

**DEVELOPMENT FINANCING AGREEMENT BY AND BETWEEN REINVESTMENT ZONE
NUMBER ONE,
CITY OF BAY CITY, AND SAL Holdings, LLC**

This DEVELOPMENT FINANCING AGREEMENT (“Agreement”) is entered into by and between the REINVESTMENT ZONE NUMBER ONE, CITY OF BAY CITY, TEXAS (the “Zone”), an administrative body appointed in accordance with Chapter 311 of the Texas Tax Code (the “TIRZ Act”) to oversee the administration of Tax Increment Reinvestment Zone Number One, City of Bay City, Texas, a reinvestment zone designated by ordinance of the City in accordance with the Tax Increment Financing Act, and SAL Holdings, LLC (“Developer”), a Texas limited liability company.

The Zone and Developer hereby agree that the following statements are true and correct and constitute the basis upon which the Zone and Developer have entered into this Agreement:

WHEREAS, the City created the Zone pursuant to the TIRZ Act; and

WHEREAS, the Board of Directors of the Zone (the “Zone Board” or “Board”) and the City each approved and adopted the Reinvestment Zone Project Plan and Financing Plan for Reinvestment Zone Number One, City of Bay City, dated November 19, 2015, (TIRZ Plan), and amended on January 26, 2017 and February 22, 2022;

WHEREAS, the Developer has or will construct certain public works and improvements to implement the TIRZ Plan, and the Zone will reimburse the Developer for the Project Costs (defined herein) of such public works and improvements in accordance with this Agreement; and

WHEREAS, pursuant to the TIRZ Plan, certain tax revenues will flow into a fund to be administered by the Zone, known as the Tax Increment Fund; also, the Zone may receive other gifts, grants or other revenue to be accounted for separately from the TIF but used only for duly approved authorized purposes of the Zone;

WHEREAS, the City has delegated to the Zone the powers necessary for the implementation of the TIRZ Plan, which powers include the power to enter into agreements for the construction of public improvements including, but not limited to, improvements related to roads, sewer, drainage and all infrastructure improvements needed for single-family residential development and related improvements, to be constructed in accordance with the TIRZ Plan;

WHEREAS, the Zone and City recognize the importance of its continued role in local economic development, including incentives under Chapter 380, Texas Local Government Code;

WHEREAS, Developer owns or controls certain property located within the Zone and has requested reimbursement for Developer's cost of constructing certain public improvements pursuant to the TIRZ Plan;

WHEREAS, Developer warrants to the Zone that all of the information contained in the Developer's Application is true and correct in all material respects; and,

NOW THEREFORE, in consideration of the mutual covenants and obligations herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1: Site

Developer owns real property in the original TIRZ #1 boundaries which shall be identified herein as TIRZ#1. Developer owns the real property (the "Property"), which is within the city limits of Bay City and the boundaries of the Zone. The Property is specifically described in as shown in attached Exhibit "A." The property expanded boundaries shall be referred to herein as TIRZ #1A.

Section 2: Project & Financing

Developer proposes to construct private and public improvements including, but not limited to, improvements related to roads, sewer, drainage, and all infrastructure improvements needed for a single-family residential development and related improvements as more particularly described in attached Exhibit "B" ("Development" or, collectively, "TIRZ Projects"). The City will have the obligation to own, maintain and operate the following TIRZ Projects after Completion:

- (i) Water, sewer, and drainage facilities, except for any amenity portion of such drainage facilities.
- (ii) Traffic signals, roads, and turn lanes.
- (iii) Any park or recreational facilities pre-approved by the City.
- (iv) Cost of land to the extent that public works improvements are located thereon after Developer's completion and submittal of a certified appraisal to the City.

The project shall be funded by and through Developer's own capital or other financing means arranged and obtained by Developer. Further, the TIF payments to be made to Developer pursuant to this Agreement are not intended to reimburse Developer for all of the costs incurred in connection with performing its obligations under this Agreement.

