWTP is constructed, it will be located within the area of the Development at a location selected by Owner and will use the Heritage WWTP Effluent Disposal Field as generally depicted on Exhibit G attached hereto and will be constructed generally in accordance with the terms and specifications set forth on Exhibit H (attached hereto and made a part hereof) and as set forth in Section 3.13 of the PDD which provides as follows: "Temporary On-Site Wastewater treatment plant facilities (not including drip disposal fields) will be surrounded by a fenced enclosure. Perimeter berm or landscaping shall be installed or planted within 30 feet from the perimeter fence (Vegetative Planting Zone), not including areas that may be covered with drive lanes, pedestrian paths, parking lots, utility appurtenances or other locations that hamper routine access and operation of the facility. Prior to the issuance of the Certificate of Occupancy for the waste water treatment plant, a hedge-like screen of evergreen plant materials of a minimum of 2.0 feet in height when planted and capable of attaining a minimum height of five (5) feet at maturity and spaced no more than five (5) feet from each other will be planted within the Vegetative Planting Zone. All of the above requirements will be reviewed with the site plan review process."
- (f) Service by the City. Notwithstanding any other provision in this Agreement, upon completion of construction of the Onsite WWTP and the relevant phase of

the Stage 2 Onsite Facilities or the Stage 3 Onsite Facilities needed to connect such facilities to the phase of lots requiring wastewater service, the City shall provide retail wastewater service to the Development for the Stage 2 LUEs and the Stage 3 LUEs in the same manner as the City has otherwise herein agreed to serve such LUEs.

- (g) Impact Fees. Whether Owner does or does not construct the Onsite WWTP has no effect on the Impact Fee requirements under Article V of this Agreement.
- (h) Funding. Owner shall fund 100% of the Construction Costs of the Onsite WWTP and 100% of the costs of its decommissioning. The City shall be responsible for the operation and maintenance costs of the Onsite WWTP, which amounts the City may recover from retail customers through monthly rates.

2.9 **Removal of the WWTP.** The Parties agree that the purpose of the Onsite WWTP is solely to allow the Development to proceed forward in the event of delays in permitting or construction related to wastewater facilities otherwise needed to serve the Stage 2 LUEs and Stage 3 LUEs, and that the Onsite WWTP is not intended to be, and will not be, a permanent installation. Further, the Onsite WWTP will not be used by the City to treat wastewater generated from customers located outside the Development. If the Onsite WWTP is constructed, the removal and decommissioning of the WWTP shall occur as follows:

- (a) Within 120 days after (i) the Discharge Permit Facilities are completed, operational and capable of providing service to the Development, or (ii) the City otherwise provides notice that it has facilities that are completed, operational and capable of providing service to the Stage 2 LUEs and Stage 3 LUEs at the Development, then the City shall stop use of the Onsite WWTP for treatment of wastewater. The City shall fully cooperate with Owner to decommission the Onsite WWTP and terminate the WWTP Lease. At Owner's request, City shall re-convey to Owner (at no cost to Owner) all ownership rights to the Onsite WWTP, including rights to all equipment, facilities and instrumentation comprising the Onsite WWTP.
- (b) Owner, at its sole cost and expense, shall be responsible for decommissioning the Onsite WWTP (and associated drip irrigation system) and removing it from the Land so that Owner may then develop that portion of the Land in accordance with the terms and conditions of the PDD.

ARTICLE III INFRASTRUCTURE CONSTRUCTION, CONNECTION AND DEDICATION

3.1 **Construction Standards.** Owner shall construct, or cause to be constructed, all Onsite Facilities and Onsite WWTP in compliance with (a) this Article 3; (b) the City Utility Standards; and (c) the rules and regulations of the Texas Commission on Environmental Quality, or its successor agencies.

3.2 **Construction Warranty and Guarantee.** Any wastewater facilities to be dedicated to the City shall have a maintenance bond (warranty) with a guarantee of at least two years, enforceable by the City as both Owner's assignee and as a third-party beneficiary. In addition, Owner's contract(s) with its Contractor for the construction of any facilities to be dedicated to the City shall: (i) state that the "OWNER" includes Owner and its permitted assigns, including the City, and (ii) include the following provision:

"Immediately before the expiration of the two-year maintenance bond period, the CONTRACTOR shall make an inspection of the Work in the company of the Engineer and the OWNER. The Engineer and the OWNER shall be given not less than 20 days' notice prior to the anticipated date of maintenance bond expiration and the inspection. Failure to comply with these requirements within the maintenance bond period shall extend the maintenance bond period until 20-days after the inspection is completed.

During the maintenance bond , where any portion of the Work is found to be defective and requires replacement, repair or adjustment (whether as a result of the foregoing inspection or otherwise), the CONTRACTOR shall immediately provide materials and labor necessary to remedy such defective work and shall prosecute such work without delay until completed to the satisfaction of the Engineer and the OWNER, even though the date of completion of the corrective work may extend beyond the expiration date of the maintenance bond period.

The CONTRACTOR shall not be responsible for correction of work which has been damaged because of neglect or abuse."

The Owner shall provide a copy of the contract to the City upon execution, assign the contract to the City as provided in Section 3.8, and shall immediately advise the City of any notice it receives under this provision, and send the City a copy of the notice as provided in this Agreement.

3.3 **Construction in Phases.** The Onsite Facilities, the Heritage Stage 2 Effluent Disposal Field, the Onsite WWTP, and any parts of such facilities, may be constructed in separate phases, at Owner's election, in which case the requirements in this Agreement apply separately to each phase.

3.4 **Construction Plan Review and Approval.** The City has the right to review and approve all plans and specifications for the Onsite Facilities and Onsite WWTP, and to charge applicable City review and approval fees. Owner shall cause to be filed a copy of each set of approved plans and specifications and a copy of all inspection certificates for such facilities with the City for review and approval. Construction of the Onsite Facilities or the Onsite WWTP shall not begin until the plans and specifications have been reviewed and accepted by the City for compliance with the construction standards required by this Agreement, a pre-construction conference has been held by Owner's contractor(s) and the City Engineer, and the applicable City fees have been paid. The City agrees to provide comments to plans and specifications within twenty (20) days of receipt.

3.5 **City Inspections.** The City has the right, but not the obligation, to inspect and test at any time (including during construction and before beginning operation), and the right to participate in a final inspection of all Onsite Facilities, including any connections to onsite structures and to the City's System. In addition, Owner or its Contractor shall notify the City when the facilities are ready for final inspection and connection to the City's System. If the City concurs that construction of the facilities is substantially complete, then the City will schedule a final inspection by the City within twenty (20) days. After such final inspection, Owner shall timely correct any punch list items.

3.6 **Review and Inspection Fees.** Owner shall pay all of the City Engineer's fees for review of plans, and the construction phase(s) and final inspections.

3.7 **City Acceptance of Facilities.** Within thirty (30) days after completion of the Onsite Facilities, or any separate phase of such facilities, in accordance with the construction standards of this Agreement, the City's final inspection, and Owner's completion of any punch list items to the City's satisfaction, the City agrees to accept the facilities for dedication to the City's System. Upon acceptance of a facility, or a separate phase of facilities, the City will immediately connect the facility to the City's System, and thereafter the facilities shall be operated and maintained by the City.

3.8 **Conveyance of Facilities.** Within sixty (60) days after the City's acceptance of the facilities under Section 3.7, or any separate phase of such facilities, Owner shall convey the subject facilities to the City as follows. Owner shall execute and deliver to the City properly executed bills of sale, assignments, or other instruments of transfer that are reasonably necessary to convey the facilities as well as:

- (a) all warranties secured for their construction;
- (b) all bonds, warranties, guarantees, and other assurances of performance;
- (c) all record drawings, project manuals and other documentation related to the construction of the facilities; and
- (d) all easements required by Article 4, if any.

Owner is responsible for removing any lien or any other encumbrance created by Owner from any real or personal property to be transferred to the City. Upon transfer, the facilities shall become part of the City's System and thereafter be owned by the City.

ARTICLE IV EASEMENTS

4.1 **Offsite Facility Easements.** Before Owner constructs any wastewater facilities located on land not owned by Owner ("Offsite Facilities"), Owner must have acquired, at no cost to the City, all wastewater easements necessary for the subject phase of the Offsite Facilities. The City acknowledges that some or all of the wastewater infrastructure may be located in existing public rights-of-way that do not have to be acquired by Owner. The City shall cooperate with Owner

regarding the easements, and the City will make available, at no cost to Owner, the right to use any rights-of-way or easements held by the City. If Owner is unable to obtain the necessary easements, after using diligent, good faith efforts, Owner shall fund and the City shall acquire the easements, using the City's powers of eminent domain to the extent necessary.

4.2 **Form of Easements.** Owner shall seek to obtain from the applicable landowner(s) the easements necessary for the Offsite Facilities in the name of the City and in substantially the form attached as Exhibit F, and shall provide any executed easements to the City not later than as required in Section 3.10, at no cost to the City. Upon receipt, the City shall record the easements in the deed records of Hays County, Texas.

ARTICLE V FEES AND CHARGES

5.1 **Payment of Impact Fees.** Impact Fees shall be paid to the City in the amount that is equivalent to the impact fee amount for new wastewater service adopted and assessed by City pursuant to Chapter 395 of the Texas Local Government Code and City Ordinance (which amount at the Effective Date is \$7,580 per LUE). Except as otherwise provided in this Agreement, Impact Fees shall only be collected by the City at such time as the permits required for construction of a dwelling unit (i.e. building permit) is requested and connection to the System is prohibited until Impact Fees for the applicable dwelling unit is paid. This Agreement is an agreement providing for the time and method of payment of the Impact Fees and an owner's voluntary request for reservation of capacity pursuant Chapter 395. If this Agreement expires before service begins, then the City will refund the Impact Fees paid, without interest, only upon recovering them through Impact Fee payments from other customers for additional connections.

- (a) **Stage 1 Service.** Owner shall pay \$1,500 per LUE for each of the 150 Stage 1 LUEs as a down payment of the Impact Fee for each of the LUEs committed to the Development by the Stage 1 Service. The down payment shall be due 45 days after the Effective Date of this Agreement. The remainder of the Impact Fee for each of the LUEs committed to the Development by the Stage 1 Service shall be paid on a lot by lot basis at the time that a building permit is requested.
- (b) **Stage 2 and 3 Service.** Impact Fee for each of the LUEs committed to the Development by the Stage 2 Service and the Stage 3 Service shall be paid on a lot by lot basis at the time that a building permit is requested.

5.2 **Reservation Fee/Monthly Payments.** Beginning on the first day of the month after (i) the City has completed construction of the First Amendment Facilities and (ii) the First Amendment Facilities are operational, the City shall send Owner Notice of same, and thereafter Owner shall begin making monthly payments to the City in the amount of \$50.00 per month per LUE for each of the Stage 1 LUEs ("Initial Reservation Fee") reserved to serve the Land. The fees described in this Section 5.2 shall be referred to herein collectively as the "Reservation Fee". The Reservation Fee is in lieu of a monthly wastewater bill for such LUEs and, among other things, for the City's costs of operating and maintaining sewer mains or lines to serve the Land. The Reservation Fee shall be due before the 15th day of each month. Owner shall

continue to pay the City (i) the monthly Initial Reservation Fee for each reserved LUE unless and until the Impact Fee is paid for such LUE or such LUE is released pursuant to this Agreement. Notwithstanding the foregoing, if there is any delay or interruption in the City's ability to deliver sewer service for the Stage 1 LUEs then Owner's duty to pay the Reservation Fees shall abate until such delay or interruption ceases to exist. Finally, in recognition of Owner's other payments and funding of System improvements, no Reservation Fees shall apply to the Stage 2 LUEs or the Stage 3 LUEs.

