

EAST INTERCEPTOR AGREEMENT

This East Interceptor Agreement (“Agreement”) is between the City of Dripping Springs, a Type A General Law City located in Hays County, Texas (the “City”) and Dripping Springs Partners, LLC, a Texas limited liability company (“DSP”) North DSP, LLC, a Texas limited liability company (“North”). Collectively, the City, DSP and North, are referred to herein as the “Parties.” DSP and North are jointly referred to herein as the “Developer”.

RECITALS:

- A. DSP owns property in Hays County, Texas (the “Village Gove”) and North owns property in Hays County, Texas (Gateway Village”) (Village Grove and Gateway Village are jointly herein referred to as the “Developments”). The Developments are or will be within the boundaries of the Dripping Springs Municipal Utility District No. 1, a Texas water district operating pursuant to Chapters 49 and 54 of the Texas Water Code (“DSMUD”) and will be served by the City with wastewater pursuant to the Utility Agreements described below.
- B. The City intends to construct a wastewater transmission line from a point North of Highway 290 to its wastewater treatment plant located south of FM 150 in Hays County, Texas (“City Plant”). This line is referred to as the “East Interceptor” and the approximate alignment of the East Interceptor (subject to revision) is currently identified at Exhibit A.
- C. DSP and North intend that customers at the Developments will utilize the East Interceptor to send waste from the Developments to the City Plant for treatment and disposal.
- D. The City plans on building the East Interceptor from the connection point shown on Exhibit A to the City WWTP (“Connection Point”). The City also plans on using the East Interceptor to serve the Developments as well as to serve other land.
- E. The City has entered into a Wastewater Utility Service and Fee Agreement with North with an effective date of April 18, 2023. The City entered into Wastewater Utility Service and Fee Agreements with DSP with an effective date of June 21, 2022. The agreements are incorporated herein by reference and are hereafter jointly referred to as the “Utility Agreements”.
- F. DSP and North desire to connect wastewater lines within the boundaries of DSMUD to the East Interceptor.

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

- 1. Except for the construction of the wastewater infrastructure connecting to the East Interceptor, this Agreement does not modify the Utility Agreements. This Agreement does not modify or affect any agreements between DSP and DSMUD or North and DSMUD.

2. The City has agreed to construct at its cost the East Interceptor from the Connection Point to the City WWTP and will provide wastewater service to the Developments in accordance with the Utility Agreements.
3. DSP and North will provide to the City (at no cost to the City) easements necessary for all wastewater facilities, equipment or related improvements necessary to serve the Developments between the structures on the Developments and the Connection Point (“Developer Lines”) as shown on the map attached hereto as Exhibit B. The easements must be in the form set-forth in the Utility Agreements or as otherwise approved by the City.
4. The City, in its sole discretion, shall elect within ninety (90) days after the date hereof:
 - (i.) to construct the Developer Lines. If the City elects to construct the Developer Lines, North shall pay to the City a sum of money equal to the cost of constructing the Developer Lines consisting of an eight inch sewer line at the time that the City lets the contracts for the construction; or
 - (ii.) to allow North to construct the Developer Lines. If the City elects to allow North to construct the Developer Lines, North agrees to construct the Developer Lines in accordance with and subject to the requirements identified in the Utility Agreements, including, but not limited to, the requirement that they are constructed with a construction warranty and guarantee. Additionally, if the City desires that the Developer Lines should be oversized to accommodate other land that is not the subject of this Agreement, North will construct the Developer Lines to the size specified by the City and the City will pay the incremental costs associated with such oversizing (including, but not limited to, additional cost of the pipes, excavation, and drilling or boring). The City will owe to North those incremental costs and will thereafter reimburse North these incremental costs as follows:
 - (A) if the City determines that it is permitted to request draws from the City’s loan from TWDB (the “Loan”) to reimburse North, the City will obtain draws from the Loan sufficient to reimburse North for the incremental costs and deliver to North such funds. If the City determines that TWDB allows the reimbursement to North, prior to construction, North shall require its contractor performing the work to meet all of the related federal requirements in the solicitation, contract terms, and reimbursement requests and such other requirements of the Texas Water Development Board (“TWDB”); or
 - (B) If the TWDB loan proceeds are unavailable to the City for reimbursement to North, then at the same time that impact fees are collected, the City will collect from the builder of each structure a “Reimbursement Fee” for each LUE within Gateway Village a sum of \$3,000.00 and the amount collected will be used to reimburse North for the oversizing (and North will be entitled to the full amount collected, but also such reimbursement will not exceed the amount collected,

such that any overage will inure to the benefit of North and any shortage will be borne by North).

