

**FIRST AMENDMENT TO UTILITY CONSTRUCTION  
COST SHARING AGREEMENT FOR THE  
VERAMENDI DEVELOPMENT**

1. Parties. The parties to this Amendment are NEW BRAUNFELS UTILITIES (“NBU”), a municipally owned utility charged with exclusive management and control of the water and sewer systems of the City of New Braunfels, WORD-BORCHERS RANCH JOINT VENTURE, a Texas general partnership (“Developer”), and COMAL COUNTY WATER IMPROVEMENT DISTRICT NO. 1, a political subdivision of the State of Texas (the “District”). NBU, Developer and the District are sometimes collectively referred to herein as the “Parties”.
  
2. Recitals. NBU, Developer and District are parties to the Utility Construction Cost Sharing Agreement for the Veramendi Development (the “Original Agreement”) dated February 25, 2013, by the terms of which the Parties agreed on the nature, timing and construction of water and sanitary sewer infrastructure facility improvements for the development of the Property, containing approximately 2462 acres of land in Comal County, Texas (the “Project”). The Original Agreement acknowledges that 400 living unit equivalents (LUEs) of water and wastewater service capacity were available and uncommitted for use in the Project and that additional service capacity may be available to Developer based on a subsequent agreement with NBU for design and construction of additional off-site water and wastewater facilities. Developer has requested an additional initial commitment of LUEs as a means of gaining an extension of time within which it must construct an elevated water storage tank and certain trunk sewer lines necessary to serve the Project as required by the Original Agreement, and has agreed to design and construct certain additional off-site water and wastewater infrastructure facilities to increase the number of LUEs currently available for the Project. Developer, NBU and the District intend hereby to amend the Original Agreement as provided in the following paragraphs. This Amendment and the Original Agreement are together referred to as “the Agreement”.
  
3. Increased Water Service Capacity. The following sections in Article III of the Original Agreement are amended or added to reflect the agreement among the Parties for an increase in current available uncommitted service capacity in the NBU water utility system for the Project from 400 LUEs to 700 LUEs:
  - (a) The last sentence of Section 3.01(c) is amended and restated, reading in its entirety as follows: “NBU has within its water supply the capacity to provide the Property with up to 700 LUEs of water, provided that Developer constructs Internal Water Facilities that meet NBU standards and policies, of which no more than 400 LUEs can be allocated to Zone 5.”
  
  - (b) Section 3.03 is amended to add a new subsection (j), reading in its entirety as follows: “(j) A combination flow control valve and pressure reducing valve as specified by NBU is required, which will be designed and constructed by NBU within 12 months from the effective date of this Amendment, the estimated cost of which is \$300,000.00. Developer must pay and advance the cost for the


design and construction of such valves, within 30 days after NBU submits an invoice therefor, subject to reconciliation when actual costs are determined.

4. Increased Wastewater Service Capacity. The first sentence of Section 4.01(a) of the Original Agreement is amended and restated, reading in its entirety as follows: "(a) NBU will have available wastewater treatment and collection capacity within its existing system to provide the Property with up to 700 LUEs of interim, initial sewer capacity, provided that Developer constructs the necessary Internal Facilities and funds its 47% prorata share of the total estimated cost of design and construction of a 30" gravity sewer main (the "30" sewer main") between the Blieders Creek Lift Station and the proposed new wastewater treatment plant as contemplated in Sections 4.01(c) and 4.03(e)." Developer may allocate these 700 LUEs to either the north or south sewer mains on the Property as it may elect. Developer's prorata share of such estimated costs is due and payable within 30 days from the date NBU submits an invoice therefor, after entering into a contract for the construction of the proposed new wastewater treatment plant, subject to reconciliation when actual costs are determined.
5. Impact Fees. NBU acknowledges that the 30" sewer main is a capital improvement attributable to or necessitated by the Project. NBU agrees to amend its Capital Recovery Policy as contemplated in Section 10.03 of the Original Agreement to include the 30" sewer main as part of the capital improvements plan. The effect of such amendment will be to allow Developer to receive a rebate of capital recovery fees for costs advanced by Developer attributable to the 30" sewer main as allowed by NBU's Capital Recovery Policy and the Agreement.
6. Water Storage Tank. NBU and Developer acknowledge that Developer must fully complete construction of the water storage tank referenced in Section 3.03(e) of the Original Agreement before the current available uncommitted service capacity in the NBU water utility system for the Project exceeds 700 LUEs.
7. Attorneys' Fees. Developer will be obligated to pay NBU's attorneys fees in connection with the preparation of this Amendment within 30 days after NBU submits an invoice therefor, but not to exceed \$5,000.00.
8. Definitions. All capitalized terms used but not defined herein have the meanings ascribed to such terms in the Original Agreement.
9. Conflict. In the event of a conflict between the provisions of this Amendment and the Original Agreement, the Amendment controls over the Original Agreement.
10. Ratification; Complete Agreement. All other provisions of the Original Agreement remain the same and unmodified except as provided herein. The Parties acknowledge that this Amendment and the Original Agreement together evidence their agreement with respect to the Project and the rights, duties and obligations of each Party to the other as of the Effective Date. The Parties ratify and confirm the terms and conditions of the Original Agreement as modified hereby. Any other agreements, representations or understandings among NBU, the Word-Borchers Ranch Real Estate Limited Partnership (the "Landowner"), any predecessor-in-interest of the Landowner, or any principal of the Landowner or its predecessors with respect to prorata or impact fees in connection with

