

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DRAINAGE EASEMENT AGREEMENT

Effective Date:

_____, 2024

Grantor:

City of Bay City, a Texas Municipal Corporation

Grantor's Mailing Address:

1901 Fifth Street
Bay City, Texas 77414

Grantee:

SAL Holdings, LLC, a Texas Limited Liability Company

Grantee's Mailing Address:

2200 Avenue A
Bay City, Texas 77414

Easement Property:

BEING a 20-foot wide drainage easement out of that called City of Bay City, Texas 2.06-acre tract described in Volume 399, page 401 of the Matagorda County Deed Records and part of the I.&G.N.R.R. Co. Survey 4, Block 4, Abstract 268 in Matagorda County, Texas and said easement extending 10-feet on either side, with the projections thereof, of the centerline of said easement being more particularly described and shown in **Exhibit A** attached hereto and incorporated herein for all purposes.

Easement Purpose:

For the laying, construction, installation, maintenance, repair, relocation, replacement, removal, modification, and operation of drainage facilities and all related connections and appurtenances (collectively, "Facilities"), across, along, under, over, upon, and through the Easement Property and entrance upon the Easement Property to engage in all activities as may be necessary,

requisite, convenient, or appropriate in connection therewith. Grantee's rights shall include, without limitation, the right to clear and remove trees, undergrowth, shrubbery, and other improvements and to excavate and place or haul on or offsite dirt from within the Easement Property and the right to bring and operate any equipment on the Easement Property as may be necessary, requisite, convenient, or appropriate to effectuate the purposes for which the Easement is granted.

Consideration:

Good and valuable consideration, the receipt and sufficiency of which are acknowledged by Grantor.

Grant of Easement:

Grantor, for the Consideration and subject to the Reservations from Conveyance, Exceptions to Warranty, and Terms and Conditions below, grants, sells, and conveys to Grantee and Grantee's heirs, successors, and assigns a non-exclusive easement over, on, and across the Easement Property for the Easement Purpose, together with all and singular the rights and appurtenances therein any way belonging (collectively, "Easement"), to have and to hold the Easement to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, successors, and assigns to warrant and forever defend the title to the Easement in Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the Easement or any part of the Easement when the claim is by, through, or under Grantor, except as to the Reservations from Conveyance and Exceptions to Warranty.

Reservations from Conveyance:

Grantee's right to use the Easement Property is nonexclusive, and Grantor reserves for Grantor and Grantor's heirs, successors, and assigns (i) the right to use all or part of the Easement Property in conjunction with Grantee as long as such use by Grantor and Grantor's heirs, successors, and assigns does not unreasonably interfere with the use of the Easement Property by Grantee for the Easement Purpose, and (ii) the right to convey to others the right to use all or part of the Easement Property in conjunction with Grantee, as long as such further conveyance is subject to the terms of this agreement.

Exceptions to Warranty:

This conveyance is further made subject to any and all restrictions, covenants, easements, rights-of-way, encumbrances, and mineral or royalty reservations or interests affecting the Easement Property and appearing of record in the Official Public Records of Matagorda County, Texas, to the extent the same are in effect and validly enforceable against the Easement Property ("Permitted Encumbrances"); provided, however, to the extent that Grantor has the ability to enforce any of the Permitted Encumbrances, Grantor will not do so in a manner that would unreasonably prejudice or interfere with the exercise of the rights in the Easement and use of the Easement Property for the purposes set forth herein.

Terms and Conditions:

The Following Terms and Conditions apply to the Easement granted by this agreement:

1. *Duration of Easement.* The duration of the Easement is perpetual and irrevocable.
2. *Improvement and Maintenance of Easement Property.* Construction of the Facilities and improvement of the Easement Property (hereinafter, the “Initial Construction”), if necessary, will be at the sole expense of Grantee. Notwithstanding anything stated in Agreement to the contrary upon the completion of the Initial Construction, maintenance of the Easement Property and the Facilities will be the sole responsibility, and at the sole expense of, Valor Park HOA (hereinafter, the “HOA. Grantee and the HOA shall have the right to remove or relocate any fences within the Easement Property or along or near its boundary lines if reasonably necessary for the Initial Construction or to maintain, replace, or remove the Facilities, subject to replacement of any fences to their original condition upon request by Grantor and the completion of the Grantee’s Initial Construction and/or the HOA’s maintenance work. Subject to the rights granted to Grantee herein, and to the extent it does not interfere with Grantee’s full and complete use and enjoyment of the Easement Property for the purposes set forth herein, Grantee, after completion of the Initial Construction only, and the HOA, at all times after doing any work in connection with the Easement, restore the surface of the Easement Property as nearly as reasonably practicable to substantially the condition prior to the undertaking of such work; provided, however, neither Grantee or the HOA shall be obligated to replace or restore any trees, growth, shrubbery, or other improvements or obstructions removed from within the Easement Property in connection with the Initial Construction, installation, repair, maintenance, relocation, replacement, removal, upgrade, change in the size of, operation, placement, inspection, protection, or alteration of the Facilities. Grantee may remove, at Grantee’s expense, any dirt, earth, or other material excavated from the Easement Property in connection with Grantee’s Initial Construction, operation, or maintenance of the Facilities that is not used in connection with Grantee’s activities hereunder. All matters concerning the Facilities and their configuration, construction, installation, maintenance, replacement, and removal are at the Grantee’s sole discretion, subject to performance of Grantee’s obligation under this agreement.
3. *Equitable Right of Enforcement.* This Easement may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting interference and commanding compliance. Restraining orders and injunctions will be obtainable on proof of the existence of interference or threatened interference, without the necessity of proof of inadequacy of legal remedies or irreparable harm, and will be obtainable only by the parties to or those benefited by this agreement; provided, however, that the act of obtaining an injunction or restraining order will not be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.
4. *Binding Effect.* This agreement binds and inures to the benefit of the parties and their respective heirs, successors, and permitted assigns.
5. *Choice of Law.* This agreement will be construed under the laws of the State of Texas, without regard to choice-of-law-rules of any jurisdiction. Venue shall exclusively be in the county or counties in which the Easement Property is located.
6. *Counterparts.* This agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

7. *Waiver of Default.* It is not a waiver of or consent to default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this agreement does not preclude pursuit of other remedies in this agreement or provided by law.

8. *Further Assurances.* Each signatory party agrees to execute and deliver any additional documents and instruments and to perform any additional acts necessary or appropriate to perform the terms, provisions, and conditions of this agreement and all transactions contemplated by this agreement.

9. *Legal Construction.* If any provision in this agreement is for any reason unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability will not affect any other provision hereof, and this agreement will be construed as if the unenforceable provision had never been a part of the agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Article and section headings in this agreement are for reference only and are not intended to restrict or define the text of any section. This agreement will not be construed more or less favorably between the parties by reason of authorship or origin of language.

10. *Notices.* Any notice required or permitted under this agreement must be in writing. Notice may be given by regular mail, personal delivery, courier delivery, or other commercially reasonable means involving physical delivery and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

11. *Recitals.* Any recitals in this agreement are represented by the parties to be accurate and constitute a part of the substantive agreement.

12. *Assignment.* Grantee may assign this Agreement, with all of its rights, privileges and obligations hereunder, at any time and for any reason without the Grantor's consent.

[Execution pages follow.]

The individual signing this instrument on behalf of Grantor represents that it has the requisite authority to bind Grantor.

EXECUTED on _____, 2024, to be effective as of the Effective Date.

GRANTOR:

City of Bay City,
a Texas Municipal Corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS
COUNTY OF _____

|

This instrument was acknowledged before me this _____ day of _____, 2024, by _____ of the City of Bay City, a Texas Municipal Corporation, on behalf of said City of Bay City.

(NOTARY SEAL)

Notary Public, State of Texas

The individual signing this instrument on behalf of Grantee represents that it has the requisite authority to bind Grantee.

EXECUTED on July 2, 2024, to be effective as of the Effective Date.

GRANTEE:

SAL Holdings, LLC
A Texas Limited Liability Company

By: [Signature]
Name: SMART A. LYN
Title: MEMBER

STATE OF TEXAS
COUNTY OF Matagorda

This instrument was acknowledged before me this 2nd day of July, 2024, by Smart Lynn, a member of the SAL Holdings, U.C, on behalf of said SAL Holdings, LLC.