5.3 **Release of LUEs.**

- (a) If Owner does not pay the City its monthly Reservation Fee pursuant to Section 5.2, then the City may send a notice to Owner of such default and, if the default is not cured within thirty (30) days, then the City may either (a) enforce Owner's continuing monthly payment obligations for unpaid Reservation Fee or (b) release reserved LUEs for which fees have not been paid. If the City chooses to release the LUEs in this manner, then the City shall be relieved of its Section 2.1 wastewater service obligation for the released LUEs, and may enforce Owner's monthly payment obligations through the date of this Section 5.3(a) notice.
- (b) If Owner is not in default on its monthly payment obligations, it may voluntarily release and terminate its monthly Reservation Fee payment obligations for any or all of the unused LUEs by sending ninety (90) days prior notice to the City specifically identifying the number of the LUEs being released; ninety (90) days after such notice, Owner will have no further monthly Reservation Fee payment obligation for, and City shall have no further service obligation for, such released LUEs.
- (c) If LUEs are released under Section 5.3(b) above, then the City will refund to Owner the Impact Fees paid for the released LUEs, without interest, upon recovering them through Impact Fee payments from other customers for additional connections or from other City funds. Notwithstanding the foregoing, the City shall ensure that the full amount of such refund is paid not later than 24 months after Owner notified the City of the release of the reserved LUEs.

5.4 **Other Fees and Charges.** Payment of Impact Fees and any other fees provided for in this Agreement will satisfy all payment obligations for the requested capacity of 700 LUEs. The City agrees that no additional fees associated with the connection of LUEs to the Land, including, without limitation, tap fees, connection fees, or hook-up fees shall be charged by the City in addition to the fees and charges identified in this Agreement.

5.5 **Remedy for Non-Payment.** As authorized by City Ordinance, the City's bill for wastewater service is based on average winter water use for a subject customer's water meter. By law and regulation, including orders of the Texas Commission on Environmental Quality, the City is authorized to suspend or terminate water service to a customer's water meter for non-payment of the customer's wastewater bill.

**ARTICLE VI
TERM**

Term. This Agreement shall commence and bind the Parties on the Effective Date and continue and remain in effect so long as the City is providing wastewater service to the Development.

**ARTICLE VII
MISCELLANEOUS**

7.1 **Governing Law, Jurisdiction and Venue.** This Agreement must be construed and enforced in accordance with the laws of the State of Texas, as they apply to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary. The Parties acknowledge that this Agreement is performable in Hays County, Texas and hereby submit to the jurisdiction of the courts of Hays County, and hereby agree that any such court shall be a proper forum for the determination of any dispute arising hereunder.

7.2 **Notice.** Any notices, approvals, or other communications required to be given by one Party to another Party or to any person under this Agreement (a "Notice") shall be given in writing addressed to the Party or person to be notified. A Notice shall be deemed given: (a) when the Notice is delivered in person to the person to whose attention the Notice is addressed; (b) when received if the Notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid; (c) when the Notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address; or (d) five business days after the Notice is sent by FAX (with electronic confirmation by the sending FAX machine) with a confirming copy sent by United States mail within 48 hours after the FAX is sent. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the Notice shall be extended to the first business day following the Saturday, Sunday, or legal holiday. For the purpose of giving any Notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending Notice of such changes to the other Party as provided in this section.

To the City:

City of Dripping Springs, Texas
Attn: City Secretary
P. O. Box 384
Dripping Springs, Texas 78620
FAX: (512) 858-5646

With a copy to:

City of Dripping Springs, Texas
Attn: City Administrator

P. O. Box 384
Dripping Springs, Texas 78620
FAX: (512) 858-5646

To Owner:

SLF IV – Dripping Springs JV, L.P.
Attn: Ocie Vest
5949 Sherry Lane, Suite 800
Dallas, TX 75225
FAX: (214) 368-9192

With a copy to:

Jackson Walker LLP
Attn: Leonard H. Dougal
100 Congress Avenue, Suite 1100
Austin, Texas 78701
FAX: (512) 391-2112

7.3 **Assignment & Binding Effect.** This Agreement and the rights and obligations of Owner hereunder, may be assigned by Owner in whole or in part to a subsequent purchaser of all or a portion of the Development, provided that the assignee assumes all of the obligations hereunder with respect to the portion of the Development owned by such assignee. Any assignment must be in writing, specifically describe the property in question, set forth the assigned rights and obligations and be executed by the assignee. A copy of the assignment document must be delivered to the City. Upon any such assignment, the assignor will be deemed automatically to be released from any obligations under this Agreement as to the property sold and obligations assumed.

- (a) If Owner assigns its rights and obligations hereunder as to a portion of the Development, then the rights and obligations of any assignee and Owner will be several, not joint, and Owner will not be liable for the nonperformance of the assignee and vice-versa.
- (b) The provisions of this Agreement will be binding upon, and the inure to the benefit of the Parties, and their respective successors and assigns. This Agreement will not, however, be binding upon, or create any encumbrance to title as to, any ultimate consumer who purchases a fully developed and improved lot within the Development.

7.4 **Amendment.** This Agreement may be amended only with the written consent of Owner and approval of the governing body of the City, which consent or approval shall not be unreasonably delayed, conditioned or withheld.

7.5 **No Waiver.** Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by a writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party hereto of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

7.6 **Severability.** The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section, or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal, or unenforceable for any reason, and the extent of such invalidity or unenforceability does not cause substantial deviation from the underlying intent of the Parties as expressed in this Agreement, then such provision shall be deemed severed from this Agreement with respect to such person, entity or circumstance, without invalidating the remainder of this Agreement or the application of such provision to other persons, entities or circumstances, and a new provision shall be deemed substituted in lieu of the provision so severed which new provision shall, to the extent possible, accomplish the intent of the Parties as evidenced by the provision so severed.

7.7 **Captions.** Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of the agreement.

7.8 **Interpretation.** The Parties acknowledge that each party and, if it so chooses, its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. As used in this Agreement, the term “include” or “including” means to include “without limitation.” Any provision of this Agreement that provides for the agreement or approval of the City staff or City Council, such agreement or approval may be withheld or conditioned by the staff or City Council in its sole discretion.

7.9 **Counterpart Originals.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

7.10 **Force Majeure.** If any Party is delayed in meeting, or fails to meet, a deadline required by this Agreement (other than a deadline to pay money due and payable hereunder or the deadlines triggering Owner’s right to construct the Onsite WWTP under Section 2.7), and such delay or failure is due to causes beyond that Party’s reasonable control, including, without limitation, failure of suppliers, contractors, subcontractors and carriers, then the dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused, provided that the Party experiencing the failure or delay uses its best efforts to remedy any such failure or delay and the Party also gives the other Party reasonably prompt Notice specifically describing the cause relied upon.

7.11 **Incorporation of Exhibits by Reference.** All exhibits attached to this Agreement are incorporated into this Agreement by reference for the purposes set forth herein, as follows:

Exhibit A	Map of the Land
Exhibit B	Legal Description of the Land
Exhibit C	Stage 1 Service Offsite Wastewater Line Improvements
Exhibit D	Stage 2 Service Effluent Disposal Field and Related Facilities
Exhibit E	Stage 3 Service Force Main Improvements
Exhibit F	Form of Easement
Exhibit G	Approximate location of Onsite WWTP
Exhibit H	Terms and Specifications for Onsite WWTP
Exhibit I-1	TLAP Amendment 2 Facilities Without Third Party Developer Participation (Cost Estimate)
Exhibit I-2	TLAP Amendment 2 Facilities With Third Party Developer Participation Example (Cost Estimate)

CITY OF DRIPPING SPRINGS, TEXAS

Attest:

Andrea Cunningham
Andrea Cunningham
City Secretary

By: Bill Foulds
Todd Purcell, Mayor

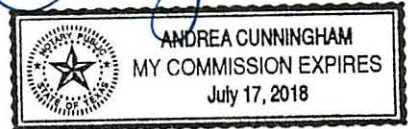
Date: 11/14/17

STATE OF TEXAS
COUNTY OF HAYS

This instrument was executed by ~~Todd Purcell~~ Bill Foulds, in the capacity set forth above, and before me on this the 14 day of November, 2017.

Andrea Cunningham
Notary Public, State of Texas

My Commission Expires: 7/17/18



OWNER

SLF IV – DRIPPING SPRINGS JV, L.P.,
a Texas limited partnership

By: SLF IV Property GP, LLC,
a Texas limited liability company,
its General Partner

By: Stratford Land Fund IV, L.P.
a Delaware limited partnership,
its Co-Managing Member

By: Stratford Fund IV GP, LLC,
a Texas limited liability
company,
its General Partner

By: Mark Westerburg
Name: Mark Westerburg
Title: Vice President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 10th day of NOVEMBER, 2017, by MARK WESTERBURG, VICE PRESIDENT of Stratford Fund IV GP, LLC, a Texas limited liability company, General Partner of Stratford Land Fund IV, L.P., a Delaware limited

partnership, co-managing member of SLF IV Property GP, LLC, a Texas limited liability company, General Partner of **SLF IV – DRIPPING SPRINGS JV, L.P.**, a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said limited partnership.



Notary Public

[Notary Seal]

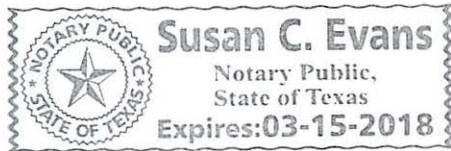
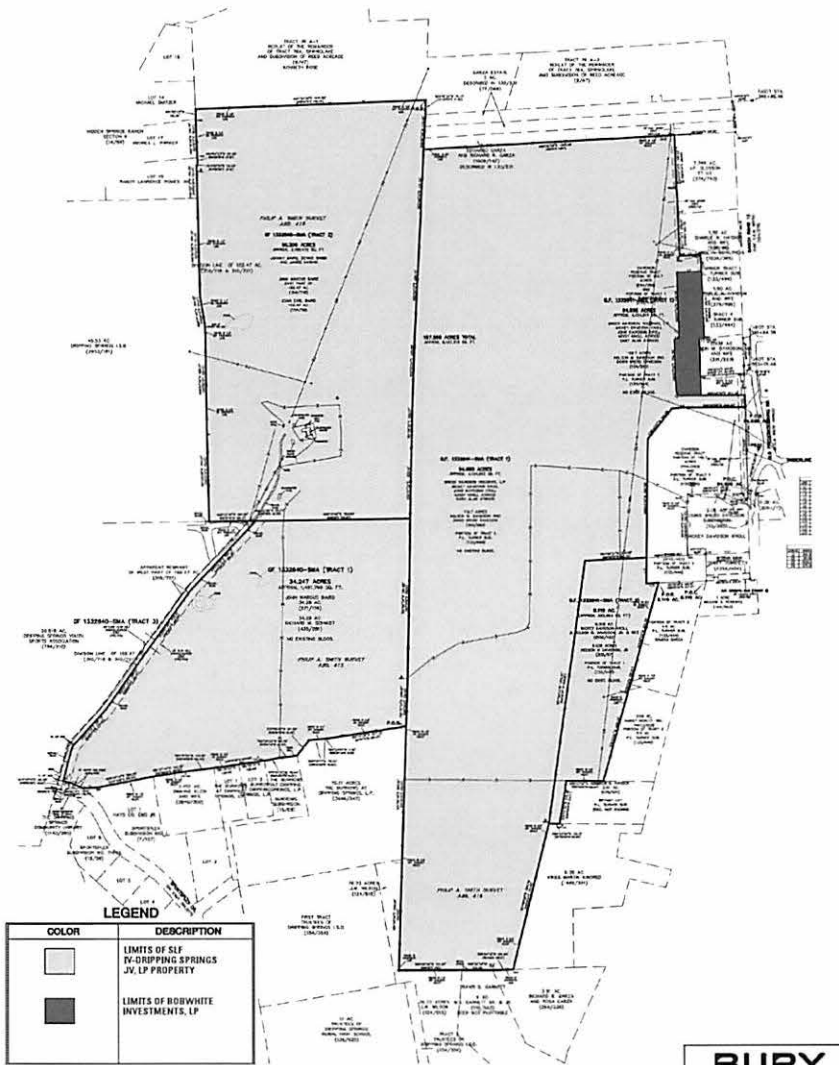