Section 3: TIF Participation: Partial Reimbursement of Tax Increment

The payments and distributions under this Agreement are subject to obligations under all prior agreements listed on Exhibit "D". Subject to these and all other limitations and conditions precedent contained in this Agreement and the attached exhibits, the Parties agree that Tax Increment generated within the Zone shall be applied as follows:

- a. Two and one-half percent of the Tax Increment to pay City administrative expenses;
- b. City's costs associated with amending the TIRZ #1 boundaries, in an amount not to exceed \$50,000;
- c. Public Improvements: To the Developer to reimburse Developer for the actual expenses plus interest related to the design and construction of public improvements (described on Exhibit "C") that are part of the Project (described on Exhibit "B"), to the extent that the expenses are allowable under Chapter 311 of the Texas Tax Code Section 311.002 and to the extent that it has created tax increment. The Developer shall be reimbursement based on the increment generated from Exhibit "A". This reimbursement will not exceed the projected Project Costs listed on attached Exhibit "C." These allowable costs are called "Project Costs." "Interest" means the prime rate as published in the Wall Street Journal (but not to exceed 8%), with the rate for Developer advances for TIRZ Projects to be set on the date of initial expenditure; and,
- d. Any remaining funds after Developer's Project Costs are fully reimbursed pursuant to the terms of this Agreement ("the "Available Funds") are available for commitment to TIRZ #1 and TIRZ #1A projects.

Unless explicitly provided differently in an Exhibit attached hereto, all grants, loans, reimbursements, and any other financial payment to Developer under this Agreement shall be made in

annual installments in June of each year (commencing in the first year following project completion), provided all current taxes have been paid on the Property and any other prerequisites stated in this Agreement have been satisfied.

During each fiscal year for the term of this Agreement, payment of the annual installment to Developer shall have priority for reimbursement over all other Zone expenditures subject only to preexisting debts or obligations of the Zone, and (ii) any pre-existing annual expenditures required to be made pursuant to other Developer Agreements prior in time to this Agreement, listed on Exhibit "D".

Zone also reserves the right, when payments come into the Tax Increment Fund, to prepay all or any portion of the total amount to be reimbursed under this Agreement at any given time. If City in its sole discretion issues Tax Increment Funds Bonds to pay for previous and future projects, Zone may fully reimburse Developer from bond proceeds received, the existing unpaid balance under this Agreement, and under any other outstanding developer agreements within the Zone. Developer's right to reimbursement from the Zone shall be for Project Costs, plus Interest, from Tax Increment accumulated in the Tax Increment Fund, attributable to the Property and available in accordance with the priorities already existing.

Section 4: Reimbursement Limited to TIF Fund

Developer understands and agrees that any and all payments, obligations, grants, loans, reimbursements and any other form of financial obligation imposed on the Zone by this Agreement ("Reimbursement") shall be made solely from then-currently available revenues in the TIF Fund and subject to pre-existing commitments and all other terms of this Agreement and applicable laws. In the event that there is not sufficient revenue in the TIF Fund to timely pay Developer any part of the Reimbursement, the Zone will pay Developer such portion of the Reimbursement that may be available at the time. The balance of any due but unpaid Reimbursement shall be carried forward with interest and paid by the Zone in the first year in which there is sufficient revenue in the TIF to pay such balance. Developer agrees that it will not look to other funds of the Zone, bonds or funds of the City, or any property of the Zone or City for all or any portion of the Reimbursement. Upon termination of the Zone on December 31, 2046, or such other date as may be specified in a subsequent ordinance adopted in accordance with Section 311.017 of the Act, any portion of the Reimbursement that has not been paid due to the unavailability of revenue in the TIF Fund or due to Developer's failure to meet any precondition under this Agreement for receipt of the Reimbursement shall no longer be considered Project Costs of the Zone, and any obligation of the Zone to pay Developer any remaining balance of the Reimbursement shall automatically expire.

Section 5: Term

The Effective Date of this Agreement is the last date approved by all of the Parties and end upon the earlier of:

- (a) the complete performance of all obligations and conditions precedent by parties to this Agreement;
- (b) expiration of thirty years after effective date; or
- (c) the expiration of the term of the Zone, as may be extended from time to time.

Notwithstanding the foregoing, the City may terminate this Agreement if Developer has not started construction of the TIRZ Projects within 24 months of the Effective Date of this Agreement. In such event, rights and obligations in this Agreement will survive the termination as to any Project Costs paid by Developer prior to termination. Once the Project Costs incurred prior to termination have been paid to the Developer, this Agreement will terminate for all purposes.

Section 6: Exhibits

The Parties agree that each and every exhibit that is mentioned in and attached to this Agreement is a material part of this Agreement and each such exhibit is by this reference, incorporated into this agreement for all purposes as thought set forth verbatim here.

