

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement is entered into by and between the City of Dripping Springs, Texas, a general laws municipality (the “City”), Taylor Morrison of Texas, Inc., a Texas corporation (“TM”), and North DSP, LLC, a Texas limited liability company (“NDSP”). The City, DSP and NDSP entered into that certain East Interceptor Agreement dated April 18, 2023 (“EI Agreement”); DSP assigned all of its right, title and interest in the EI Agreement to TM and TM assumed all of the obligations of DSP under the EI Agreement. All capitalized words shall have the same meaning as described in EI Agreement, unless otherwise indicated herein. TM and NDSP are jointly herein referred to as “Owners”.

RECITALS

- A. The City agreed to construct at its cost the East Interceptor sewer line (the “EI”) from the Connection Point to the City WWTP and provide wastewater service to the Developments in accordance with the Utility Agreements.
- B. Owners agreed to 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 to the EI Agreement as Exhibit B. The easements were approved by the City.
- C. The City retained the authority to determine the method by which the EI would be financed.
- D. The City and Owners are in agreement as to how the East Interceptor will be financed.

AGREEMENT

The City and Owners have agreed to the following:

- 1. The City has received construction bids for the installation of the EI as shown in Exhibit 1.
- 2. Owners are responsible for the cost of the EI at a size of eight (8) inches as estimated in Exhibit 1.
- 3. The City is responsible for the cost of any oversizing of the eight-inch (8-inch) EI in order to accommodate additional sewer flows.
- 4. The City has elected to construct the EI and Owners have agreed to deliver to the City the cost of the 8-inch EI upon execution of the construction contract to build the EI. TM will only be obligated to compensate for the costs that are related to the infrastructure that will be removed in Village Grove Phase 1, as a result of the EI replacing the 8-inch wastewater line that is included within Village Grove Phase 1. NDSP will be obligated to fund the remainder of the 8-inch portion of the EI.

5. The City shall pay for the oversizing of the 8-inch EI.
6. If the Texas Water Development Board’s loan to the City is not funded in an amount sufficient to fully reimburse the City for the sums paid for its share of the EI on or before September 30, 2025, then NDSP shall loan to the City such sums so that the City is fully repaid for the cost of the oversizing of the EI on or before September 30, 2025. In such event, NDSP will be repaid for all sums loaned to the City as follows:
 - a. All sums received by the City from the loan from the Texas Water Development Board (“TWDB”) will be paid over to NDSP until the loan is paid in full; and
 - b. If the loan proceeds from TWDB, if any, are insufficient to fully repay the loan from NDSP, then the City shall pay to NDSP all sums collected from Gateway Village wastewater impact fees. If the loan proceeds from TWDB, if any, and the Gateway Village wastewater impact fees are insufficient to fully repay the loan from NDSP, the City shall pay to NDSP the additional \$3,000.00 per wastewater LUE fee imposed on the lots within Gateway Village per the EI Agreement.
7. The Parties further agree that if the amount (i) received from the TWDB loan, if any, and/or (ii) collected from the impact fees for all of the lots in Phase 1, but not less than 146 lots, of the Gateway Village development paid to the City by September 30, 2025 are sufficient to reimburse the City for all sums paid for the oversizing of the EI, then (i) the \$3000.00 Reimbursement Fee for each LUE in Gateway Village will be permanently waived, and (ii) NDSP will not be responsible to loan the City for any payments the City made for the oversizing of the EI.

Effective as of _____, 2024.

CITY:

CITY OF DRIPPING SPRINGS,
a Type A General-Law Municipality

By: _____

Name: Bill Foulds, Jr.

Title: Mayor

ATTEST:

By: _____

Name: Diana Boone

Title: City Secretary

TAYLOR MORRISON OF TEXAS, INC.
a Texas corporation

By: _____
Name: _____
Title: _____

NORTH DSP, LLC
A Texas limited liability company

By: _____
Name: _____
Title: _____

Exhibit – 1

City of Dripping Springs Wastewater
 East Interceptor Segment 1
 June 10, 2024

	Item	Quantity	Unit	Unit Cost	Total
GENERAL CONDITIONS/MOBILIZATION					
1	MOBILIZATION	1	LS	\$ 30,000	\$ 30,000
2	P&P BONDS	1	LS	\$ 45,000	\$ 45,000
TOTAL GENERAL CONDITIONS/MOBILIZATION					\$ 75,000
EROSION CONTROL					
3	CONCRETE WASHOUT AREA	1	EA	\$ 900	\$ 900
4	SILT FENCE	2,590	LF	\$ 5	\$ 12,432
5	CONSTRUCTION ENTRANCE	2	EA	\$ 3,000	\$ 6,000
6	18"X24" ROCK BERM	40	LF	\$ 45	\$ 1,800
7	REVEGETATION AND WATERING	20,304	SY	\$ 2	\$ 40,608
8	IMPORTED TOP SOIL 6" THICK	20,304	SY	\$ 10	\$ 192,888
TOTAL EROSION CONTROL					\$ 254,628
CLEARING & GRADING					
9	CLEARING & SITE PREPARATION	1	LS	\$ 57,000	\$ 57,000
10	HAUL OFF UTILITY SOILS TO PROPER LAND FILL	2,060.52	CY	\$ 30	\$ 61,816
TOTAL CLEARING & GRADING					\$ 118,816
WASTEWATER					
11	TRAFFIC CONTROL	1	LS	\$ 9,500	\$ 9,500
12	PLUMBING PERMITS AND FEES	1	LS	\$ 6,000	\$ 6,000
13	8" SDR 26 PVC PIPE (ALL DEPTHS)	84	LF	\$ 61	\$ 5,124
14	12" SDR 26 PVC PIPE (ALL DEPTHS)	112	LF	\$ 130	\$ 14,560
15	18" SDR 26 PVC PIPE (ALL DEPTHS)	56	LF	\$ 175	\$ 9,800
16	24" SDR 26 PVC PIPE (ALL DEPTHS)	1,974	LF	\$ 341	\$ 673,134
17	30" SDR 26 PVC PIPE (ALL DEPTHS)	742	LF	\$ 391	\$ 290,122
18	36" STEEL CASING JACK & BORE	417	LF	\$ 1,250	\$ 521,250
19	6' DIAMETER MANHOLE	4	EA	\$ 23,500	\$ 94,000
20	6' DIAMETER DROP MANHOLE	2	EA	\$ 29,850	\$ 59,700
21	6' DIAMETER BOLTED DROP MANHOLE	1	EA	\$ 26,250	\$ 26,250
22	6' DIAMETER VENTED MANHOLE	2	EA	\$ 24,800	\$ 49,600
23	6' DIAMETER BOLTED AND VENTED MANHOLE	1	EA	\$ 27,000	\$ 27,000
24	TRENCH SAFETY	2,701	LF	\$ 1	\$ 2,701
TOTAL WASTEWATER					\$ 1,788,741
TOTAL					\$ 2,237,185

	Item	Quantity	Unit	Unit Cost	Total
1	TRAFFIC CONTROL	1	LS	\$ 9,500	\$ 9,500
2	[TRAFFIC CONTROL]	1	LS	\$ (9,500)	\$ (9,500)
3	PLUMBING PERMITS AND FEES	1	LS	\$ 6,000	\$ 6,000
4	[PLUMBING PERMITS AND FEES]	1	LS	\$ (6,000)	\$ (6,000)
5	8" SDR 26 PVC PIPE (ALL DEPTHS)	84	LF	\$ 61	\$ 5,124
6	12" SDR 26 PVC PIPE (ALL DEPTHS)	112	LF	\$ 130	\$ 14,560
7	18" SDR 26 PVC PIPE (ALL DEPTHS)	56	LF	\$ 175	\$ 9,800
8	24" SDR 26 PVC PIPE (ALL DEPTHS)	1,974	LF	\$ 341	\$ 673,134
9	[8" SDR 26 PVC PIPE (ALL DEPTHS)]	1,974	LF	\$ (61)	\$ (120,414)
10	30" SDR 26 PVC PIPE (ALL DEPTHS)	742	LF	\$ 391	\$ 290,122
11	[8" SDR 26 PVC PIPE (ALL DEPTHS)]	742	LF	\$ (61)	\$ (45,262)
12	36" STEEL CASING JACK & BORE	417	LF	\$ 1,250	\$ 521,250
13	[16" STEEL CASING JACK & BORE]	417	LF	\$ (750)	\$ (312,750)
14	6' DIAMETER MANHOLE	4	EA	\$ 23,500	\$ 94,000
15	[4' DIAMETER MANHOLE]	4	EA	\$ (9,650)	\$ (38,600)
16	6' DIAMETER DROP MANHOLE	2	EA	\$ 29,850	\$ 59,700
17	[4' DIAMETER DROP MANHOLE]	2	EA	\$ (13,000)	\$ (26,000)
18	6' DIAMETER BOLTED DROP MANHOLE	1	EA	\$ 26,250	\$ 26,250
19	[4' DIAMETER BOLTED DROP MANHOLE]	1	EA	\$ (7,100)	\$ (7,100)
20	6' DIAMETER VENTED MANHOLE	2	EA	\$ 24,800	\$ 49,600
21	[4' DIAMETER MANHOLE]	2	EA	\$ (9,650)	\$ (19,300)
22	6' DIAMETER BOLTED AND VENTED MANHOLE	1	EA	\$ 27,000	\$ 27,000
23	[4' DIAMETER BOLTED DROP MANHOLE]	1	EA	\$ (7,100)	\$ (7,100)
24	TRENCH SAFETY	2,701	LF	\$ 1	\$ 2,701
25	[TRENCH SAFETY]	2,701	LF	\$ (1)	\$ (2,701)
TOTAL					\$ 1,194,014
TOTAL COST OF WASTEWATER					\$ 1,788,741
COST EQUIVALENT FOR 8" WASTEWATER					\$ (594,727)
OVERSIZE COST					\$ 1,194,014

NOTE: [ITEMS EQUIVALENT TO SERVE GATEWAY VILLAGE]