Exhibit A
Map of the Land



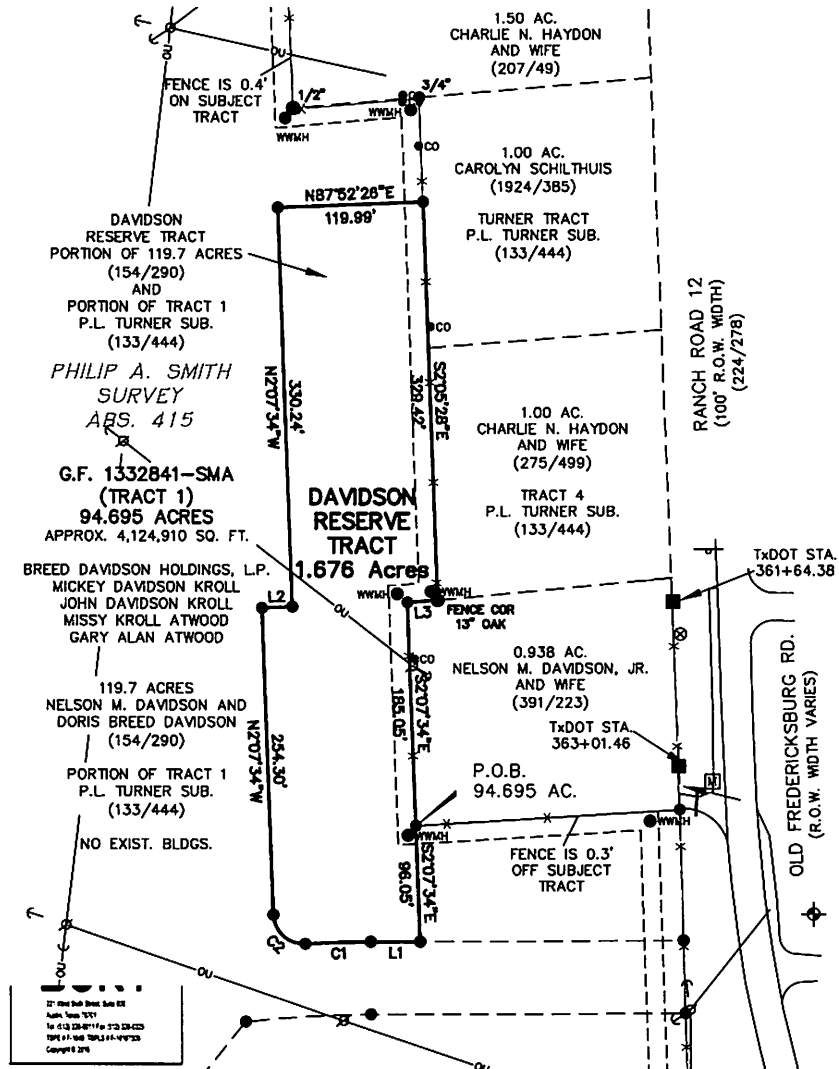
COLOR	DESCRIPTION
	LIMITS OF SLF IV - DRIPPING SPRINGS JV, LP PROPERTY
	LIMITS OF BOBWHITE INVESTMENTS, LP

BURY
 211 West South Street, Suite 400
 Austin, Texas 78701
 Tel: (512) 261-0114 Fax: (512) 261-0122
 Email: info@buri.com
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NOTE:
 PER EXHIBIT A1 - TRACTS 1-4 ARE OWNED BY SLF IV - DRIPPING SPRINGS JV, LP AND
 TRACT 5 IS OWNED BY BOBWHITE INVESTMENTS, LP

TBG **EXHIBIT A - PROPERTY OWNED BY SLF IV - DRIPPING SPRINGS JV, LP**
 Planned Development District No.5 Heritage Subdivision Dripping Springs, TX 18 April 2016





PARCEL LINE DATA		
LINE #	BEARING	DISTANCE
L1	S89°48'55\"W	40.73'
L2	N87°52'26\"E	25.11'
L3	S85°58'06\"W	24.91'

PARCEL CURVE DATA					
CURVE #	LENGTH	RADIUS	DELTA	CHORD LENGTH	BEARING
C1	53.84'	1030.00'	2°59'42\"	53.84'	S88° 19' 04.23\"W
C2	39.73'	25.00'	91°03'12\"	35.68'	N47° 39' 10.83\"W

NOTE:
 PER EXHIBIT A1 - TRACTS 1-4 ARE OWNED BY SLF IV - DRIPPING SPRINGS JV, LP AND TRACT 5 IS OWNED BY BOBWHITE INVESTMENTS, LP

TIBG **EXHIBIT A - PROPERTY OWNED BY BOBWHITE INVESTMENTS, LP**
 Planned Development District No.5 Heritage Subdivision Dripping Springs, TX 18 April 2016



Exhibit B
Legal Description of the Land

EXHIBIT B
"Property"

TRACT 1:

A DESCRIPTION OF 34.247 ACRES IN THE PHILIP SMITH SURVEY, ABSTRACT 415, HAYS COUNTY, TEXAS, BEING A PORTION OF A 34.29 ACRE TRACT CONVEYED TO JOHN MARCUS BAIRD BY DEED DATED JANUARY 13, 1993 AND RECORDED IN VOLUME 971, PAGE 116 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 34.247 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found for the southeast corner of the said 34.29 acre tract, being also the northeast corner of a 10.11 acre tract described in Volume 3444, Page 347 of the Official Public Records of Hays County, Texas, and being in the west line of Tract 1 of the P.L. Turner Subdivision, a subdivision of Record in Volume 133, Page 444 of the Deed Records of Hays County, Texas;

THENCE with the south line of the 34.29 acre tract, being also the north line of the 10.11 acre tract, the following four (4) courses and distances:

1. South 81°14'08" West, a distance of 397.32 feet to a 1/2" rebar with Chaparral cap set;
2. South 84°24'01" West, a distance of 7.97 feet to a 1/2" rebar found;
3. South 85°19'17" West, a distance of 78.51 feet to a fence post found;
4. South 37°56'47" West, a distance of 97.35 feet to a 1/2" rebar found for the northwest corner of the 10.11 acre tract, being also the northeast corner of Lot 3 of Burrows Subdivision, a subdivision of record in Book 15, Page 69 of the Plat Records of Hays County, Texas;

THENCE with the south line of the 34.29 acre tract, being also the north line of Burrows Subdivision, the following four (4) courses and distances:

1. South 82°29'22" West, a distance of 88.75 feet to a nail found;
2. South 79°25'37" West, a distance of 76.64 feet to a nail found in a live oak for the northwest corner of Lot 3, being also the northeast corner of Lot 2;
3. South 81°55'21" West, a distance of 126.68 feet to a 1/2" rebar with a 3984 cap found for the northwest corner of Lot 2, being also the northeast corner of Lot 1;

4. South 81°56'23" West, a distance of 126.62 feet to a 1/2" rebar found for the northwest corner of Lot 1, being also the northeast corner of a 2.107 acre tract described in Volume 2840, Page 300 of the Official Public Records of Hays County, Texas;

THENCE continuing with the south line of the 34.29 acre tract, being also the north line of the 2.107 acre tract, the following two (2) courses and distances:

1. South 82°31'24" West, a distance of 142.51 feet to a nail found in a live oak;
2. South 81°27'49" West, a distance of 160.55 feet to a 1/2" rebar found for the northwest corner of the 2.107 acre tract, being also the northeast corner of Lot 1 of Sportsplex Subdivision No. 1, a subdivision of record in Book 7, Page 157 of the Plat Records of Hays County, Texas;

THENCE continuing with the south line of the 34.29 acre tract, being also the north line of Lot 1, the following two (2) courses and distances:

1. South 78°46'14" West, a distance of 283.22 feet to a 5/8" rebar found;
2. South 87°33'15" West, a distance of 75.24 feet a 1/2" rebar found for the northwest corner of Lot 1, being in the east line of Sportsplex Drive, described in Volume 784, Page 217 of the Deed Records of Hays County, Texas;

THENCE with the east line of Sportsplex Drive, crossing the 34.29 acre tract the following two (2) courses and distances:

1. With a curve to the left, having a radius of 309.60 feet, a delta angle of 14°55'01", an arc length of 80.60 feet, and a chord which bears North 67°03'32" West, a distance of 80.38 feet to a calculated point;
2. North 74°27'23" West, a distance of 19.74 feet to a calculated point in the center of a road, being in the west line of the 34.29 acre tract;

THENCE with the west line of the 34.29 acre tract, 25' from and parallel to the east line of a 20.518 acre tract described in Volume 784, Page 210 of the Deed Records of Hays County, Texas, the following six (6) courses and distances:

1. North 15°32'13" East, a distance of 7.31 feet to a calculated point;
2. North 14°52'44" East, a distance of 170.09 feet to a calculated point;
3. North 42°12'50" East, a distance of 247.76 feet to a calculated point;
4. North 34°57'13" East, a distance of 299.47 feet to a calculated point;
5. North 35°47'18" East, a distance of 429.51 feet to a calculated point;



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6. North 43°12'18" East, a distance of 469.74 feet to a 1/2" rebar with Chaparral cap set for the northwest corner of the 34.29 acre tract, from which a 1/2" rebar with Zamorra Warrick Associates cap found for the northeast corner of the 20.518 acre tract, bears South 89°12'58" West, a distance of 34.79 feet;

THENCE North 89°12'58" East, with the north line of the 34.29 acre tract, a distance of 764.65 feet to a 1/2" rebar found for the northeast corner of the 34.29 acre tract, being also in the west line of said Tract 1;

THENCE with the east line of the 34.29 acre tract, being also the west line of Tract 1, the following two (2) courses and distances:

1. South 01°00'24" West, a distance of 791.82 feet to a nail in a fence post found;
2. South 01°57'23" West, a distance of 240.27 feet to the **POINT OF BEGINNING**, containing 34.247 acres of land, more or less.