Section 7: Force Majeure

It is expressly understood and agreed by the Parties that if the performance of any obligation hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, delays caused by the franchise utilities, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

Section 8: Indemnity

DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE ZONE, THE BOARD, THE CITY AND THEIR RESPECTIVE OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES, ASSIGNS AND SUCCESSORS, HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES, INTEREST, AND ATTORNEY FEES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE (INCLUDING LOSS) OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT THAT MAY ARISE OUT OF OR BE OCCASIONED BY DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS IN THE PERFORMANCE OF THIS AGREEMENT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE ZONE, BOARD OR CITY OR THEIR RESPECTIVE OFFICIALS, OFFICERS, AGENTS, EMPLOYEES OR CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER AND ZONE, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. HOWEVER, NOTHING IN THIS SECTION WAIVES ANY IMMUNITY OR OTHER DEFENSE AVAILABLE TO THE ZONE, BOARD, OR CITY UNDER TEXAS OR FEDERAL LAW.

Section 9: Events of Default & Remedies

A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement, including exhibits, which is not otherwise excused under the terms of this Agreement. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event that would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the non-defaulting party requires or proposes to require with respect to curing the default.

If a default shall occur and continue, after thirty (30) days' notice to cure a default, the non-defaulting party may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law, without the necessity of further notice to or demand upon the defaulting party. Neither party, however, shall pursue remedies against the other as long as (i) the defaulting party has commenced to cure such default within the 30 days following notice, and the defaulting party proceeds in

good faith and with due diligence to remedy and correct the default.

Section 10: Venue and Governing Law

This Agreement is performable in Matagorda County, Texas and venue of any action arising out of this Agreement shall be exclusively in the State Courts of Matagorda County. This Agreement shall be governed and construed in accordance with the Charter, ordinances, and resolutions of the City of Bay City, applicable federal and state laws, the violation of which shall constitute a default of this Agreement. To the extent permitted by law, the law of the state of Texas shall apply without regard to applicable principles of conflicts of law, and the Parties submit to the jurisdiction of state district courts in Matagorda County, Texas.

Section 11: Notices

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S. mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

If intended for Zone, to:
Board Chairman
Tax Increment Reinvestment Zone No. 1
City of Bay City
1901 5th Street
Bay City, Texas 77414

With a copy to:
Scotty Jones, Finance Director
City of Bay City
1901 5th St.
Bay City, Texas 77414

With a copy to:
Anne Marie Odefey, City Attorney Roberts, Odefey, Witte & Wall, LLP
P.O. Box 9 2206 Hwy 35 N
Port Lavaca, Texas 77979

If intended for Developer, to:

Stuart A. Lynn, Member
SAL Holdings, LLC
1221 Avenue F
Bay City, TX 77414

Section 12: No Third-Party Rights

This Agreement is solely for the benefit of the Parties hereto and is not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

Section 13: Severability

In case anyone or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect by a court or agency of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other remaining provisions hereof and this Agreement shall remain in full force and effect and be construed as if such invalid, illegal, or unenforceable

provision had never been contained in this Agreement.

Section 14: Counterparts & Signatures

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. This agreement may be executed in multiple originals. This agreement may be executed by facsimile signatures which shall be deemed originals and equally admissible as originals.

Section 15: Captions

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

Section 16: Successors and Assigns

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. Provided, however, Developer shall not assign this Agreement without prior Zone approval, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, written approval of the Zone shall not be required for an assignment to an Affiliate of Developer, collateral assignments of the reimbursements to other developers or lenders. "Affiliate of Developer" as used herein, includes any parent, sister, partner, joint venturer, or subsidiary entity of Developer; any entity in which Developer is a major shareholder, owns an equity interest, or is a joint venturer or partner (whether general or limited), or to the Developer's financial institution.

Section 17: Limited Rights and Non-waiver

This agreement is intended only to establish the rights and obligations as between the Parties hereto and it creates no right, expectation, benefit or obligation for or toward any other person or entity. Nothing stated or omitted from this Agreement shall be construed as a waiver of any defense, affirmative defense, or immunity available to the Zone or the City and their respective officials, directors, members, employees, agents, assigns, successors.

Section 18. Representations by Developer

Developer certifies and agrees that it (i) does not, nor will not, so long as the Agreement remains in effect, boycott Israel, as such term is defined in Chapter 808, Texas Government Code, (ii) does not engage in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; (iii) is not identified on a list prepared and maintained under Sections 806.051, 807.051, or 2252.153, Texas Government Code; (iv) does not, nor will not, so long as the Agreement remains in effect, boycott energy companies, as such term is defined in Chapter 809, Texas Government Code; (v) does not, nor will not, so long as the Agreement remains in effect, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, as such term is defined in 2274.001(3), Texas Government Code; and (vi) is not (a) owned or controlled by (1) individuals who are citizens of China, Iran, North Korea, Russia or any designated country (as such term is defined in 113.003, Texas Business & Commerce Code); or (2) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, of any designated country; or (b) headquartered in China, Iran, North Korea, Russia or a designated country.

