

Amendment to  
Development Financing Agreement By And Between Reinvestment Zone Number One A,  
City of Bay City, and Sal Holdings, LLC  
VALOR PARK

TO ADD  
Supplement Development Standards

Whereas, City of Bay City (“City”) expanded the boundaries of TIRZ #1 by adopting Ordinance No. 1686 on February 22, 2022 (“TIRZ One A”); and,

Whereas, the City and Sal Holdings, LLC (“Developer”) entered into a Development Financing Agreement regarding improvements in TIRZ One A on March 8, 2022 which is being developed as a subdivision called VALOR PARK; and,

Whereas, the City has development standards established in its Code of Ordinances; and,

Whereas, City and Developer has agreed to supplemental development standards for VALOR PARK; and,

NOW THEREFORE, the parties agree as follows:

1. City’s subdivision regulations provide in §98-97 that Developer shall provide sidewalks as directed by the Director of Public Works. City requires Developer shall provide five foot (5’) sidewalks in the Subdivision.
2. Developer has imposed in its restrictions for the Subdivision to provide a minimum of two fixtures to be connected to gas. City additionally requires that the two (2) required fixtures do not include an outdoor kitchen, generator or heating for pool, i.e., the two (2) required fixtures shall be for cooking, air/heat or other regular use of gas.
3. City’s subdivision regulations provide in §98-125 that Developer provide streetlights. City requires that Developer provide that such lights shall be LED in nature.
4. Developer and City agree that Developer shall provide \$40,000.00 in public amenities in the Subdivision that shall be approved by City Council if not a park and said amenities shall be reimbursable pursuant to the reimbursement agreement but shall be maintained by the Homeowner’s Association established by Developer.
5. Developer and City agree that the Property Owner’s Association established by Developer shall maintain any retention or detention ponds, if any, and if the same shall be in the form of a pond, that said pond shall be in some way aerated as approved by the Director of Public Works.
6. Developer and City agree that commercially reasonable efforts will be made to use local contractors and materials.

7. Developer and City agree that Developer shall create a mandatory homeowner's association as follows:

a. Mandatory Homeowners' Association.

i. HOA Maintained Improvements. The Developer will create a mandatory homeowners' association ("HOA") over the portion of the property then being developed as single family homes ("the "Single Family Property"), which HOA, through its conditions and restrictions filed of record in the property records of Matagorda County, shall be required to assess and collect from owners annual fees in an amount calculated to maintain the open spaces, common areas, right-of-way irrigation systems, raised medians and other right-of-way landscaping, retention and detention areas, drainage areas, screening walls, trails, lawns, landscaped entrances to the Single Family Property and any other common improvements or appurtenances (the "HOA Maintained Improvements").

ii. HOA Maintenance Agreements. Maintenance of any HOA Maintained Improvements on land owned by the City shall be pursuant to one or more maintenance agreements between the HOA and the City (the "HOA Maintenance Agreements"). Specifically, any detention ponds shall be maintained by the HOA pursuant to an HOA Maintenance Agreement.

iii. Assessments. The Parties anticipate that the HOA established to maintain and operate the HOA Maintained Improvements will adequately perform such duties. In the event the City determines that the HOA is not adequately performing the duties for which it was created, which non-performance shall be evidenced by violations of the HOA Maintenance Agreement, applicable deed restrictions, and/or applicable City ordinances, the City reserves the right to levy an assessment each year equal to the actual costs of operating and maintaining the HOA Maintained Improvements that are owned by the City. The City agrees that it will not levy such assessments without first giving the HOA written notice of the deficiencies and providing the HOA with sixty (60) days in which to cure the deficiencies.

iv. The CCRs for the HOA must be filed of record in the property records of Matagorda County, and the HOA Maintenance Agreement, if any, must be approved and executed before any assessments are levied by the City.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed in multiple counterparts, each of equal dignity and effect, on behalf of the City, the Zone, and Developer effective as of the Effective Date.

ATTEST/SEAL

CITY OF BAY CITY, TEXAS

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Jeanna Thompson, City Secretary

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Robert K. Nelson, Mayor

SAL HOLDINGS, LLC, DEVELOPER

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Stuart A Lynn, Member