TRACT 2:

A DESCRIPTION OF 50.206 ACRES IN THE PHILIP SMITH SURVEY, ABSTRACT 415, HAYS COUNTY, TEXAS, BEING A PORTION OF A TRACT CALLED THE EAST PART OF 152.47 ACRES CONVEYED TO JOHN MARCUS BAIRD BY GENERAL WARRANTY DEED DATED MAY 9, 1978 AND RECORDED IN VOLUME 310, PAGE 718 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, SAME BEING A PORTION OF A 152.47 ACRE TRACT CONVEYED TO EDNA EARL BAIRD BY DEED DATED FEBRUARY 19, 1937 AND RECORDED IN VOLUME 154, PAGE 59 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 50.206 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at an axle found for the northeast corner of the said 152.47 acre tract, being an angle point in the south line of Tract 76 A-1, Replat of the Remainder of Tract 76A, Springlake and Subdivision of Reed Acreage, a subdivision of record in Book 9, Page 47 of the Plat Records of Hays County, Texas;

THENCE South 00°16'33" West, with the east line of the 152.47 acre tract, being a south line of said Tract 76 A-1, a distance of 70.71 feet to a fence post found for an angle point in the south line of Tract 76 A-1, for the northwest corner of a tract of land described in Volume 130, Page 231 of the Deed Records of Hays County, Texas;

THENCE South 02°57'28" West, with the east line of the 152.47 acre tract, and with the west line of a 2 acre tract described in Volume 130, Page 231, and Volume 1658, Page 147 of the Official Public Records of Hays County, Texas, a distance of 174.43 feet to fence post found for the southwest corner of the 2 acre tract, being also the northwest corner of Tract 1 of the P.L. Turner Subdivision, a subdivision of Record in Volume 133, Page 444 of the Deed Records of Hays County, Texas;

THENCE with the east line of the 152.47 acre tract, being the west line of Tract 1, with the fence, the following five (5) courses and distances:

1. South 02°48'03" West, a distance of 431.51 feet to a calculated point;
2. South 02°54'13" West, a distance of 484.14 feet to a calculated point;
3. South 02°03'04" West, a distance of 259.80 feet to a calculated point;
4. South 01°35'37" West, a distance of 300.57 feet to a calculated point;
5. South 01°07'29" West, a distance of 353.19 feet to a 1/2" rebar found for the northwest corner of a 34.29 acre tract described in Volume 971, Page 116 of the Deed Records of Hays County, Texas;

THENCE South 89°12'58" West, with the north line of the 34.29 acre tract, over and across the 152.47 acre tract, a distance of 764.65 feet to a 1/2" rebar with Chaparral cap set for the northwest corner of the 34.29 acre tract, being in the division line of the 152.47 acre tract described in Volume 310, Page 718 and Volume 310, Page 721 of the Deed Records of Hays County, Texas;

THENCE South 89°12'58" West, continuing across the 152.47 acre tract, with the said division line, a distance of 34.79 feet to a 1/2" rebar with Zamorra Warrick Associates cap found for the northwest corner of a 20.518 acre tract described in Volume 784, Page 210 of the Deed Records of Hays County, Texas;

THENCE South 89°12'49" West, with the north line of the 20.518 acre tract, with the said division line, a distance of 196.26 feet to a fence post found for the southeast corner of a 45.53 acre tract described in Volume 2953, Page 181 of the Official Public Records of Hays County, Texas;

THENCE with the east line of the 45.53 acre tract, with the said division line, crossing the 152.47 acre tract, the following four (4) courses and distances:

1. North 01°23'38" West, a distance of 440.21 feet to a 1/2" rebar with Carson Bush cap found;
2. North 00°57'16" West, a distance of 525.11 feet to a nail found at the base of a 13" and 14" live oak;
3. North 09°31'45" West, a distance of 154.92 feet to a 1/2" rebar with Chaparral cap set;
4. North 01°24'08" West, a distance of 484.34 feet to a 1/2" rebar found for the northeast corner of the 45.53 acre tract, being also the southeast corner of Lot 18 of Hidden Springs



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Ranch Section II, a subdivision of record in Book 14, Page 69 of the Plat Records of Hays County, Texas;

THENCE with the east line of Hidden Springs Ranch Section II, continuing with the said division line, crossing the 152.57 acre tract, the following five (5) courses and distances:

1. North 01°22'12" West, a distance of 155.30 feet to a nail found in concrete;
2. North 15°23'51" East, a distance of 18.43 feet to a 1/2" rebar found;
3. North 03°04'23" West, a distance of 27.45 feet to a 1/2" rebar with 4404 cap found for the northeast corner of Lot 18, being also the southeast corner of Lot 17;
4. North 02°18'43" West, a distance of 190.70 feet to a 1/2" rebar with 4542 cap found for the northeast corner of Lot 17, being also the southeast corner of Lot 14;
5. North 01°02'42" West, a distance of 50.06 feet to an axle found for an angle point in the north line of the 152.47 acre tract, being also the southwest corner of Tract 76 A-1;

THENCE North 87°50'05" East, with the north line of the 152.47 acre tract, being also the south line of Tract 76 A-1, a distance of 1141.82 feet to the **POINT OF BEGINNING**, containing 50.206 acres of land, more or less.

TRACT 3:

A DESCRIPTION OF 94.695 ACRES (APPROX. 4,124,910 SQ. FT.) IN THE PHILIP SMITH SURVEY, ABSTRACT 415, HAYS COUNTY, TEXAS, BEING A PORTION OF A 119.7 ACRE TRACT CONVEYED TO NELSON M. DAVIDSON AND DORIS BREED DAVIDSON BY DEED DATED JUNE 23, 1952 AND RECORDED IN VOLUME 154, PAGE 290 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, AND BEING A PORTION OF TRACT 1, P.L. TURNER SUBDIVISION, A SUBDIVISION OF RECORD IN VOLUME 133, PAGE 444 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 94.695 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar with 3984 cap found in the west line of Old Fredericksburg Road (right-of-way width varies), for the northeast corner of the Doris Breed Davidson Subdivision, a subdivision of record in Book 10, Page 395 of the Plat Records of Hays County, Texas;

THENCE North 01°30'02" West, with the west line of Old Fredericksburg Road, across Tract 1, a distance of 425.26 feet to a 1/2" rebar with Chaparral cap set for the **POINT OF BEGINNING**;

THENCE over and across Tract 1, the following four (4) courses and distances:

1. South 89°48'55" West, a distance of 259.27 feet to a 1/2" rebar with Chaparral cap set;

2. With a curve to the left, having a radius of 970.00 feet, a delta angle of 06°06'33", an arc length of 103.43 feet, and a chord which bears South 86°45'39" West, a distance of 103.38 feet to a 1/2" rebar with Chaparral cap set
3. South 38°42'22" West, a distance of 192.59 feet to a 1/2" rebar with Chaparral cap set;
4. South 00°43'30" West, a distance of 587.78 feet to a 1/2" rebar with Chaparral cap set in the north line of a 9.008 acre tract described in Volume 2102, Page 453 of the Official Public Records of Hays County, Texas, from which a 1/2" rebar with 3984 cap found in the north line of the 9.008 acre tract, for the southwest corner of the Doris Breed Davidson Subdivision, bears North 87°06'31" East, a distance of 205.48 feet;

THENCE South 87°06'31" West, with the north line of the 9.008 acre tract, continuing across Tract 1, a distance of 304.58 feet to a 1/2" rebar found for the northwest corner of the 9.008 acre tract;

THENCE South 07°58'13" West, with the west line of the 9.008 acre tract, continuing across Tract 1, a distance of 1318.37 feet to a nail in concrete found for the southwest corner of the 9.008 acre tract, being also in the north line of a 6.38 acre tract described in Volume 1489, Page 391 of the Official Public Records of Hays County, Texas, for an angle point in the east line of Tract 1;

THENCE South 13°58'09" West, with the east line of Tract 1, being also the west line of the 6.38 acre tract, a distance of 743.78 feet to a 1/2" rebar with 3984 cap found for the southeast corner of Tract 1, being also the southwest corner of the 6.38 acre tract, and being in the north line of a 3.91 acre tract described in Volume 269, Page 226 of the Deed Records of Hays County, Texas;

THENCE South 88°04'18" West, with the south line of Tract 1, being also the north line of the 3.91 acre tract, a distance of 101.94 feet to a nail found in a 6" post for the northwest corner of the 3.91 acre tract, being also the apparent northeast corner of a 6 acre tract described in Volume 110, Page 563 of the Deed Records of Hays County, Texas;

THENCE North 89°32'58" West, with the south line of Tract 1, being also the apparent north line of the 6 acre tract, a distance of 152.30 feet to a fence post found for the apparent northwest corner of the 6 acre tract, and being a northeast corner of the 76.73 acre tract described in Volume 124, Page 515 of the Deed Records of Hays County, Texas;

THENCE South 89°52'25" West, with the south line of Tract 1, being also the north line of the 76.73 acre tract, distance of 311.97 feet to a fence post found for the southwest corner of Tract 1, being an angle point in the east line of the 76.73 acre tract;

THENCE North 01°40'35" East, with the west line of Tract 1, being also the east line of the 76.73 acre tract, a distance of 550.52 feet to a 1/2" rebar found for the northeast corner of the



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76.73 acre tract, being also the southeast corner of a 10.11 acre tract described in Volume 3444, Page 347 of the Official Public Records of Hays County, Texas;

THENCE North 01°55'45" East, with the west line of Tract 1, being also the east line of the 10.11 acre tract, a distance of 660.61 feet to a 1/2" rebar found for the northeast corner of the 10.11 acre tract, being also the southeast corner of a 34.29 acre tract described in Volume 971, Page 116 of the Deed Records of Hays County, Texas;

THENCE with the west line of Tract 1, being also the east line of the 34.29 acre tract, the following two (2) courses and distances:

1. North 01°57'23" East, a distance of 240.27 feet to a nail in fence post found;
2. North 01°00'24" East, a distance of 791.82 feet to a 1/2" rebar found for the northeast corner of the 34.29 acre tract, being in the east line of a 152.47 acre tract described in Volume 310, Page 718 of the Deed Records of Hays County, Texas;

THENCE with the west line of Tract 1, being the east line of the 152.47 acre tract, with the fence, the following five (5) courses and distances:

1. North 01°07'29" East, a distance of 353.19 feet to a calculated point;
2. North 01°35'37" East, a distance of 300.57 feet to a calculated point;
3. North 02°03'04" East, a distance of 259.80 feet to a calculated point;
4. North 02°54'13" East, a distance of 484.14 feet to a calculated point;
5. North 02°48'03" East, a distance of 431.51 feet to a fence post found for the northwest corner of Tract 1, being the southwest corner of a 2 acre tract described in Volume 130, Page 231 of the Deed Records of Hays County, Texas;

THENCE North 86°52'58" East, with the north line of Tract 1, being also the south line of the 2 acre tract, a distance of 1245.48 feet to a fence post found for the northwest corner of a 7.749 acre tract described in Volume 374, Page 743 of the Deed Records of Hays County, Texas;

THENCE South 02°29'58" East, with the west line of the 7.749 acre tract, over and across Tract 1, a distance of 390.22 feet to a 1/2" iron pipe found for the southwest corner of the 7.749 acre tract, being also the northwest corner of a 1.50 acre tract described in Volume 207, Page 49 of the Deed Records of Hays County, Texas;

THENCE South 02°17'26" East, with the west line of the 1.50 acre tract, continuing across Tract 1, a distance of 208.99 feet to a 1/2" iron pipe found for the southwest corner of the 1.50 acre tract;