Section 19: Entire Agreement

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Zone, and Developer, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. This Agreement shall not be amended unless executed in writing by both Parties and approved by the


governing bodies in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

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


Jeanna Thompson, City Secretary

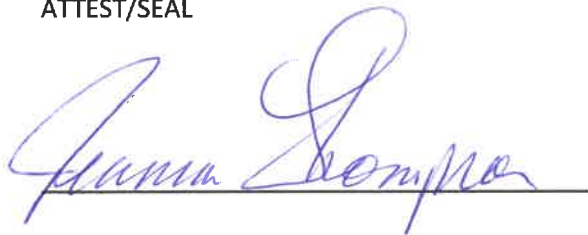
CITY OF BAY CITY, TEXAS


Robert K. Nelson, Mayor

SAL HOLDINGS, LLC, DEVELOPER


Stuart A Lynn, Member

ATTEST/SEAL


Jeanna Thompson, City Secretary

REINVESTMENT ZONE NUMBER TWO,
CITY OF BAY CITY, TEXAS


Julie Estlinbaum, Chairman

Exhibit "A" The Property

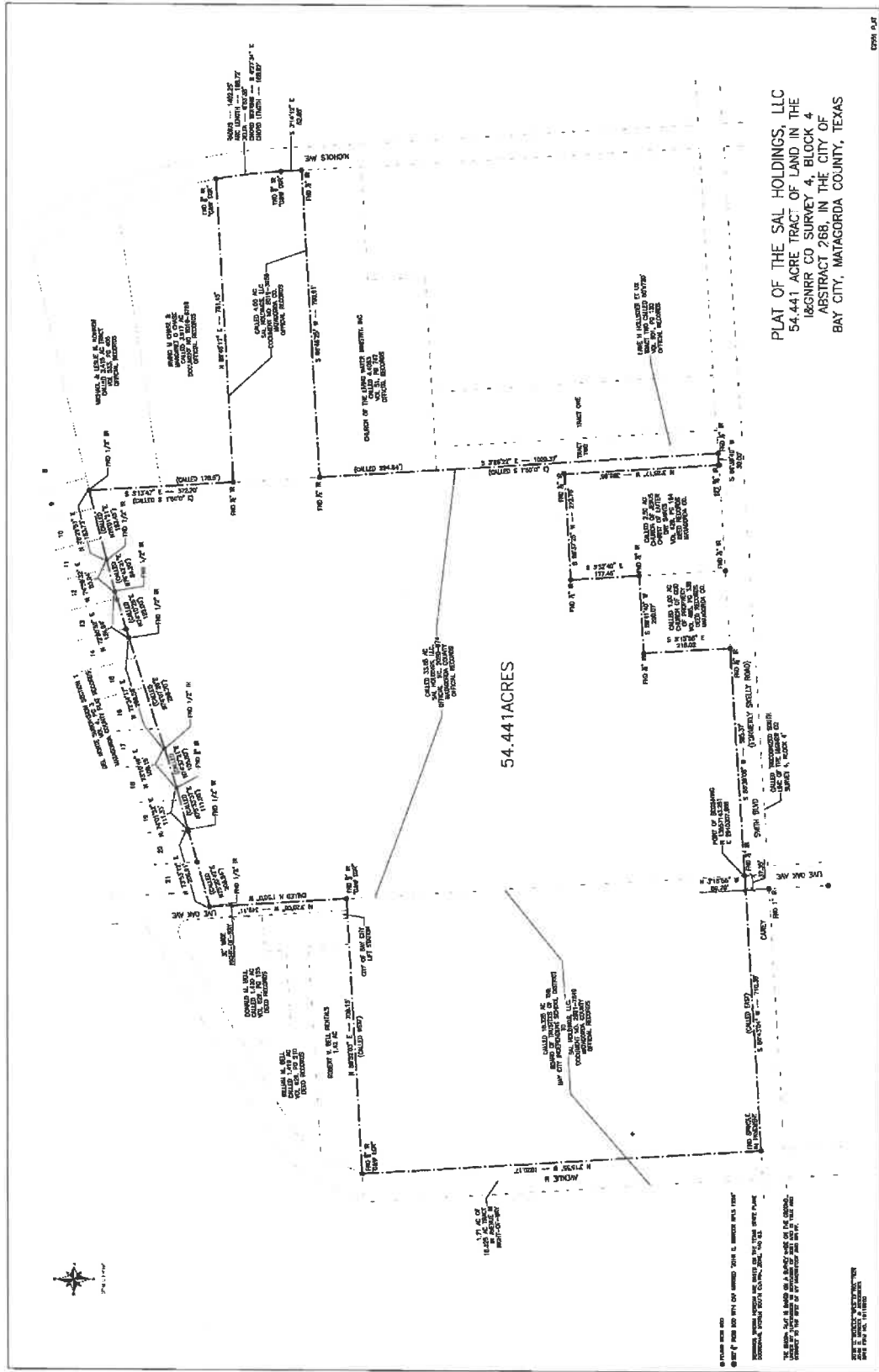


EXHIBIT A

THE PROPERTY

LEGAL DESCRIPTION
54.441-Acre Tract

STATE OF TEXAS §

COUNTY OF MATAGORDA §

BEING a 54.441-acre tract of land in the I&GNRR Co. Survey 4, Block 4, Abstract 268 in Matagorda County, Texas and said tract being comprised of (1) a portion of that called 18.325-acre tract conveyed by the Board of Trustees of the Bay City Independent School District to SAL Holdings, LLC by deed recorded as Document No. 2021-7649 of the Matagorda County Official Records, (2) all of that called 33.85-acre tract of land conveyed to SAL Holdings, LLC by deed recorded as Document No. 2020-974 of the Matagorda County Official Records and (3) all of that called 4.0-acre tract conveyed to SAL Holdings, LLC by deed recorded as Document No. 2019-3959 of the Matagorda County Official Records and this 54.441-acre tract being more particularly described by metes and bounds as follows;

BEGINNING at a found ½-inch iron rod in the north right-of-way line of Carey Smith Boulevard (formally Skelly Road) a public street right-of-way having a width of 60-feet, more or less, said iron rod having Texas State Plane South Central Zone Coordinates of North 13557143.251 and East 2940307.688, and said iron rod marking the southwest corner of the aforementioned called 33.85-acre tract and the southeast corner of the aforementioned called 18.325-acre tract and said iron rod being located North 3° 16' 56" West a distance of 59.79-feet and North 86° 43' 04" East a distance of 37.35-feet from a found 1-inch iron rod marking the intersection of the south right-of-way line of Carey Smith Boulevard with the west right-of-way line of Live Oak Avenue, a 60-foot wide public street right-of-way;

