

AMENDMENT NO. 3 TO THE
REGIONAL WASTEWATER SERVICES AND FACILITIES
COST SHARING AGREEMENT
WITH THE CITY OF SAN MARCOS, TEXAS

This Amendment No. 3 to the Regional Wastewater Services and Facilities Cost Sharing Agreement ("this Amendment") is effective as of _____, 2026 ("the Effective Date"), by and between the City of San Marcos, Texas, a home rule municipality (the "City"); Clint Jones, in his individual capacity as landowner of the Fleming Farms Tract (as hereinafter defined) ("Jones"); Rattler Ridge, LP, a Texas limited partnership ("Rattler"); JLBC 710 Investments, LLC, a Texas limited liability company ("JLBC"); BBI COTTONWOOD 2012 LP ("Cottonwood"); Qualico Developments (U.S.), INC. ("Mason"); Mulberry Meadows Development Company, LLC ("Mulberry"); Sedona Municipal Utility District No. 1 ("Sedona MUD No. 1"); Sedona Municipal Utility District No. 2 ("Sedona MUD No. 2"); and Guadalupe County Municipal Utility District No. 9 (Guadalupe MUD No. 9"). All of the foregoing are sometimes referred to collectively as "the Parties" and individually as "a Party". All of the foregoing other than the City are sometimes referred to collectively as "the Developers" and individually as "a Developer".

RECITALS

WHEREAS, the Parties have previously executed the Regional Wastewater Services and Facilities Cost Sharing Agreement, effective May 14, 2024, and approved by Resolution 2024-78R on May 7, 2024 (the "Original Agreement"), as amended by Amendment No 1, executed April 3, 2025, and approved by Resolution 2025-56R on April 1, 2025 ("Amendment No. 1") and Amendment No. 2, executed January 27, 2026 ("Amendment No. 2"), the Original Agreement with Amendment No. 1 and Amendment No. 2 is referred to herein as the "Cost Sharing Agreement"); and

WHEREAS, the Developers have requested, and the City agrees to, changes to the Absorption Schedule (attached as Exhibit "D") and Payment Schedule (attached as Exhibit "E"); and

WHEREAS, Guadalupe MUD No. 9, Sedona MUD No. 1 and Sedona MUD No. 2 have joined in the Cost Sharing Agreement by executing and submitting Joinder Agreements (attached as Exhibit "1", Exhibit "2", and Exhibit "3", respectively).

AMENDMENT TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and benefits hereunder, the Parties agree the Cost Sharing Agreement shall be amended as set forth in this Amendment No. 3, including the following:

1. The facts and recitations contained in the Recitals set forth above are found and declared to be true and correct and are incorporated into this Amendment.
2. The first paragraph of the Original Agreement, as previously amended, shall be amended to add Sedona MUD No. 1 and Sedona MUD No. 2.
3. The fourth paragraph of the Original Agreement shall be amended to replace "Sedona Municipal Utility District" with Sedona Municipal Utility District No. 1 and Sedona Municipal Utility District No. 2.
4. Exhibit D to Amendment No. 1 is hereby amended as attached to adjust the Developers' absorption schedules.
5. Exhibit E to Amendment No. 1 is hereby amended as attached to adjust the Developers' payment schedules.
6. Upon the execution of this Amendment 3 by all parties hereto Mulberry shall be released from the Agreement and shall have no further rights, duties, obligations, or liabilities under the Agreement.

ARTICLE I DEFINITIONS

The following definition shall be deleted in its entirety and replaced with the following language.