5. Upon construction and connection of the Developer Lines, and acceptance by the City, the easements and Developer Lines will be conveyed to the City.
6. Developer shall pay City all of the City Engineer's fees (plus a 20% administrative fee mark-up) for City Engineer review of plans or specifications, and for City Engineer inspections and consultation during the construction phase(s) and final inspections. Such payment is due within 60 days of receipt from the City of its invoice.
7. 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.
8. Developer agrees to pay the City's reasonably necessary engineering and legal fees incurred to prepare, negotiate, implement, interpret, or amend this Agreement. The City is entitled to reimbursement of such fees plus a 20% administrative charge.
9. This Agreement may be executed in counterparts.
10. The Effective Date of this Agreement is April 18, 2023

[signature page follows]

City of Dripping Springs, Texas

Bill Foulds, Jr.

Bill Foulds, Jr., Mayor



April 25, 2023

Date

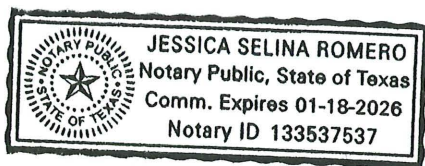
Attest:

Andrea Cunningham

Andrea Cunningham, City Secretary

STATE OF TEXAS §
 §
COUNTY OF HAYS §


This instrument was acknowledged before me on 0425.23, 2023, by **Bill Foulds, Jr.**, Mayor of the City of Dripping Springs, Texas general laws municipality, on behalf of said municipality.



[Signature]

Notary Public, State of Texas

^{DSP}
North DSP, LLC
a Texas limited liability company



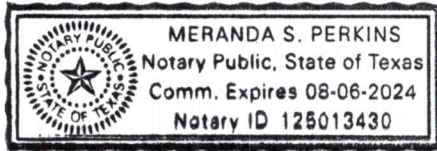
Matthew Scrivener, Manager


5.31.23

Date

STATE OF TEXAS §
 §
COUNTY OF HAYS §


This instrument was acknowledged before me on May 31st, 2023,
by **Matthew Scrivener**, Manager of North DSP, LLC, a Texas limited liability company, on behalf
of said limited liability company.