THENCE South 86° 43' 04" West (called West in Document No. 2021-7649) with the south line of the aforementioned called 18.325-acre tract and with the north right-of-way line of Carey Smith Boulevard for a distance of 710.38-feet to a found spindle in the pavement at the intersection of said north right-of-way line with the east right-of-way line of Avenue M, a public street right-of-way of varying width, for the southwest corner of the herein described tract;

THENCE North 3° 15' 55" West with the east right-of-way line of Avenue M and the west line of the herein described tract for a distance of 1,020.17-feet to a found 5/8-inch iron rod with cap marked "G&W ENG." marking the northwest corner of the herein described tract and the approximate southwest corner of the Robert V. Bell Rentals called 1.42-acre tract;

THENCE North 86° 52' 03" East (called East in Document No. 2021-7649) with the south line of said 1.42-acre tract, at a distance of 585.15-feet, more or less, pass the southeast corner of said 1.42-acre tract, same being the most southerly southwest corner of the William M. Bell called 1.419-acre tract as described in deed recorded at Volume 629, Page 210 of the Matagorda County Deed Records; at a distance of 659.15-feet, more or less, pass the southeast corner of said 1.419-acre tract, same being the southwest corner of a 20-foot by 20-foot City of Bay City lift station site, at a distance of 679.15-feet pass a point for the southeast corner of said Lift Station site, same being the southwest corner of a 30-foot wide public street right-of-way and continuing for a total distance of 709.15-feet to a found 5/8-inch iron rod with cap marked "G&W ENG." in the west line of the aforementioned 33.85-acre tract that marks the southeast corner of said 30-foot wide street right-of-way and the northeast corner of the aforementioned called 18.325-acre tract for an interior corner of the herein described tract;

THENCE North 3° 20' 05" West with the east line of said 30-foot wide street right-of-way and the west line of the aforementioned called 33.85-acre tract to a found 1/2-inch iron rod marking the northwest corner of said called 33.85-acre tract;