21. "LUE Fee" shall mean: (i) the \$8,300 per LUE used to calculate the Jones and Rattler 2025 payments; (ii) the \$7,550 per LUE used to calculate the JLBC 2025 payment; (iii) the \$8,600 per LUE that Jones and Rattler agree to pay, or cause to be paid, to the City in 2026 and subsequent years in accordance to the Payment Schedule (as hereinafter defined"; (iv) the \$8,300 per LUE Fee that Mason and Cottonwood agree to pay, or cause to be paid, to the City in accordance with the Payment Schedule; (v) the \$8,500 per LUE Fee that Mulberry agree to pay, or cause to be paid, to the City in accordance with the Payment Schedule; and (vi) the \$7,700 per LUE that JLBC agrees to pay, or cause to be paid, to the City in accordance with the Payment Schedule. The LUE Fees shall be the only fees required by the City to be paid for a unit to be connected to the Facilities, except for new account

charges or deposits that are standard for retail Wastewater utility service customers of the City.

ARTICLE III PAYMENT

1. The last sentence of Article III, Section 1, of the Original Agreement is hereby amended to read as follows: "Certain of the annual installments of the LUE Fee payments commence in 2025 and shall be paid on or before August 1, 2025 in accordance with the Payment Schedule, Exhibit E. LUE Fee payments due in 2026 shall be paid on or before August 1, 2026, in accordance with the amended Payment Schedule, Exhibit E."

27. Exhibits. The following exhibits are attached to this Amendment, and made a part hereof for all purposes:

- Exhibit "D" - Revised Absorption Schedule
- Exhibit "E" - Revised Payment Schedule
- Exhibit "1" - Guadalupe MUD No. 9 Joinder
- Exhibit "2" - Sedona MUD No. 1 Joinder
- Exhibit "3" - Sedona MUD No. 2 Joinder

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement on the dates indicated below to be effective as of the Effective Date.

[COUNTERPART SIGNATURE PAGES FOLLOW]

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

THE CITY:

THE CITY OF SAN MARCOS, TEXAS,
a Texas home rule municipality

By: _____

Stephanie Reyes, City Manager

Date: _____, 2026

ATTEST:

By: _____

Elizabeth Trevino,
City Clerk

Date: _____, 2026

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

JONES:



CLINT JONES


Date: June 23, 2026

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

RATTLER:

RATTLER RIDGE, LP,
a Texas limited partnership

By: Regal, LLC
a Texas limited liability company
Its general partner

By: 
Clint Jones, President

Date: June 23, 2026

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

JLBC:

JLBC 710 INVESTMENTS, LLC,
a Texas limited liability company

By: 
John S. Lloyd, Manager

Date: June 24, 2026

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

COTTONWOOD:
CCSM, LLC, A TEXAS LIMITED LIABILITY COMPANY
BY: BBI COTTONWOOD 2021, LP, A TEXAS LIMITED PARTNERSHIP, MEMBER
BY: BBI COTTONWOOD 2021 GP, LLC, A TEXAS LIMITED COMPANY, GENERAL
PARTNER




Name: Scott Teeter

Title: Authorized Person

Date: June 23, 2026

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

MASON:



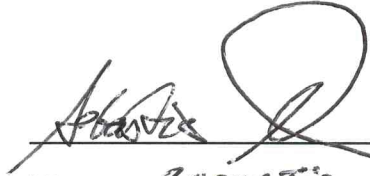
Name: _____

Title: Kevin Fleming - Assistant Secretary

Date: 6/16, 2026

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

MULBERRY:


Name: SEBASTIAN STADLER
Title: MANAGER FOR MULBERRY
METHODS DEVELOPMENT LLC
Date: JUNE 15th, 2026

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

GUADALUPE COUNTY MUNICIPAL
UTILITY DISTRICT NO. 9

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

Date: _____, 2026

MUD will meet on 6/30/2026
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swapped out after it's received

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

SEDONA MUNICIPAL UTILITY DISTRICT
No. 1

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

Date: _____, 2026

***MUD will meet on 7/17/2026
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swapped out after it's received***

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 3 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

SEDONA MUNICIPAL UTILITY DISTRICT
No. 2

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

Date: _____, 2026

***MUD will meet on 7/17/2026
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swapped out after it's received***

EXHIBIT "D"