THENCE North 85°08'49" East, with the south line of the 1.50 acre tract, continuing across Tract 1, a distance of 104.25 feet to a 3/4" rebar found for an angle point in the east line of Tract 1, being also the northwest corner of a 1.00 acre tract described in Volume 1924, Page 385 of the Deed Records of Hays County, Texas, and being the northwest corner of the Turner Tract as shown on the plat of said P.L. Turner Subdivision;

THENCE South 02°05'28" East, with the east line of Tract 1, being also the west line of the 1.00 acre tract, the Turner Tract, a 1.00 acre tract described in Volume 275, Page 499 of the Deed Records of Hays County, Texas, and the west line of Tract 4 of said P.L. Turner Subdivision, a distance of 86.45 feet to a 1/2" rebar with Chaparral cap set, from which a fence corner at a 13" live oak for the southwest corner of the 1.00 acre tract, being also the southwest corner of Tract 4, and being in the north line of a 0.938 acre tract described in Volume 391, Page 223 of the Deed Records of Hays County, Texas, bears South 02°05'28" East, a distance of 329.42 feet;

THENCE over and across Tract 1, the following eight (8) courses and distances:

1. South 87°52'26" West, a distance of 119.99 feet to a 1/2" rebar with Chaparral cap set;
2. South 02°07'34" East, a distance of 330.24 feet to a 1/2" rebar with Chaparral cap set;
3. South 87°52'26" West, a distance of 25.11 feet to a 1/2" rebar with Chaparral cap set;
4. South 02°07'34" East, a distance of 254.30 feet to a 1/2" rebar with Chaparral cap set;
5. With a curve to the left, having a radius of 25.00 feet, a delta angle of 91°03'12", an arc length of 39.73 feet, and a chord which bears South 47°39'11" East, a distance of 35.68 feet to a 1/2" rebar with Chaparral cap set;
6. With a curve to the right, having a radius of 1030.00 feet, a delta angle of 02°59'42", an arc length of 53.84 feet, and a chord which bears North 88°19'04" East, a distance of 53.84 feet to a 1/2" rebar with Chaparral cap set;
7. North 89°48'55" East, a distance of 40.73 feet to a 1/2" rebar with Chaparral cap set;
8. North 89°48'55" East, a distance of 217.16 feet to a 1/2" rebar with Chaparral cap set in the west right-of-way line of Old Fredericksburg Road, from which a 1/2" rebar found in the west right-of-way line of Old Fredericksburg Road, for the southeast corner of a 0.938 acre tract described in Volume 391, Page 223 of the Deed Records of Hays County, Texas, bears North 01°30'02" West, a distance of 108.46 feet;

THENCE South 01°30'02" East, with the west right-of-way line of Old Fredericksburg Road, crossing Tract 1, a distance of 60.02 feet to the **POINT OF BEGINNING**, containing 94.695 acres of land, more or less.

TRACT 4:

A DESCRIPTION OF 8.119 ACRES (APPROX. 353,664 SQ. FT.) IN THE PHILIP SMITH SURVEY, ABSTRACT 415, HAYS COUNTY, TEXAS, BEING A PORTION OF A 9.008 ACRE TRACT CONVEYED TO MICKY DAVIDSON KROLL, NELSON M. DAVIDSON, JR., AND WIFE, BARBARA WATKINS DAVIDSON BY WARRANTY DEED WITH VENDOR'S LIEN DATED NOVEMBER 7, 2002 AND RECORDED IN VOLUME 2102, PAGE 453 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND BEING A PORTION OF TRACT 1, P.L. TURNER SUBDIVISION, A SUBDIVISION OF RECORD IN VOLUME 133, PAGE 444 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 8.119 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar, being an angle point in the east line of the said 9.008 acre tract, being also the northeast corner of Tract 3 of the said P.L. Turner Subdivision, and being also the southwest corner of a 0.754 acre tract described in Volume 4258, Page 404 of the Official Public Records of Hays County, Texas, and being also the northwest corner of a 1 acre tract described in Volume 144, Page 563 of the Deed Records of Hays County, Texas, from which a 3/4" iron pipe found for the southeast corner of the 0.754 acre tract, being in the north line of the 1 acre tract, and being in the west line of Old Fredericksburg Road (right-of-way width varies), bears North 87°52'37" East, a distance of 216.79 feet;

THENCE South 87°35'26" West, with the common line of the 9.008 acre tract and Tract 3, a distance of 236.90 feet to a 1/2" rebar found for an angle point in the east line of the 9.008 acre tract, being also the northwest corner of Tract 3, for the **POINT OF BEGINNING**;

THENCE with the common line of the 9.008 acre tract and Tract 3, the following two (2) courses and distances:

1. South 15°43'23" West, a distance of 521.70 feet to a 1/2" rebar found at the northwest corner of a 3.59 acre tract out of Tract 3, described in Volume 4073, Page 818 of the Official Public Records of Hays County, Texas;
2. South 15°32'41" West, with the west line of the 3.59 acre tract, a distance of 499.23 feet to a 2" iron pipe found for an angle point in the east line of the 9.008 acre tract, being also the southwest corner of the 3.59 acre tract, being also the southwest corner of Tract 3, and being in the north line of a 2.07 acre tract described in Volume 178, Page 571 of the Deed Records of Hays County, Texas;

THENCE with the common line of the 9.008 acre tract and the 2.07 acre tract, the following two (2) courses and distances:

1. North 89°33'06" West, a distance of 183.84 feet to a 1/2" rebar found for an angle point in the east line of the 9.008 acre tract, for the northwest corner of the 2.07 acre tract;

2. South 09°15'30" West, a distance of 216.46 feet to a nail found in an 18" live oak for the southwest corner of the 2.07 acre tract, being also the southeast corner of the 9.008 acre tract, and being in the north line of a 6.39 acre tract described in Volume 1489, Page 391 of the Official Public Records of Hays County, Texas;

THENCE North 89°25'09" West, with the south line of the 9.008 acre tract, being also the north line of the 6.38 acre tract, a distance of 53.15 feet to a nail in concrete found for the southwest corner of the 9.008 acre tract;

THENCE North 07°58'13" East, with the west line of the 9.008 acre tract, crossing said Tract 1, a distance of 1318.37 feet to a 1/2" rebar found for the northwest corner of the 9.008 acre tract;

THENCE North 87°06'31" East, with the north line of the 9.008 acre tract, crossing said Tract 1, a distance of 304.58 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar with 3984 cap found for the southwest corner of the Doris Breed Subdivision, a subdivision of record in Book 10, Page 395 of the Plat Records of Hays County, Texas, bears North 87°06'31" East, a distance of 205.48 feet;

THENCE over and across the 9.008 acre tract, the following two (2) courses and distances:

1. South 00°43'30" West, a distance of 129.06 feet to a 1/2" rebar with Chaparral cap set;
2. North 87°20'25" East, a distance of 61.68 feet to the **POINT OF BEGINNING**, containing 8.119 acres of land, more or less.

TRACT 5:

A DESCRIPTION OF 1.676 ACRES (APPROX. 73,006 SQ. FT.) IN THE PHILIP SMITH SURVEY, ABSTRACT 415, HAYS COUNTY, TEXAS, BEING A PORTION OF A 119.7 ACRE TRACT CONVEYED TO NELSON M. DAVIDSON AND DORIS BREED DAVIDSON BY DEED DATED JUNE 23, 1952 AND RECORDED IN VOLUME 154, PAGE 290 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, AND BEING A PORTION OF TRACT 1, P.L. TURNER SUBDIVISION, A SUBDIVISION OF RECORD IN VOLUME 133, PAGE 444 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 1.676 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar found in the west right-of-way line of Old Fredericksburg Road, for the southeast corner of a 0.938 acre tract described in Volume 391, Page 223 of the Deed Records of Hays County, Texas;

THENCE South 86°32'57" West, with the south line of the said 0.938 acre tract, a distance of 218.28 feet to a 1/2" rebar found at the southwest corner of the 0.938 acre tract for the **POINT OF BEGINNING**;

THENCE crossing Tract 1, the following eight (8) courses and distances:

1. South 02°07'34" East, a distance of 96.05 feet to a 1/2" rebar with Chaparral cap set;
2. South 89°48'55" West, a distance of 40.73 feet to a 1/2" rebar with Chaparral cap set;
3. With a curve to the left, having a radius of 1030.00 feet, a delta angle of 02°59'42", an arc length of 53.84 feet, and a chord which bears South 88°19'04" West, a distance of 53.84 feet to a 1/2" rebar with Chaparral cap set;
4. With a curve to the right, having a radius of 25.00 feet, a delta angle of 91°03'12", an arc length of 39.73 feet, and a chord which bears North 47°39'11" West, a distance of 35.68 feet to a 1/2" rebar with Chaparral cap set;
5. North 02°07'34" West, a distance of 254.30 feet to a 1/2" rebar with Chaparral cap set;
6. North 87°52'26" East, a distance of 25.11 feet to a 1/2" rebar with Chaparral cap set;
7. North 02°07'34" West, a distance of 330.24 feet to a 1/2" rebar with Chaparral cap set;
8. North 87°52'26" East, a distance of 119.99 feet to a 1/2" rebar with Chaparral cap set in the east line of Tract 1, being also the west line of a 1.00 acre tract described in Volume 1924, Page 385 of the Deed Records of Hays County, Texas, and being the northwest corner of the Turner Tract as shown on the plat of said P.L. Turner Subdivision, from which a 3/4" rebar found for an angle point in the east line of Tract 1, being also the northwest corner of a 1.00 acre tract, bears North 02°05'28" West, a distance of 86.45 feet;