THENCE North 73° 53' 12" East (called N 75°20'42" E in Document No. 2020-974) at a distance of 40.8-feet, more or less, pass the southwest corner of Lot 21, Block 1 of the Del Norte Subdivision, Section 1 to the City of Bay City as shown on plat recorded at Volume 4, Page 3 of the Matagorda County Plat Records, same being a point in the east line of the 70-foot wide Live Oak Avenue right-of-way and continuing with the south line of Lots 21-20, Block 1 of said subdivision and with the north line of the aforementioned called 33.85-acre tract for a total distance of 206.91-feet (called 206.84-feet in Document No. 2020-974) to a found ½-inch iron rod at an angle point;

THENCE with the north line of the aforementioned called 33.85-acre tract and the south line of Lots 20-18, Block 1 of said Del Norte Subdivision North 74° 01' 52" East for a distance of 111.33-feet (called N 75° 33' 37" E, 111.60-feet in Document No. 2020-974) to a found ½-inch iron rod at an angle point;

THENCE continuing with the north line of the aforementioned 33.85-acre tract and with the south line of Lots 18-17 of said subdivision North 73° 10' 49" East for a distance of 106.15-feet (called N 74° 37' 21" E, 105.80-feet in Document No. 2020-974) to a found ½-inch iron rod for an angle point;

THENCE continuing with the north line of the aforementioned called 33.85-acre tract and the south line of Lots 17-14 of said Del Norte Subdivision North 72° 34' 17" East for a distance of 298.58-feet (called N 74° 07' 26" E, 298.70-feet in Document No. 2020-974) to a found ½-inch iron rod for an angle point;

THENCE continuing with the north line of the aforementioned called 33.85-acre tract and with the south line of Lots 14-12 of said Del Norte Subdivision North 72° 50' 52" East for a distance of 124.94-feet (called N 74° 10' 26" E, 125.00-feet in Document No. 2020-974) to a found ½-inch iron rod at an angle point;

THENCE continuing with the north line of the aforementioned called 33.85-acre tract and with the south line of Lots 12-11 of said Del Norte Subdivision North 74° 59' 32" East for a distance of 83.94-feet (called N 76° 42' 21" E, 84.20-feet in Document No. 2020-974) to a found ½-inch iron rod at an angle point;

THENCE continuing with the north line of the aforementioned called 33.85-acre tract and with the south line of Lots 11-9 of said Del Norte Subdivision North 76° 29' 53" East for a distance of 183.73-feet (called N 78° 01' 21" E, 183.45-feet in Document No. 2020-974) to a found ½-inch iron rod for the northeast corner of said 33.85-acre tract and the most northerly northeast corner of the herein described tract;

THENCE with the east line of the aforementioned called 33.85-acre tract and the west line of the Michael K. and Leslie K. Kohnen called 3.415-acre tract as described in deed recorded at Volume 533, Page 406 of the Official Records of Matagorda County and the west line of the Irving M. Chase and Margaret O. Chase called 3.917-acre tract as described in deed recorded at Document No. 2019-6786 of the Official Records of Matagorda County, South 3° 13' 47" East (called S 1° 50' 00" E, in Document No. 2020-974) at a distance of 193.70-feet, more or less, pass the common westerly corner of said Kohnen tract and said Chase tract and continuing for a total distance of 372.20-feet to a found ½-inch iron rod in the east line of the aforementioned 33.85-acre tract that marks the northwest corner of that SAL Holdings, LLC called 4.00-acre tract as described in Document No. 2019-3959 of the Matagorda County Official Records;

THENCE with the common line between the said Chase called 3.917-acre tract and said SAL Holdings, LLC called 4.00-acre tract North 86° 48' 17" East for a distance of 781.45-feet to a found 5/8" iron rod with cap marked "G&W Eng.," in the curved west right-of-way line of Nichols Avenue, a 60-foot wide public street right-of-way, that marks the northeast corner of said called 4.00-acre tract;

THENCE in a southerly direction with said curve to the right which has a radius of 1402.25-feet, a delta angle of 6° 53' 38", a chord of 168.62-feet which bears South 6° 27' 34" East for a total course and arc length of 168.72-feet to a found 5/8-inch iron rod with cap marked "G&W Eng.,";

THENCE continuing with the west right-of-way line of Nichols Avenue South 3° 14' 12" East for a distance of 52.85-feet to a found ½-inch iron rod that marks the southeast corner of the aforementioned called 4.00-acre tract, said iron rod also marking the northeast corner of the Church of the Living Water Ministry, Inc. called 4.4093-acre tract as described in Volume 51, Page 747 of the Official Records of Matagorda County;