ABSORPTION SCHEDULE

DEVELOPMENT / YEAR	Sedona South	Highlander	Fleming Farms	Rattler Ridge	Mason	Mulberry Meadows	Cottonwood	TOTAL LUEs
2024	0	0	0	0	0	0	0	0
2025	100	0	80	60	0	0	0	240
2026	200	0	120	160	126	0	0	606
2027	300	0	160	260	266	0	36	1022
2028	600	0	240	460	456	0	72	1828
2029	955	0	334	660	684	0	118	2751
2030	1305	0	334	860	866	0	166	3531
2031	1655	0	334	1060	886	0	214	4149
2032	2005	0	334	1310	886	0	262	4797
2033	2355	0	334	1560	886	0	310	5445
2034	2645	0	334	1869	886	0	310	6044
TOTAL	2645	0	334	1869	886	0	310	6044

TOTAL NEW LUEs								
DEVELOPMENT / YEAR	Sedona South	Highlander	Fleming Farms	Rattler Ridge	Mason	Mulberry Meadows	Cottonwood	TOTAL LUEs
2024	0	0	0	0	0	0	0	0
2025	100	0	80	60	0	0	0	240
2026	100	0	40	100	126	0	0	366
2027	100	0	40	100	140	0	36	416
2028	300	0	80	200	190	0	36	806
2029	355	0	94	200	228	0	46	923
2030	350	0	0	200	182	0	48	780
2031	350	0	0	200	20	0	48	618
2032	350	0	0	250	0	0	48	648
2033	350	0	0	250	0	0	48	648
2034	290	0	0	309	0	0	0	599
TOTAL	2645	0	334	1869	886	0	310	6044

EXHIBIT "E"
PAYMENT SCHEDULE

PAYMENTS								
DEVELOPMENT / YEAR	Sedona South	Highlander	Fleming Farms	Rattler Ridge	Mason	Mulberry Meadows	Cottonwood	TOTAL LUEs
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$755,000	\$0	\$664,000	\$498,000	\$0	\$0	\$0	\$1,917,000
2026	\$770,000	\$0	\$344,000	\$860,000	\$1,045,800	\$0	\$830,000	\$3,849,800
2027	\$770,000	\$0	\$344,000	\$860,000	\$1,402,700	\$0	\$830,000	\$4,206,700
2028	\$2,310,000	\$0	\$688,000	\$1,720,000	\$1,377,800	\$0	\$830,000	\$6,925,800
2029	\$2,733,500	\$0	\$808,400	\$1,720,000	\$1,386,100	\$0	\$83,000	\$6,731,000
2030	\$2,695,000	\$0	\$0	\$1,720,000	\$1,377,800	\$0	\$0	\$5,792,800
2031	\$2,695,000	\$0	\$0	\$1,720,000	\$763,600	\$0	\$0	\$5,178,600
2032	\$2,695,000	\$0	\$0	\$2,150,000	\$0	\$0	\$0	\$4,845,000
2033	\$2,695,000	\$0	\$0	\$2,150,000	\$0	\$0	\$0	\$4,845,000
2034	\$2,233,000	\$0	\$0	\$2,657,400	\$0	\$0	\$0	\$4,890,400
TOTAL	\$20,351,500	\$0	\$2,848,400	\$16,055,400	\$7,353,800	\$0	\$2,573,000	\$49,182,100

EXHIBIT "1"

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder Agreement"), dated as of August 13, 2024, is executed by GUADALUPE COUNTY MUNICIPAL UTILITY DISTRICT NO. 9, a conservation and reclamation district and body politic and governmental agency of the State of Texas (the "District"), in connection with that certain Regional Wastewater Services and Facilities Agreement (the "Agreement") entered into by and among the City of San Marcos, Texas, a home rule municipality; Clint Jones; Rattler Ridge, LP, a Texas limited partnership; JLBC 710 Investments, LLC, a Texas limited liability company; and Highlander SM Two, LLC, a Texas limited liability company, dated effective May 14, 2024. Capitalized terms used herein but not otherwise defined herein shall have the definitions provided in the Agreement.