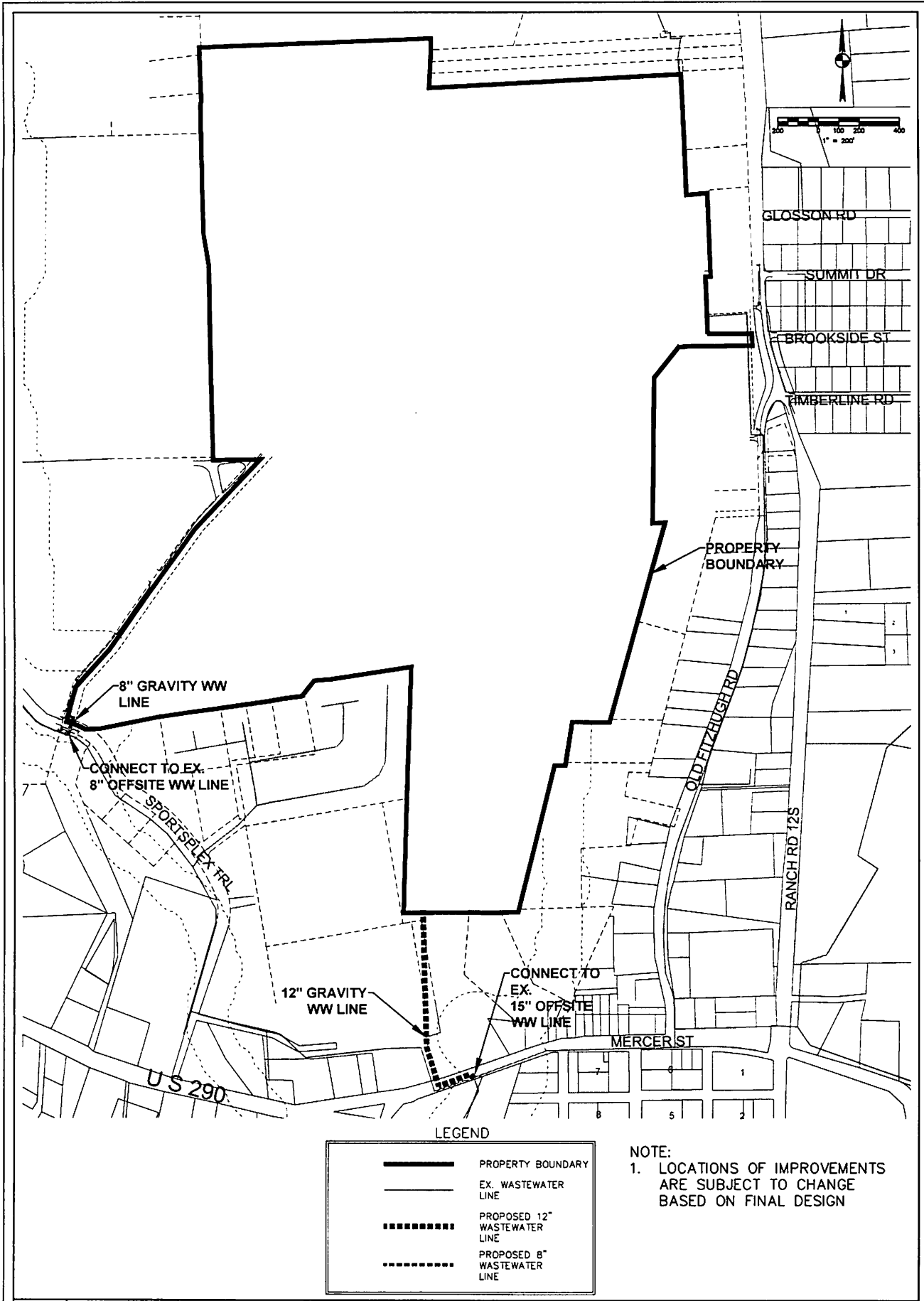
THENCE South 02°05'28" East, with the east line of Tract 1, being also the west line of the 1.00 acre tract, the Turner Tract, a 1.00 acre tract described in Volume 275, Page 499 of the Deed Records of Hays County, Texas, and the west line of Tract 4 of said P.L. Turner Subdivision, a distance of 329.42 feet to a fence corner at a 13" live oak for the southwest corner of the 1.00 acre tract, being also the southwest corner of Tract 4, and being in the north line of a 0.938 acre tract described in Volume 391, Page 223 of the Deed Records of Hays County, Texas;

THENCE South 85°58'06" West, with the north line of the 0.938 acre tract, crossing Tract 1, a distance of 24.91 feet to a 1/2" rebar found for the northwest corner of the 0.938 acre tract;

THENCE South 02°07'34" East, with the west line of the 0.938 acre tract, continuing across Tract 1, a distance of 185.05 feet to the **POINT OF BEGINNING**, containing 1.676 acres of land, more or less.

Exhibit C

Stage 1 Service Offsite Wastewater Line Improvements



C	DRAWN BY	BCS
	DESIGNED BY	BB
	QA / QC	BB
	PROJECT NO	100003 10001

HERITAGE MPC
DRIPPING SPRINGS, TX

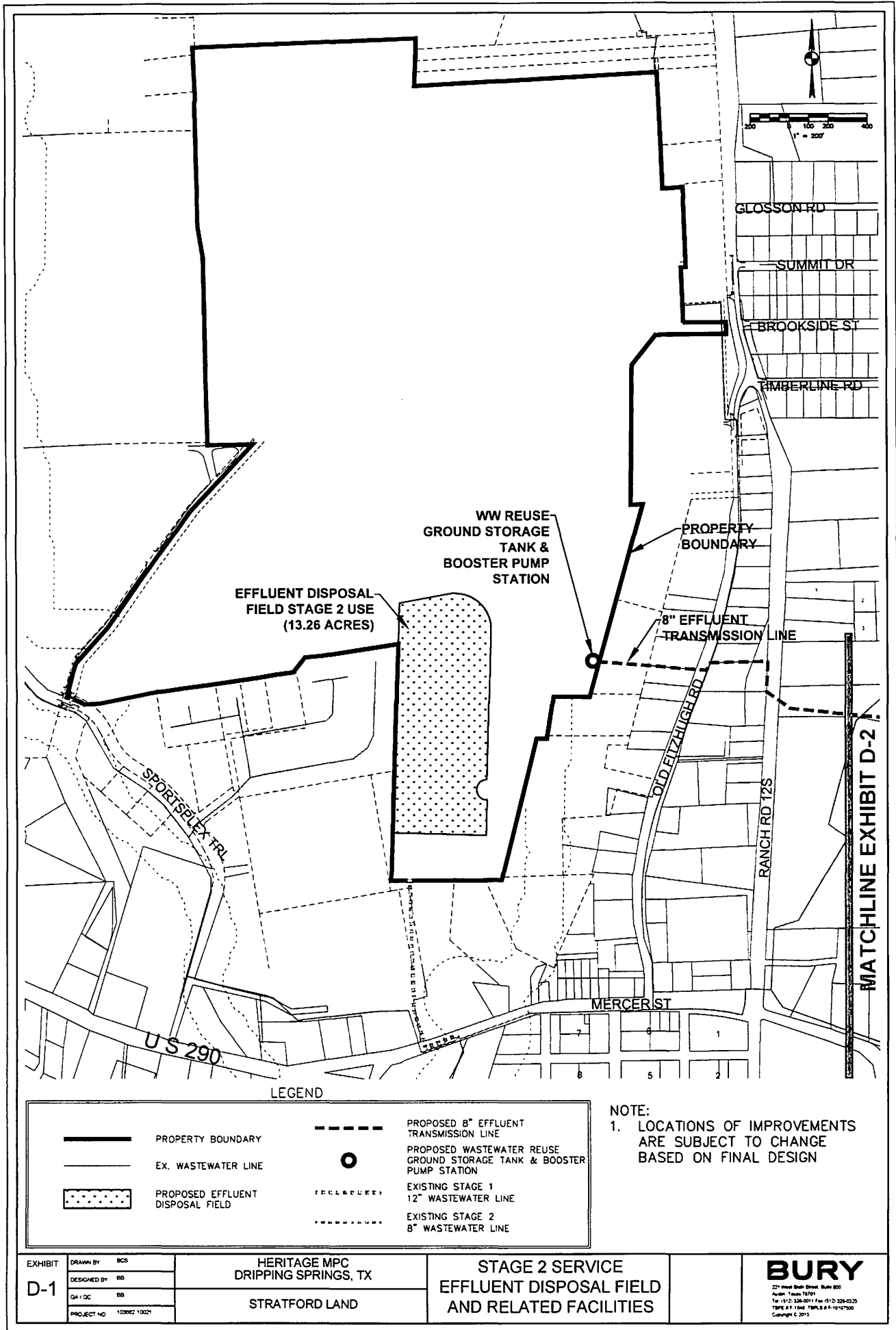
STRATFORD LAND

**STAGE 1 SERVICE
OFFSITE WASTEWATER LINE
IMPROVEMENTS**

BURY
271 West Bush Street, Suite 800
Austin, Texas 78701
Tel: (512) 338-0911 Fax: (512) 338-0325
TSP# # F-1048 TSP# S # F-1010700
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Exhibit D

Stage 2 Service Effluent Disposal Field and Related Facilities



LEGEND

	PROPERTY BOUNDARY		PROPOSED 8" EFFLUENT TRANSMISSION LINE
	EX. WASTEWATER LINE		PROPOSED WASTEWATER REUSE GROUND STORAGE TANK & BOOSTER PUMP STATION
	PROPOSED EFFLUENT DISPOSAL FIELD		EXISTING STAGE 1 12" WASTEWATER LINE
			EXISTING STAGE 2 8" WASTEWATER LINE

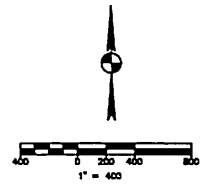
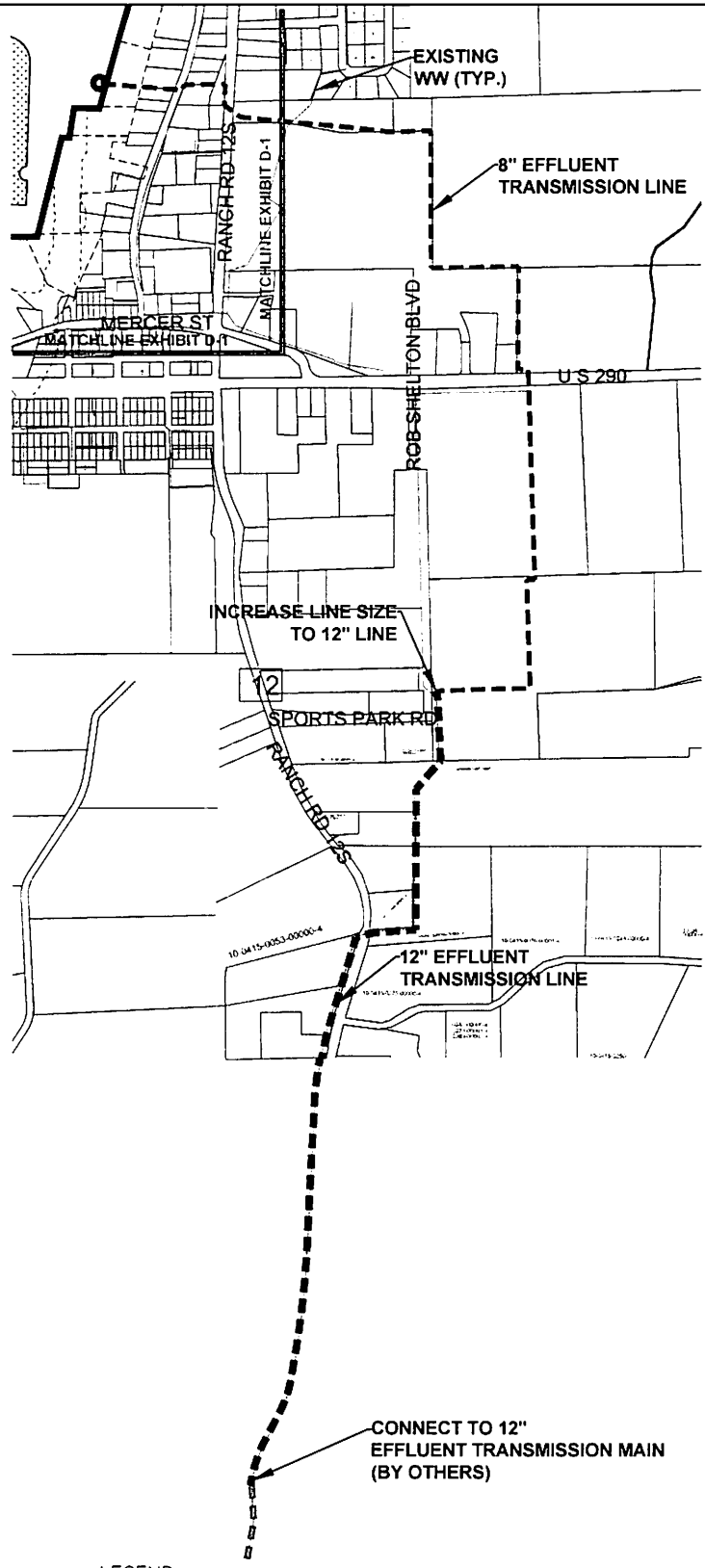
NOTE:
 1. LOCATIONS OF IMPROVEMENTS ARE SUBJECT TO CHANGE BASED ON FINAL DESIGN