THENCE with the common line between said called 4.4093-acre tract and the aforementioned called 4.00-acre tract South 86° 46' 25" West for a distance of 790.91-feet to a found ½-inch iron rod in the east line of the aforementioned called 33.85-acre tract that marks the common westerly corner of said called 4.4093-acre tract and said called 4.00-acre tract;

THENCE in a southerly direction with the common line between the aforementioned called 33.85-acre tract and the aforementioned called 4.4093-acre tract and with the common line between said 33.85-acre tract and the Lane H. Hollister, et ux called 60-foot by 720-foot Tract Two as recorded in deed recorded at Volume 601, Page 120 of the Matagorda County Official Records, South 3° 26' 22" East (called S 51° 50' 00" E in Document No. 2020-974) for a distance of 1020.37-feet to a found ½-inch iron rod in the north right-of-way line of Carey Smith Boulevard (formerly Skelly Road) for the most southerly southeast corner of the herein described tract;

THENCE South 86° 39' 40" West with said north right-of-way line for a distance of 30.00-feet to a 5/8-inch iron rod with cap marked "John D. Mercer RPLS 1924" set for a corner of the herein described tract, same being the southeast corner of the Church of Jesus Christ of Latter Day Saints called 2.50-acre tract as described at Volume 429, Page 164 of the Official Records of Matagorda County;

THENCE with the east line of said called 2.50-acre tract North 3° 25' 17" West for a distance of 395.66-feet to a found ½-inch iron rod marking the northeast corner of said called 2.50-acre tract and an interior corner of the herein described tract;

THENCE with the north line of the aforementioned called 2.50-acre tract South 86° 37' 25" West for a distance of 272.78-feet to a found ½-inch iron rod marking the northwest corner of said called 2.50-acre tract and an interior corner of the herein described tract;

THENCE in a southerly direction with the west line of the aforementioned called 2.50-acre tract South 3° 32' 40" East for a distance of 177.46-feet to a found ½-inch iron rod marking the northeast corner of the Church of God of Prophecy called 1.00-acre tract as described in Volume 485, Page 338 of the Official Records of Matagorda County;

THENCE in a westerly direction with the north line of said called 1.00-acre tract South 86° 41' 40" West for a distance of 200.07-feet to a found ½-inch iron rod marking the northwest corner of said called 1.00-acre tract;

THENCE in a southerly direction with the west line of said called 1.00-acre tract South 3° 15' 58" East for a distance of 218.02-feet to a found ½-inch iron rod in the north right-of-way line of Carey Smith Boulevard (formerly Skelly Road) marking the southwest corner of said called 1.00-acre tract;

THENCE in a westerly direction with the north right-of-way line of Carey Smith Boulevard South 86° 39' 06" West for a distance of 585.37-feet to the POINT OF BEGINNING, continuing in area 54.441-acres of land, more or less.

Bearings herein called are based on the Texas State Plane Coordinate System South Central Zone, NAD83.