In accordance with the introductory paragraphs of the Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, the District executes this Joinder Agreement in order to become a Party to the Agreement. Accordingly, the District hereby agrees as follows with the other Parties to the Agreement:

1. The District acknowledges and confirms that it has received a copy of the Agreement and the schedules and exhibits thereto.

2. The District hereby acknowledges, agrees, and confirms that, by its execution of this Joinder Agreement, the District shall automatically be deemed to be a Party to the Agreement, and shall have all of the rights and obligations of Rattler Ridge, LP, specifically (excluding payment obligations set forth in the Agreement, which shall remain the obligation of Rattler Ridge, LP), and of a District with regard to property within the District, generally, thereunder as if it had originally executed the Agreement. The District hereby ratifies, as of the date hereof, and agrees to be bound by all of the terms, provisions and conditions contained in the Agreement applicable to it to the same effect as if it were an original Party thereto.

3. This Joinder Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas.

[EXECUTION PAGE FOLLOWS]

EXHIBIT "1"

IN WITNESS WHEREOF, the District has caused this Joinder Agreement to be duly executed by its authorized officer as of the date and year first above written.

THE DISTRICT:

GUADALUPE COUNTY MUNICIPAL
UTILITY DISTRICT NO. 9

By: 
Name: Lyman Skalaut
Title: President, Board of Directors
Date: 8/13/2024

ATTEST:

By: 
Name: Chris Werth
Title: Secretary, Board of Directors
Date: 8/13/2024

EXHIBIT "2"

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "*Joinder Agreement*"), dated as of January 16, 2026 is executed by Sedona Municipal Utility District No. 1, a conservation and reclamation district and body politic and governmental agency of the State of Texas (the "*District*"), in connection with that certain Regional Wastewater Services and Facilities Agreement (the "*Original Agreement*") entered into by and among the City of San Marcos, Texas, a home rule municipality; Clint Jones; Rattler Ridge, LP, a Texas limited partnership; JLBC 710 Investments, LLC, a Texas limited liability company; and Highlander SM Two, LLC, a Texas limited liability company; and dated effective May 14, 2024, as amended by Amendment No. 1 to the Regional Wastewater Services and Facilities Cost Sharing Agreement with the City of San Marcos, Texas between the City of San Marcos, Texas, a home rule municipality; Clint Jones, in his individual capacity as landowner of the Fleming Farms Tract; Rattler Ridge, LP, a Texas limited Partnership; JLBC 710 Investments, LLC, a Texas limited liability company; Highlander SM Two, LLC, a Texas limited liability company; BBI COTTONWOOD 2012 LP; Qualico Developments (U.S.), Inc.; Mulberry Meadows Development Company, LLC; and Guadalupe County Municipal Utility District No. 9, dated effective as of April 3, 2025 (the Original Agreement, as amended, the "*Agreement*"). Capitalized terms used herein but not otherwise defined herein shall have the definitions provided in the Agreement.

In accordance with the introductory paragraphs of the Agreement, a copy of which is attached hereto as **Exhibit "A"** and incorporated herein for all purposes, the District executes this Joinder Agreement in order to become a party to the Agreement. Accordingly, the District hereby agrees as follows with the other Parties to this Agreement:

1. The District acknowledges and confirms that it has received a copy of the Agreement and the schedules and exhibits thereto.

2. The District hereby acknowledges, agrees, and confirms that, by its execution of this Joinder Agreement, the District shall automatically be deemed to be a party to the Agreement, and shall have all the rights and obligations of Sedona Municipal Utility District No. 1, specifically (excluding payment obligations set forth in the Agreement, which shall remain the obligation of Sedona Municipal Utility District No. 1, and of a District with regard to property within the District, generally, thereunder as if it had originally executed the Agreement. The District hereby ratifies, as of the date hereof, and agrees to be bound by all of the terms, provisions and conditions contained in the Agreement applicable to it to the same effect as if it were an original Party thereto.