EXHIBIT D-1	DRAWN BY	BCS
	DESIGNED BY	BB
	QA / QC	BB
	PROJECT NO	133862 10021

HERITAGE MPC
 DRIPPING SPRINGS, TX
 STRATFORD LAND

**STAGE 2 SERVICE
 EFFLUENT DISPOSAL FIELD
 AND RELATED FACILITIES**

BURY
 221 West Sixth Street, Suite 805
 Austin, Texas 78701
 Tel: (512) 336-0011 Fax: (512) 336-0325
 TDD: (512) 336-0325
 Copyright © 2015



LEGEND

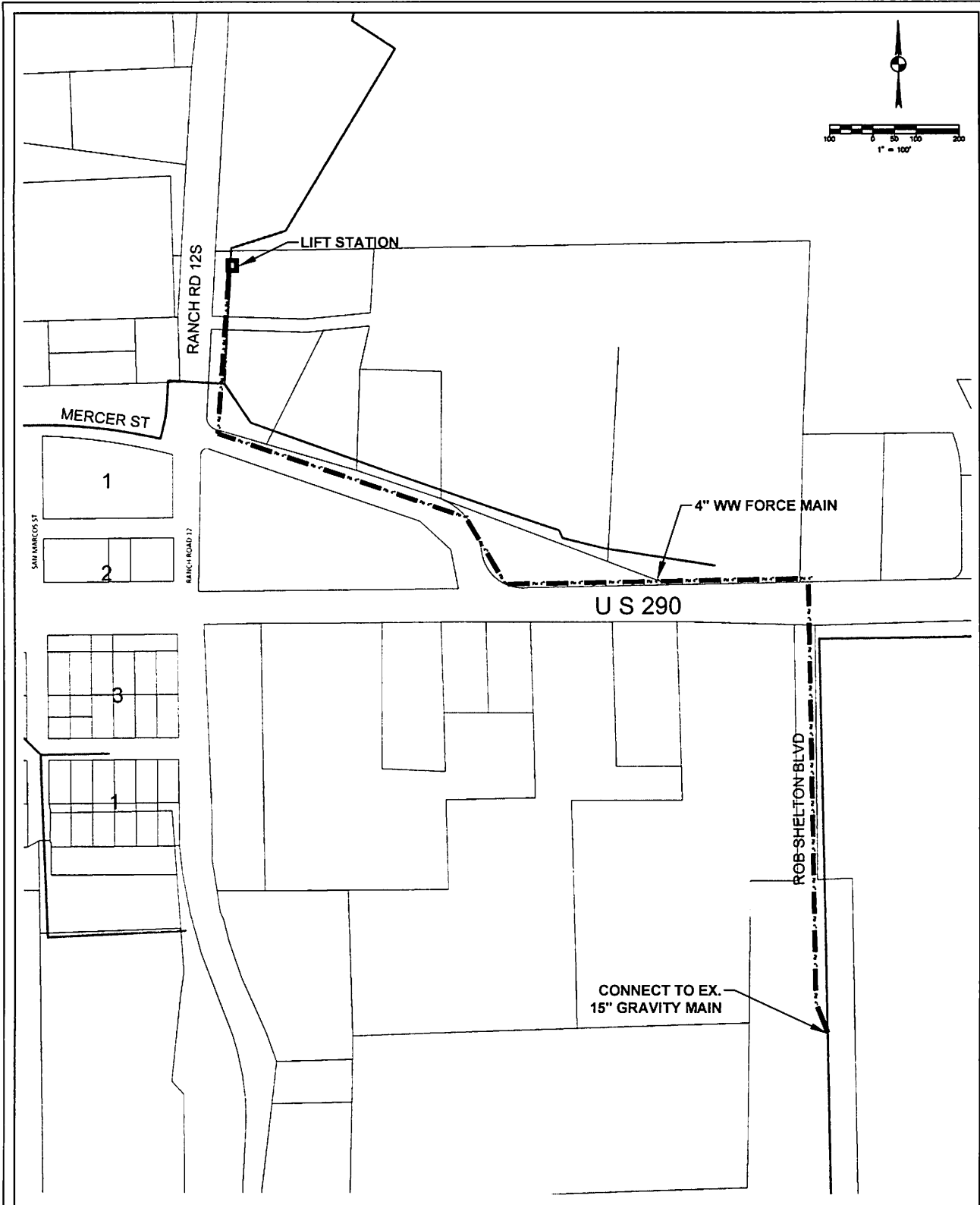
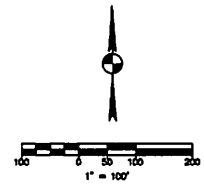
	PROPERTY BOUNDARY		PROPOSED 8" EFFLUENT TRANSMISSION LINE
	EX. WASTEWATER LINE		PROPOSED 12" EFFLUENT TRANSMISSION LINE
	EFFLUENT TRANSMISSION LINE (BY OTHERS)		PROPOSED WASTEWATER REUSE GROUND STORAGE TANK & BOOSTER PUMP STATION
	PROPOSED EFFLUENT DISPOSAL FIELD		

NOTE:
 1. LOCATIONS OF IMPROVEMENTS ARE SUBJECT TO CHANGE BASED ON FINAL DESIGN




EXHIBIT D-2	DRAWN BY: DCS	HERITAGE MPC DRIPPING SPRINGS, TX	STAGE 2 SERVICE EFFLUENT DISPOSAL FIELD AND RELATED FACILITIES	BURY <small>221 West 20th Street, Suite 600 Austin, Texas 78701 Tel: (512) 326-0011 Fax: (512) 326-0225 TDD: (512) 326-0011 TDD: (512) 326-0225 Copyright © 2013</small>
	DESIGNED BY: BB			
	QA / QC: BB	STRATFORD LAND		
	PROJECT NO: 102862-10021			

Exhibit E

Stage 3 Service Force Main Improvements



LEGEND

	EX. WASTEWATER LINE
	PROPOSED 4" WASTEWATER FORCE MAIN
	PROPOSED LIFT STATION

NOTE:
 1. LOCATIONS OF IMPROVEMENTS ARE SUBJECT TO CHANGE BASED ON FINAL DESIGN

E	DRAWN BY	BCS
	DESIGNED BY	BB
	QA / QC	BB
	PROJECT NO	120852 10021

HERITAGE MPC
 DRIPPING SPRINGS, TX
 STRATFORD LAND

**STAGE 3 SERVICE
 (SECOND AMENDMENT
 FORCE MAIN IMPROVEMENTS)**

BURY

221 West Bush Street, Suite 802
 Austin, Texas 78701
 Tel: (512) 328-6011 Fax: (512) 328-6225
 TDD: (512) 328-6011
 Copyright © 2013

Exhibit F
FORM OF EASEMENT
EASEMENT

STATE OF TEXAS §
 § **KNOW ALL PEOPLE BY THESE PRESENTS:**
COUNTY OF HAYS §

CITY OF DRIPPING SPRINGS
SANITARY SEWER EASEMENT

THAT _____, a _____ (“Grantor”), for and in consideration of Ten Dollars (\$10.00) and other valuable consideration paid by The City of Dripping Springs, a general law city of Hays County, Texas (“City”), the receipt of which is hereby acknowledged, does grant, bargain and convey to the City, its successors and assigns, a permanent, non-exclusive easement for use and passage in, over, across, beneath, and along that certain parcel of land situated in Hays County, Texas, as described in the legal description attached hereto as Exhibit A and as depicted in the plat attached hereto as Exhibit B (“Easement Area”), for the purposes of installing, constructing, operating, maintaining, upgrading, repairing, and replacing underground sanitary sewer lines (which may include collection lines, force mains, and treated effluent lines) and all attendant facilities thereto as the City may from time to time deem necessary or advisable, including but not limited to incidental underground and aboveground attachments, equipment, manholes, manhole vents, lateral line connections, pipelines, junction boxes, and other appurtenant facilities (“Sanitary Sewer Easement”). It is intended by these presents to grant and convey the Sanitary Sewer Easement to the City as described above, with the usual rights of ingress and egress as the City may deem necessary in the use of such Sanitary Sewer Easement, at any time, in, over, across, upon, beneath, and along the Easement Area.

Grantor agrees that it shall not place, construct, or allow any buildings, structures, or other improvements of any kind over, under, or upon the Easement Area which interfere in any material way with the rights granted to the City hereunder, without the City’s prior written consent, which the City may grant or withhold in its sole discretion, provided that Grantor’s allowed uses of the Easement Area specifically include the following:

_____.

TO HAVE AND TO HOLD the above described Sanitary Sewer Easement, together with, all and singular, the rights and appurtenances thereto in anywise belonging unto the City, its successors and assigns, forever. And Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, the Sanitary Sewer Easement unto the

City, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise, subject, however, to all existing liens, easements, encumbrances, reservations, rights-of-way, covenants, conditions and restrictions and all other matters of public record relating thereto, and all matters that are visible and apparent on the ground and/or that would be disclosed by an accurate survey or physical inspection of the Easement Area.

EXECUTED this the _____ day of _____, 201_.

GRANTOR:

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 201_, by _____, _____ of _____, a _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said _____.

Notary Public

[Notary Seal]

EXHIBIT "A" to Easement

Legal Description of Easement Area

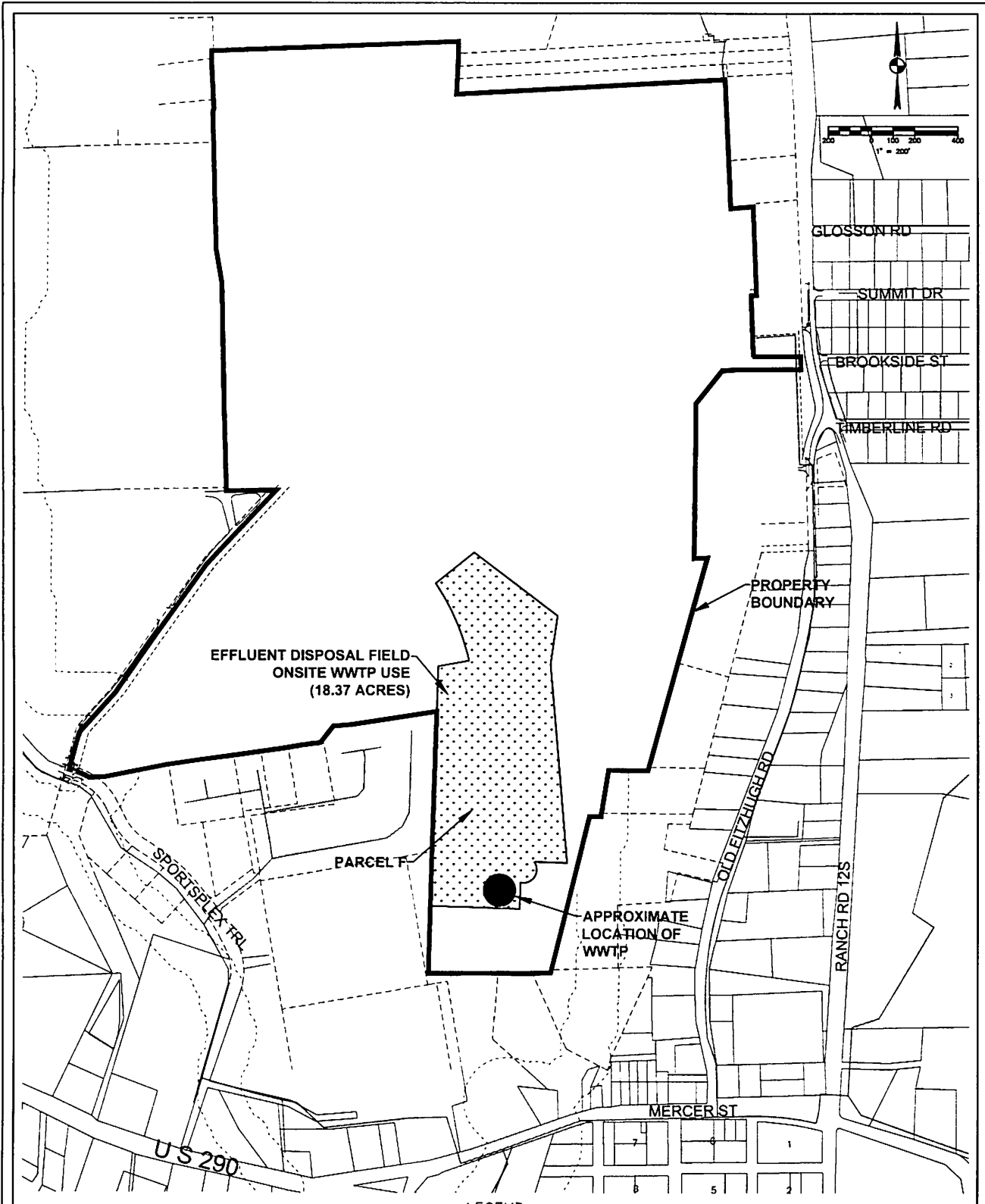
[To include a 25-foot (measured at right angles to the pipeline corridor) construction easement for use by the City during installation of the wastewater lines.]