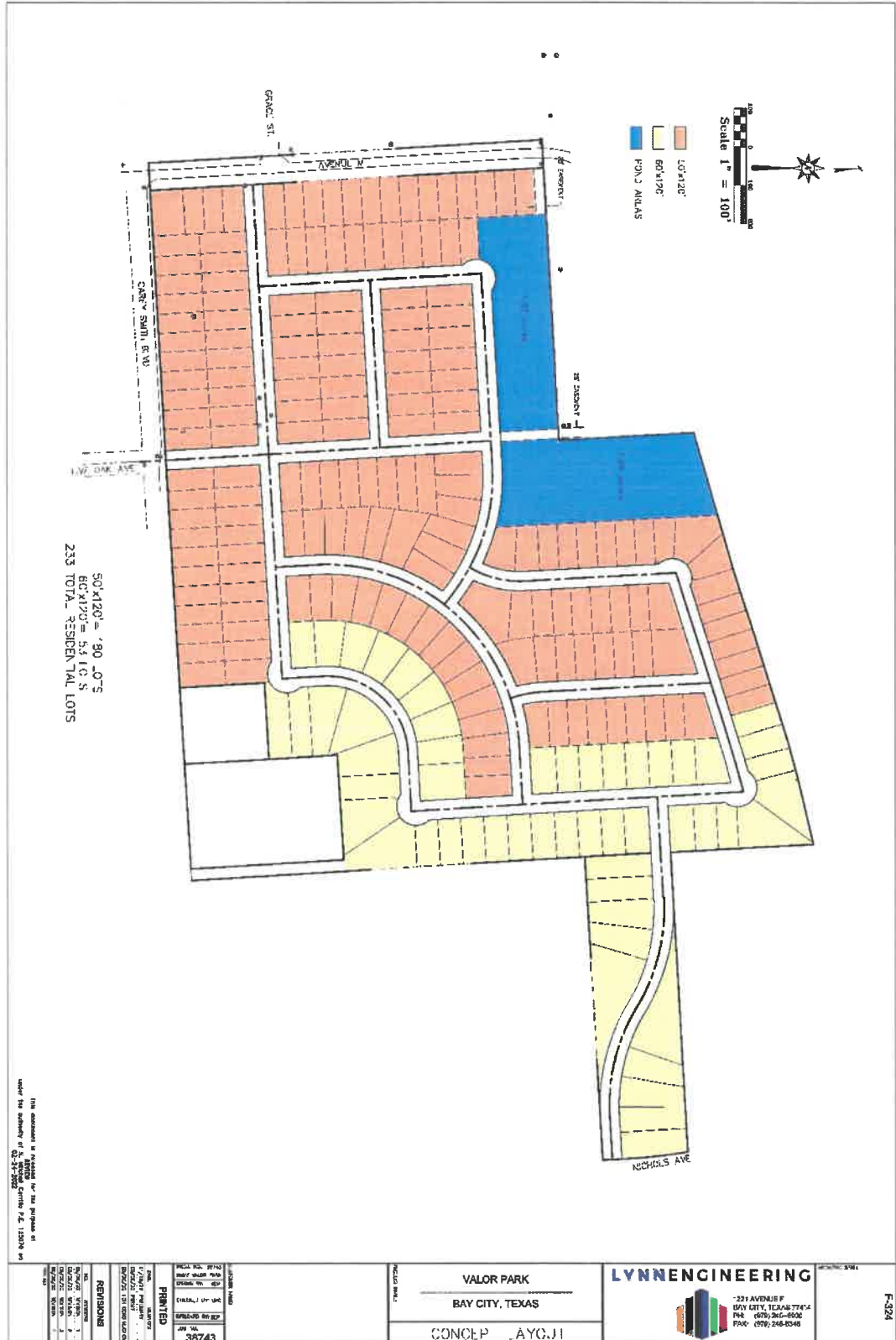

John D. Mercer, RPLS
john.mercer@lynngroup.com
Texas No. 1924
Surveyor Firm No. 10116600
Date: February 14, 2022
Job No. E2551



Exhibit "B"

The Project – Single Family Residence Project



THIS DOCUMENT IS PREPARED FOR THE PURPOSE OF
 SHOWING THE GENERAL LAYOUT OF THE PROJECT AND
 DOES NOT CONSTITUTE A CONTRACT.

PROJECT NAME	38743
DATE	10/11/2011
DESIGNED BY	...
CHECKED BY	...
APPROVED BY	...
DATE	...
PROJECT NUMBER	38743
PROJECT NAME	...
DATE	...
DESIGNED BY	...
CHECKED BY	...
APPROVED BY	...
DATE	...

VALOR PARK
 BAY CITY, TEXAS
 CONCEPT LAYOUT

LYNNENGINEERING
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E-324

Exhibit "C"

List/Description of Reimbursable Public Improvements

Valor Park

Developer Investments:	Total
Land Costs	810000
Lot Clearing & Site Work	\$186,750
PVC Waterline	\$643,790
Sewer Lines	\$766,685
Electrical via AEP	\$249,000
Lime and Concrete Roads	\$1,635,660
Drainage Inlets/Pipe and Retention	\$918,720
Gas via BC Gas	\$24,900
Three Entrances	\$125,000
Fencing	\$160,000
Engineering	\$311,250
Surveying	\$186,750
Contingency 10%	\$601,851
Reimbursable Total Cost	\$6,620,356
*Asbestos Removal	\$5,000
*Demolition	\$250,000
* Taxes	\$40,000
Grand Total	\$6,915,356

* = Non-reimbursable

As provided in Section 2 of this Agreement and applicable law (including Texas Tax Code §311) reimbursements are limited to public improvements and will not exceed the amounts stated in this budget.

Exhibit “D”
List of Prior Agreements

1. Two and a half percent of the Tax Increment to pay City administrative expenses.
2. City’s costs associated with creation of TIRZ #1.
3. \$100,000 due to SAL Holdings, LLC for public infrastructure improvements, including water, sewer, drainage, street, and intersection improvements, pursuant to that certain Development Financing Agreement by and among the City, the Zone, and SAL Holdings, LLC, dated September 12, 2019 and amended on September 9, 2021.