(NOTARY SEAL)

Elizabeth B. Abels
Notary Public, State of Texas

The individual signing this instrument on behalf of Valor Park HOA represents that it has the requisite authority to bind Valor Park HOA.

EXECUTED on July 2, 2024, 2024, to be effective as of the Effective Date.

GRANTEE:

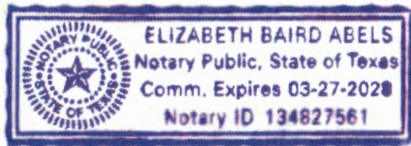
Valor Park HOA
A Texas Homeowners Association

By: [Signature]
Name: STUART A. LYNN
Title: PRESIDENT

STATE OF TEXAS

COUNTY OF Matagorda

This instrument was acknowledged before me this 2nd day of July, 2024, by Stuart Lynn, President of Valor Park HOA, on behalf of said Valor Park HOA.



(NOTARY SEAL)

Elizabeth B. Abels
Notary Public, State of Texas

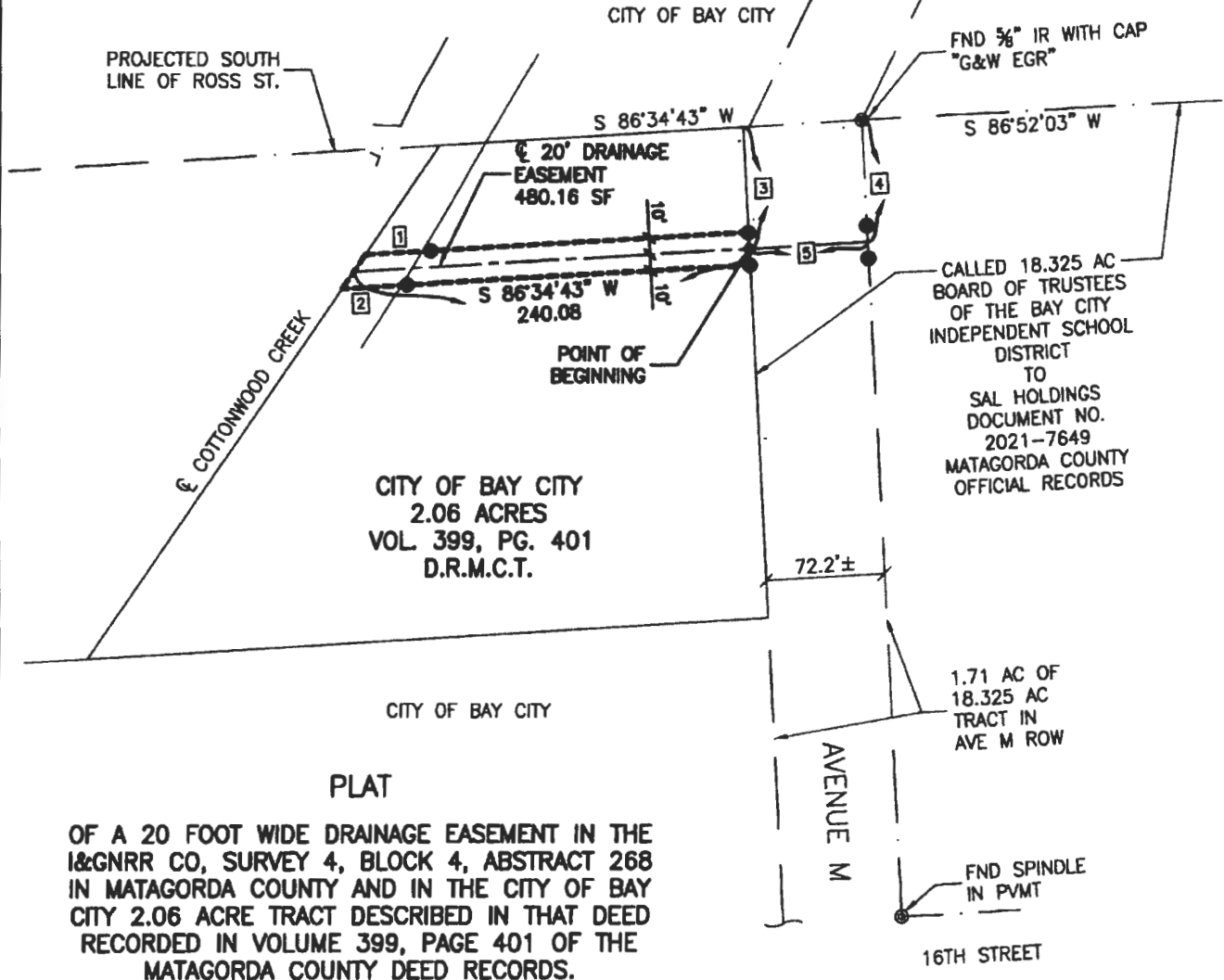
EXHIBIT A

Description and Plat of Easement Property

(see attached)



LINE	DISTANCE	BEARING
1	40.00	S 86°44'03" W
2	40.00	S 86°44'03" W
3	74.36	S 03°15'57" E
4	74.56	S 03°15'55" E
5	72.23	S 86°44'03" W



PLAT
 OF A 20 FOOT WIDE DRAINAGE EASEMENT IN THE I&GNRR CO, SURVEY 4, BLOCK 4, ABSTRACT 268 IN MATAGORDA COUNTY AND IN THE CITY OF BAY CITY 2.06 ACRE TRACT DESCRIBED IN THAT DEED RECORDED IN VOLUME 399, PAGE 401 OF THE MATAGORDA COUNTY DEED RECORDS.



JOHN D. MERCER, R.P.L.S. NO. 1924

- SET IRON ROD
- ⊙ EXISTING PROPERTY CORNER

DRAWN BY:	CM
CHECKED BY:	JDM
SCALE:	1"=100'
JOB NO.	E2551
1 OF 1	

LYNN ENGINEERING

TEXAS REGISTERED ENGINEERING FIRM F-324
 TEXAS REGISTERED SURVEYING FIRM 10116600



2200 AVENUE A
 BAY CITY, TEXAS 77414
 PH: (361) 782-7121

LEGAL DESCRIPTION

STATE OF TEXAS §

COUNTY OF MATAGORDA §

BEING a 20 foot wide drainage easement out of that called City of Bay City, Texas 2.06-acre tract described in Volume 399, page 401 of the Matagorda County Deed Records and part of the I.&G.N.R.R. Co. Survey 4, Block 4, Abstract 268 in Matagorda County, Texas and said easement extending 10 feet on either side, with the projections thereof, of the centerline of said easement as herein further described:

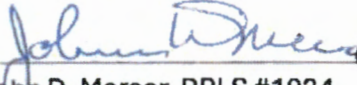
FOR REFERENCE, a 5/8 inch iron rod with cap marked "G&W EGR", found in the North line of that called 18.325 acre tract described in deed from the Board of Trustees of the Bay City Independent School District to SAL Holdings recorded as Document No. 2021-7649 of the Matagorda County Official Records, said iron rod also being in the called East right-of-way line of Avenue M, a public road right-of-way with a width of 72.20 feet, more or less;

THENCE South 3° 15' 55" East with the called East right-of-way line of Avenue M for a distance of 74.56 feet to a point;

THENCE South 86° 44' 03" West, crossing the right-of-way of Avenue M for a distance of 72.23 feet, more or less, to a point in the West right-of-way line of Avenue M and the East line of the aforementioned City of Bay City 2.06-acre tract to a point for the POINT OF BEGINNING of the herein described easement centerline, said point being located 74.36 feet, more or less, along the East line of said 2.06-acre tract from the Northeast corner of said tract;

THENCE South 86° 44' 03" West with the centerline of the herein described easement, there being 10 feet on either side with the projection thereof, for a centerline distance of 240.08 feet, more or less, to a point in the West line of said 2.06 acre tract and the approximate centerline of Cottonwood Creek for the end of the herein described easement centerline, containing in area 480.16 square feet of land, more or less.

This description is based on an on-the-ground survey made under my supervision in March 2024. Bearings are based on the Texas State Plane Coordinate System, South Central Zone, NAD 83.


John D. Mercer, RPLS #1924
Lynn Engineering, LLC
Surveying Firm No. 10116600
7/02/2024