EXHIBIT "B" to Easement





Drawing of Easement Area

Exhibit G

Approximate location of Onsite WWTP and Effluent Disposal Field



LEGEND


	PROPERTY BOUNDARY
	EX. WASTEWATER LINE
	PROPOSED WASTEWATER TREATMENT PLANT
	PROPOSED EFFLUENT DISPOSAL SYSTEM

NOTE:
 1. LOCATIONS OF IMPROVEMENTS ARE SUBJECT TO CHANGE BASED ON FINAL DESIGN

G	DRAWN BY	KS
	DESIGNED BY	SM
	QA / QC	SM
	PROJECT NO.	222012271

HERITAGE MPC
 DRIPPING SPRINGS, TX
 STRATFORD LAND

APPROXIMATE LOCATION
 OF ON-SITE WASTEWATER
 TREATMENT PLANT AND
 EFFLUENT DISPOSAL FIELD

 **Stantec**
 221 West Sixth Street, Suite 600
 Austin, Texas 78701
 Tel: (512) 226-0011 Fax: (512) 226-0020
 T888.84.6228 T888.84.6229
 Copyright © 2017

V:\222012271\222012271.dwg:002 - 2017-05-15 10:11:56 AM

Exhibit H

Terms and Specifications for Onsite WWTP

The on-site WWTP shall consist of an activated sludge treatment technology operating in extended aeration mode. The WWTP will be designed to treat 80,000 gallons per day (gpd) to an effluent quality of 20-20 and will be disposed of via 18.37 acres of subsurface drip area disposal systems (SADDs) located on site. The WWTP will include an aeration basin, clarifier, digester, chlorine contact basin, effluent storage tank, drip irrigation pump skid and control panel. A backup generator will also be required and an in plant lift station may be required.

The WWTP components are outlined below:

- Bar Screen- Removes coarse solids and other debris
- Aeration Basin- Introduces air into the system to maintain dissolved oxygen levels necessary to maintain livelihood of the aerobic micro-organisms which feed on organic matter (BOD and CBOD). The aeration also mixes the return activated sludge with the influent to maintain the viability of the plant
- Clarifier- Separates the activated sludge from the processed effluent. Alum will be injected prior to the clarifier to allow for flocculation and assist in phosphorous removal
- Activated Sludge (RAS/WAS) – in order to operate an activated sludge process the activated sludge needs to be returned to the aeration basin (as discussed above) as the RAS or wasted as WAS and hauled off during periods of sludge pumping and hauling off
- Chlorine Disinfection – the effluent from the clarifier will be disinfected via a liquid chlorine injection system into the chlorine contact chamber to meet the required *E. coli* limits
- Effluent Storage Tank – required to hold three days flow in the case that the soils are too moist to drip irrigate in the drip fields
- Drip Irrigation Pump Skid – doses the drip irrigation areas at the rate programmed in the system controls
- Subsurface Area Drip Disposal System (SADDs) – Drip irrigation system which evenly distributes the treated effluent in the drip fields for effluent disposal
- Generator – supplies backup power to the treatment plant in the case of a power outage

EXHIBIT I-1
(Example for Allocation Purposes – Actual Costs May Vary)
(PHASE 1) TLAP AMENDMENT 2 FACILITIES
WITHOUT THIRD PARTY DEVELOPER PARTICIPATION

		Heritage
MAJOR PERMIT AMENDMENT 2 PREPARATION AND PROCESSING		100.0%
CITY WWTP EXPANSION TO 0.3735 MGD - HERITAGE PHASE ONLY		100.0%
HERITAGE PID CAPACITY (GPD)	60,000	100.0%
TOTAL ADDITIONAL CAPACITY (GPD)	60,000	

ITEM	DESCRIPTION	UNIT	QTY.	UNIT PRICE	AMOUNT
A1	MOBILIZATION & EROSION CONTROLS	LS	1	\$ 40,000.00	\$ 40,000.00
A2*	NEW INFLUENT LIFT STATION*	EA	1	\$ 225,000.00	\$ 225,000.00
A3	OPEN PLANT CHAMBERS	EA	0	\$ 75,000.00	\$ -
A4	YARD PIPING	EA	1	\$ 8,500.00	\$ 8,500.00
A5	BLOWER AND CONTROLS	EA	0	\$ 75,000.00	\$ -
A6	CHLORINE CONTACT BASIN	EA	0	\$ 5,000.00	\$ -
A7	ADD DISK TO FILTER	EA	0	\$ 25,000.00	\$ -
A8	ADD TE PUMP*	EA	1	\$ 25,000.00	\$ 25,000.00
A9	ELECTRICAL COSTS	EA	0.5	\$ 50,000.00	\$ 25,000.00
A10	BAR SCREEN	EA	0	\$ 15,000.00	\$ -
	SUBTOTAL				\$ 323,500.00
	CONTINGENCIES			10%	\$ 32,350.00
	ENGINEERING & SURVEYING			15%	\$ 48,525.00
	PERMITS & FEES			5%	\$ 16,175.00
	CONSTRUCTION MGT.			4%	\$ 12,940.00
	GRAND TOTAL				\$ 433,490.00

* ITEMS ANTICIPATED TO BENEFIT THE DISCHARGE PERMIT FACILITIES

EXHIBIT I-2

(Example for Allocation Purposes – Actual Costs May Vary)

TLAP AMENDMENT 2 FACILITIES WITH THIRD PARTY DEVELOPER PARTICIPATION(EXAMPLE)

	3rd Party	Heritage
MAJOR PERMIT AMENDMENT 2 PREPARATION AND PROCESSING	45.5%	54.5%
CITY WWTP EXPANSION TO 0.4235 MGD - HERITAGE AND 3 RD PARTY PHASES	45.5%	54.5%
EXPAND TREATED EFFLUENT PUMP STATION AT CITY WWTP	45.5%	54.5%
3rd PARTY CAPACITY (GPD)	50,000	45.5%
HERITAGE CAPACITY (GPD)	60,000	54.5%
TOTAL ADDITIONAL CAPACITY (GPD)	110,000	

ITEM	DESCRIPTION	UNIT	QTY.	UNIT PRICE	AMOUNT
A1	MOBILIZATION & EROSION CONTROLS	LS	1	\$ 40,000.00	\$ 40,000.00
A2*	NEW INFLUENT LIFT STATION*	EA	1	\$ 225,000.00	\$ 225,000.00
A3	OPEN PLANT CHAMBERS	EA	1	\$ 75,000.00	\$ 75,000.00
A4	YARD PIPING	EA	1	\$ 8,500.00	\$ 8,500.00
A5	BLOWER AND CONTROLS	EA	1	\$ 75,000.00	\$ 75,000.00
A6	CHLORINE CONTACT BASIN	EA	1	\$ 5,000.00	\$ 5,000.00
A7	ADD DISK TO FILTER	EA	1	\$ 25,000.00	\$ 25,000.00
A8	ADD TE PUMP*	EA	1	\$ 25,000.00	\$ 25,000.00
A9	ELECTRICAL COSTS	EA	1	\$ 50,000.00	\$ 50,000.00
A10	BAR SCREEN	EA	1	\$ 15,000.00	\$ 15,000.00
	SUBTOTAL				\$ 543,500.00
	CONTINGENCIES			10%	\$ 54,350.00
	ENGINEERING & SURVEYING			15%	\$ 81,525.00
	PERMITS & FEES			5%	\$ 27,175.00
	CONSTRUCTION MGT.			4%	\$ 21,740.00
	GRAND TOTAL				\$ 728,290.00

THIRD PARTY DEVELOPER PRORATED COST (45.5%)	\$ 331,371.95
HERITAGE PRORATED COST (54.5%)	\$ 396,918.05

* ITEMS ANTICIPATED TO BENEFIT THE DISCHARGE PERMIT FACILITIES

Form TGC 2270

VERIFICATION REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2270

Contract identifier: _____

Department: _____

By signing below, Company hereby verifies the following:

1. Company does not boycott Israel; and
2. Company will not boycott Israel during the term of the following agreements relating to the Heritage Public Improvement District:
 - a. Annexation and Development Agreement
 - b. PID Financing Agreement
 - c. Offsite Road and Trail Agreement
 - d. Wastewater Service and Impact Fee Agreement


SIGNED BY:

COMPANY:

BOBWHITE INVESTMENTS, LP,
a Texas limited partnership

By: BobWhite GP, LLC
a Texas limited liability company,
its General Partner

By: 
Name: Missy Atwood
Title: Manager

By: 
Name: Sarah Davidson Henline
Title: Manager

Date signed: 11/3/2017

STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned Notary Public on this day personally appeared Missy Awood, and Sarah Henline on behalf of BobWhite GP, LLC, a Texas limited liability company, General Partner of **BOBWHITE INVESTMENTS, LP**, a Texas limited partnership, who each being duly sworn, stated under oath that she has read the foregoing verification required by Texas Government Code Section 2270.002 and said statements contained therein are true and correct.

SWORN AND SUBSCRIBED TO before me, this 3rd day of November, 2017.



Sarah J. Holden
NOTARY OF PUBLIC,
FOR THE STATE OF TEXAS

My Commission Expires:
02/10/2020

Government Code § 2270.002. Provision Required in Contract
Effective: September 1, 2017

A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- (1) does not boycott Israel; and
- (2) will not boycott Israel during the term of the contract.

The following definitions apply:

- (1) "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.
- (2) "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.
- (3) "Governmental entity" means a state agency or political subdivision of this state.

State law requires verification from a Company for contracts involving goods or services (regardless of the amount) before the City can enter into the contract.