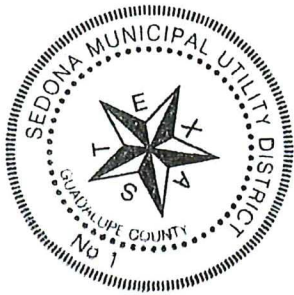
3. This Joinder Agreement shall be covered by and construed and interpreted in accordance with the laws of the State of Texas.

IT WITNESS WHEREOF, the District has caused this Joinder Agreement to be duly executed by its authorized officer as of the date and year first above written.

* * * [signature page follows] * * *

EXHIBIT "2"

**SEDONA MUNICIPAL UTILITY DISTRICT
NO. 1**, a conservation and reclamation district and
body politic and governmental agency of the State
of Texas



By: Ethan Myers
Ethan Myers, President
Board of Directors
January 16, 2026

ATTEST:

By: Matt Hamilton
Matt Hamilton, Secretary
Board of Directors
JANUARY 16, 2026

EXHIBIT "3"

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "*Joinder Agreement*"), dated as of January 16, 2026 is executed by Sedona Municipal Utility District No. 2, a conservation and reclamation district and body politic and governmental agency of the State of Texas (the "*District*"), in connection with that certain Regional Wastewater Services and Facilities Agreement (the "*Original Agreement*") entered into by and among the City of San Marcos, Texas, a home rule municipality; Clint Jones; Rattler Ridge, LP, a Texas limited partnership; JLBC 710 Investments, LLC, a Texas limited liability company; and Highlander SM Two, LLC, a Texas limited liability company; and dated effective May 14, 2024, as amended by Amendment No. 1 to the Regional Wastewater Services and Facilities Cost Sharing Agreement with the City of San Marcos, Texas between the City of San Marcos, Texas, a home rule municipality; Clint Jones, in his individual capacity as landowner of the Fleming Farms Tract; Rattler Ridge, LP, a Texas limited Partnership; JLBC 710 Investments, LLC, a Texas limited liability company; Highlander SM Two, LLC, a Texas limited liability company; BBI COTTONWOOD 2012 LP; Qualico Developments (U.S.), Inc.; Mulberry Meadows Development Company, LLC; and Guadalupe County Municipal Utility District No. 9, dated effective as of April 3, 2025 (the Original Agreement, as amended, the "*Agreement*"). Capitalized terms used herein but not otherwise defined herein shall have the definitions provided in the Agreement.

In accordance with the introductory paragraphs of the Agreement, a copy of which is attached hereto as **Exhibit "A"** and incorporated herein for all purposes, the District executes this Joinder Agreement in order to become a party to the Agreement. Accordingly, the District hereby agrees as follows with the other Parties to this Agreement:

1. The District acknowledges and confirms that it has received a copy of the Agreement and the schedules and exhibits thereto.

2. The District hereby acknowledges, agrees, and confirms that, by its execution of this Joinder Agreement, the District shall automatically be deemed to be a party to the Agreement, and shall have all the rights and obligations of Sedona Municipal Utility District No. 2, specifically (excluding payment obligations set forth in the Agreement, which shall remain the obligation of Sedona Municipal Utility District No. 2, and of a District with regard to property within the District, generally, thereunder as if it had originally executed the Agreement. The District hereby ratifies, as of the date hereof, and agrees to be bound by all of the terms, provisions and conditions contained in the Agreement applicable to it to the same effect as if it were an original Party thereto.

3. This Joinder Agreement shall be covered by and construed and interpreted in accordance with the laws of the State of Texas.


IT WITNESS WHEREOF, the District has caused this Joinder Agreement to be duly executed by its authorized officer as of the date and year first above written.

* * * [signature page follows] * * *


EXHIBIT "3"



**SEDONA MUNICIPAL UTILITY DISTRICT
NO. 2**, a conservation and reclamation district and
body politic and governmental agency of the State
of Texas

By: 
Brad Ballew, Vice President
Board of Directors
January 16 _____, 2026

ATTEST:

By: 
Jedd Johnston, Asst. Secretary
Board of Directors
January 16 _____, 2026