Notary Public, State of Texas

Dripping Springs Partners, LLC
a Texas limited liability company



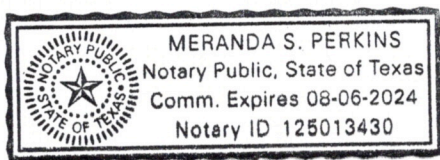
Matthew Scrivener, Manager

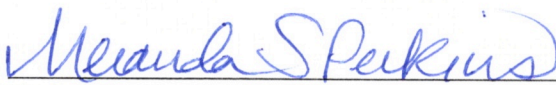
5.31.23

Date

STATE OF TEXAS §
 §
COUNTY OF HAYS §

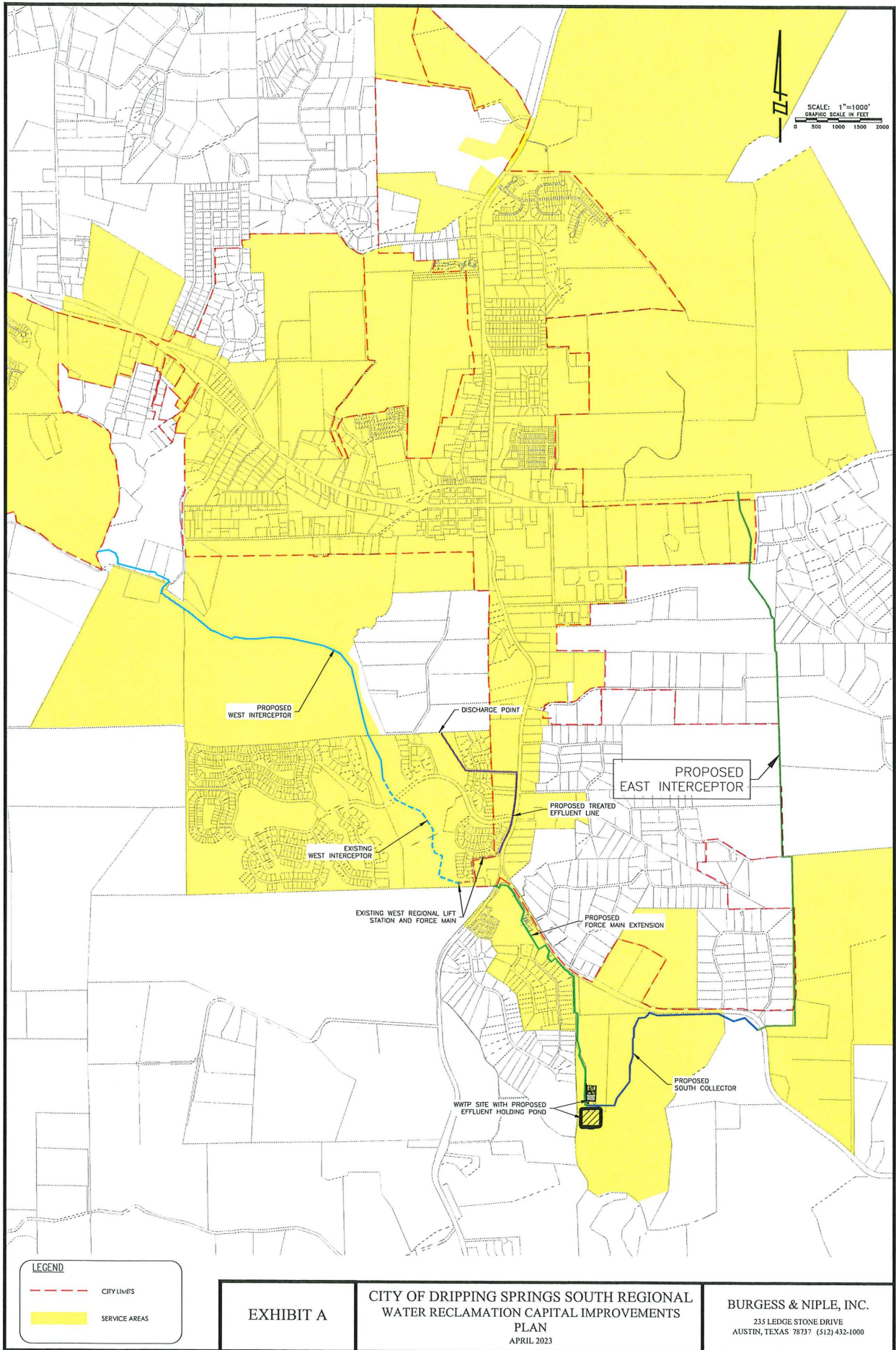
This instrument was acknowledged before me on May 31st, 2023,
by **Matthew Scrivener**, Manager of Dripping Springs Partners, LLC, a Texas limited liability
company, on behalf of said limited liability company.