the development of the Property are of no further force and effect and are superseded in their entirety by the Original Agreement, as modified hereby.

11. Execution. The Parties agree that telecopy, facsimile or electronic signatures may be used in place of original signatures on this Amendment with the same legal effect, and that third parties may rely on telecopy, facsimile or electronic signatures as original signatures and hereby waive any defense to the enforcement of this Amendment based on the form of signature. If Developer notifies NBU that Developer elects to record this Amendment in accordance with Section 14.16 of the Original Agreement, NBU shall deliver a counterpart of this Amendment bearing an original signature on behalf of NBU.
12. Counterparts. This Amendment may be executed in any number of counterparts, each of which is an original for all purposes and which together constitute one and the same agreement.
13. Approval by Board of Trustees. This Amendment will be executed by the authorized representatives of the Parties promptly following approval of this Amendment by the NBU Board of Trustees and becomes effective on the effective date of the Development Agreement ("Effective Date").

**NEW BRAUNFELS UTILITIES**

By:   
Name: PAULA DIFONZO  
Title: CEO

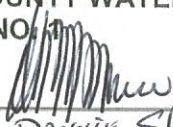
Date: JULY 23, 2015

**WORD-BORCHERS RANCH JOINT VENTURE,**  
By ASA Properties, LLC, its Manager

By: ASA Properties Holding Co., LLC  
Its: Manager

By: \_\_\_\_\_  
Name: Tiffany Lacey  
Title: Vice President, Design and Approvals  
Date: July 16, 2015

**COMAL COUNTY WATER IMPROVEMENT  
DISTRICT NO. 1**

By:   
Name: Donnie Shaw  
Title: PRESIDENT

Date: JULY 27, 2015

STATE OF TEXAS

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CORPORATE

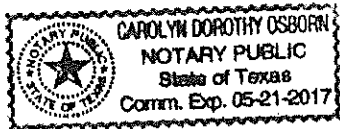
ACKNOWLEDGMENT

COUNTY OF COMAL

This instrument was acknowledged before me on this the 16<sup>th</sup> day of July 2015, by Tiffany Lacey, a person known to me in her capacity as Vice President of Design and Approvals of ASA Properties Holding Co. LLC, the sole manager of ASA Properties, LLC, on behalf of Word-Borchers Ranch Joint Venture.

*Carolyn Dorothy Osborn*

Notary Public, in and for the State of Texas

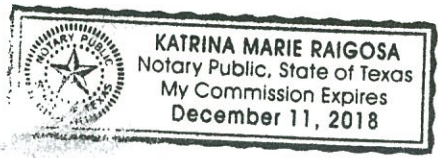


STATE OF TEXAS       §  
                                  §  
COUNTY OF COMAL   §

**CORPORATE ACKNOWLEDGMENT**

This instrument was acknowledged before me on this the 27<sup>th</sup> day of July 2015, by Katrina Raigosa, a person known to me in his or her capacity as DONNIE SHAW of Comal County Water Improvement District No. 1, on behalf of Comal County Water Improvement District No. 1.

Katrina Marie Raigosa  
Notary Public, in and for the State of Texas



STATE OF TEXAS §  
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COUNTY OF COMAL §

**CORPORATE ACKNOWLEDGMENT**

This instrument was acknowledged before me on this the 22nd day of July 2015,  
by PAULAN D. FOX a person known to me in his or her capacity as CEO  
of New Braunfels Utilities, on behalf of New Braunfels Utilities.

Laura L. Rivers  
Notary Public, in and for the State of Texas