Notary Public, State of Texas

EXHIBIT A
Connection Point



LEGEND

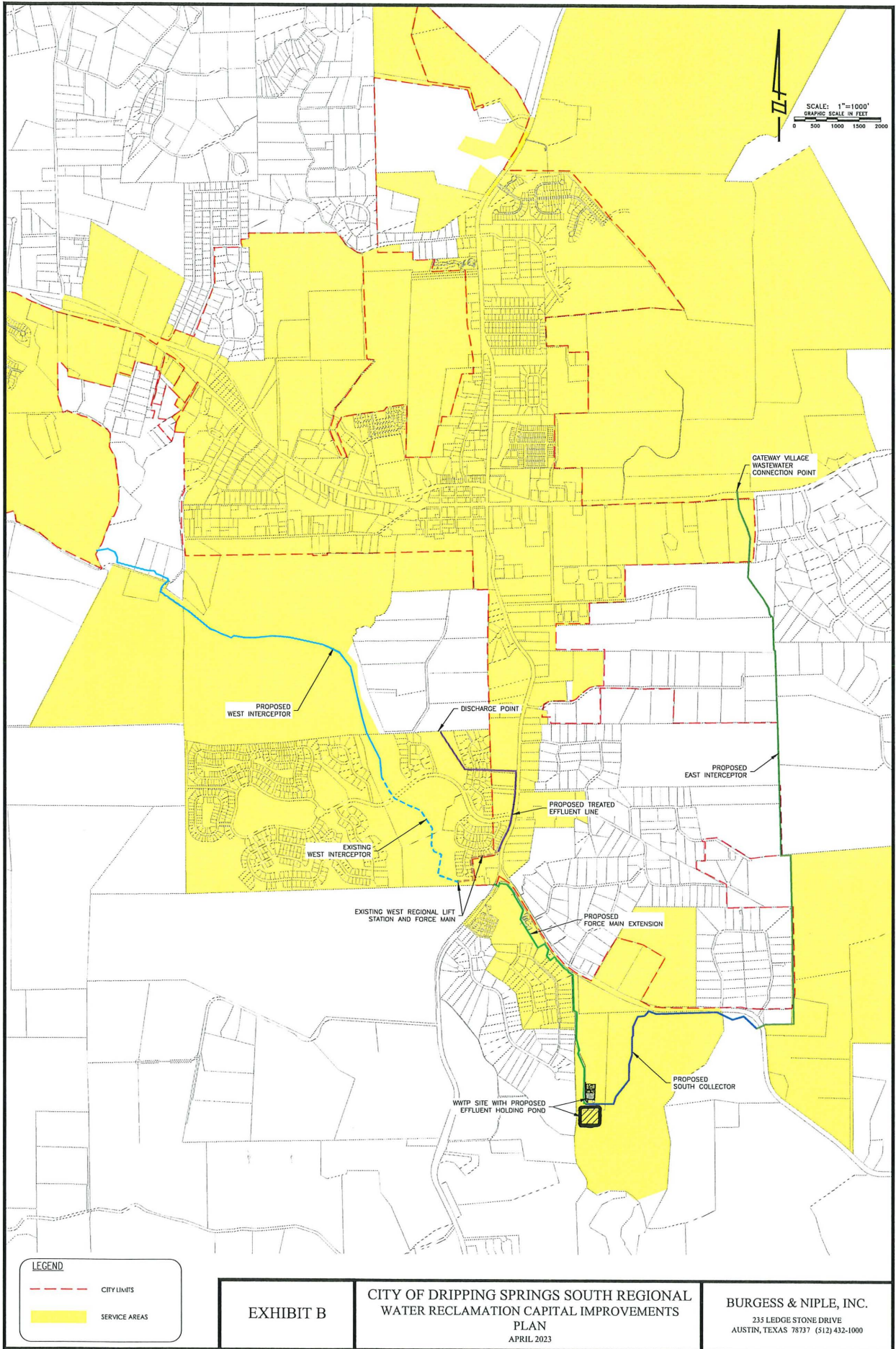
- CITY LIMITS
- SERVICE AREAS

EXHIBIT A

**CITY OF DRIPPING SPRINGS SOUTH REGIONAL
WATER RECLAMATION CAPITAL IMPROVEMENTS
PLAN
APRIL 2023**

BURGESS & NIPLE, INC.
235 LEDGE STONE DRIVE
AUSTIN, TEXAS 78737 (512) 432-1000

EXHIBIT B
Connection Point



LEGEND

- CITY LIMITS
- SERVICE AREAS

EXHIBIT B

**CITY OF DRIPPING SPRINGS SOUTH REGIONAL
WATER RECLAMATION CAPITAL IMPROVEMENTS
PLAN
APRIL 2023**

BURGESS & NIPLÉ, INC.
235 LEDGE STONE DRIVE
AUSTIN, TEXAS 78737 (512) 432-1000