UTILITY EASEMENT AGREEMENT

This Utility Easement Agreement ("<u>Agreement</u>") is made by and between **TF ARROWHEAD RANCH**, **L.P.**, a Delaware limited partnership ("<u>Grantor</u>"), and **The City of Dripping Springs**, **Texas** ("<u>Grantee</u>"), and is as follows:

RECITALS:

- **A.** Grantor is the owner of approximately 39.010 acres of property in Hays County, Texas, as more particularly described on **Exhibit A**, attached hereto and incorporated herein (the "Easement Tract").
- **B.** Grantor desires to grant to Grantee certain easements over the Easement Tract for the access, maintenance, repair, relocation, replacement, placement, removal, modification and operation of utility lines and systems upon the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

- 1. <u>Utility Easement</u>. Grantor hereby grants and conveys to Grantee a perpetual, and non-exclusive utility easement (the "<u>Utility Easement</u>") over, under, through and across the Easement Tract for the access, maintenance, repair, relocation, placement, replacement, removal, modification and operation of utility lines and systems, and all related connections and appurtenances thereto associated with a wastewater treatment plant on an adjacent tract of land being conveyed by Grantor to Grantee of even date herewith (collectively, "<u>Utilities</u>") as Grantee may deem necessary, including the right of ingress and egress to, from, over and across the Easement Tract.
- 2. <u>Easement Rights.</u> Grantee may access, maintain, repair, relocate, place, replace, remove, modify and operate the Utilities across, along, under, over, upon and through the Easement Tract, and may enter upon the Easement Tract to engage in all activities as may be necessary, requisite, convenient, or appropriate in connection therewith. Subject to the rights granted to Grantee herein, Grantee will, at all times after doing any work in connection with the Utility Easement, restore the surface of the Easement Tract as nearly as reasonably practicable to substantially the condition prior to the undertaking of such work. Grantee shall use commercially reasonable efforts to promptly remedy any damage or other condition relating to any improvements (including, but not limited to, the Utilities) located in the Easement Tract that pose a risk of injury or damage to persons or property, and Grantee shall take reasonable measures to warn others of any such condition with signage, barriers or other reasonable warning devices to the extent such damage, risk or condition is caused by the Grantee or Grantee's agents, employees or contractors.
- 3. <u>Non-Exclusive Right</u>. The Utility Easement granted herein created is not exclusive, and Grantor hereby expressly reserves the right, for itself and its successors and assigns, without the prior written consent of Grantee or any third parties, to grant such other,

similar or dissimilar, easements, rights, benefits, rights-of-way and privileges to such other persons and for such other purposes, and to make or construct improvements over, across, upon and under the Easement Tract, as Grantor, in its sole and absolute discretion, may elect; provided, however, any such easements, rights, benefits, rights-of-way and privileges hereafter granted, and such improvements hereafter made or constructed upon, over, across or under the Easement Tract shall not materially and unreasonably interfere with, or materially and unreasonably restrict the use of the Utility Easement and the other rights and benefits appurtenant thereto or granted herein.

- 4. <u>Grantor's Property</u>. The Easement Tract shall be Grantor's property and Grantee shall not own any portion thereof. Grantee shall maintain the Utilities, at Grantee's sole costs and expense, in good and safe condition, in a good state of repair, and comply with (and cause all of its employees, agents, representatives and contractors to comply with) all federal, state, and local laws, regulations, rules and ordinances in connection with Grantee's use of the Easement Tract and Utility Easement granted herein.
- No Liability; Indemnification. Grantor, and Grantor's successors and assigns, shall have no liability to Grantee or its successors and assigns, and Grantee, and its successors and assigns, by acceptance of the easement rights granted herein, shall be deemed to have waived any claims or causes of actions against Grantor and Grantor's successors and assigns, and released Grantor and Grantor's successors and assigns from any liability for any loss or damage to the Utilities or other property of Grantee or any injuries to or death of any person occurring as a result of use of the Easement Tract by Grantor, Grantor's successors or assigns, Grantee or the public, unless directly caused by the gross negligence or willful misconduct of Grantor. GRANTEE AND ITS SUCCESSORS AND ASSIGNS, BY ACCEPTANCE OF THE EASEMENT RIGHTS GRANTED HEREIN, COVENANTS AND AGREES (TO THE MAXIMUM EXTENT PERMITTED BY LAW) INDEMNIFY, DEFEND AND HOLD HARMLESS GRANTOR, AND GRANTOR'S SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES), LIENS, CLAIMS, SUITS AND LIABILITIES ARISING OUT OF OR CONNECTED WITH SUCH GRANTEE'S USE AND ENJOYMENT OF THE EASEMENT RIGHTS GRANTED HEREIN, EXCEPT FOR ANY LOSSES OR DAMAGES RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF GRANTOR.
- 6. <u>Amendment and Termination</u>. This Agreement may be amended by the mutual consent of Grantor and Grantee. Grantee may also unilaterally terminate this Agreement, in whole or in part, by recordation of a termination instrument executed by Grantee. This Agreement shall automatically terminate if the Easement Tract is no longer used as a sanitary sewer drip field.
- 7. <u>Dedication Disclaimer</u>. The Utility Easement is not a public easement or right-of-way, but is a private, non-exclusive and limited easement for the use and benefit of

Grantee and its successors and assigns, and this Agreement is not intended, and shall not be construed, to be a dedication to the public use of the Easement Tract.

- 8. <u>Binding Effect, Duration, Use of Easements</u>. The rights, obligations and benefits established pursuant to this Agreement shall run with the land and shall be binding upon and inure to the benefit of Grantor, Grantee and their respective heirs, successors and assigns, provided that the Utility Easement and all other privileges and access rights granted herein, shall automatically terminate, without the necessity of any further action by Grantor or Grantee if expressly abandoned by Grantee and any licensees and/or permitees of Grantee. The Utility Easement and Grantee's use of the Easement Tract are made subject to all matters of record in the office of the County Clerk of Hays County, Texas to the extent same are valid and affect the Easement Tract, including, without limitation, that certain Memorandum of Option to Purchase Drip Fields recorded in the office of the County Clerk of Hays County, Texas in favor of the owner of land adjacent to the Easement Tract evidencing such owner's option to purchase the Easement Tract if it is no longer used as a sanitary sewer drip field.
- 9. <u>Governing Law</u>. This Agreement shall be governed by the laws of the state of Texas. Venue for any action brought in connection with this Agreement shall be in Hays County, Texas.
- 11. <u>Severability</u>. If any clause or provision of this Agreement is or should ever be held to be illegal, invalid or unenforceable under any present or future law applicable to the terms hereof, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and that in lieu of each such clause or provision of this Agreement that is illegal, invalid or unenforceable, such clause or provision shall be judicially construed and interpreted to be as similar in substance and content to such illegal, invalid or unenforceable clause or provision, as the context thereof would reasonably suggest, so as to thereafter be legal, valid and enforceable.
- 12. <u>Construction</u>. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular shall be held and construed to include the plural, and vice versa, unless the context requires otherwise. The section headings herein are for convenience or reference purposes only and shall not limit or otherwise affect or be used in the construction or interpretation of the terms and provisions of this Agreement or any part hereof.
- 13. <u>No Merger</u>. Unless otherwise clearly indicated to the contrary in a written, recorded document executed by Grantor, in no event will there be a merger of the dominant and servient tenements granted herein by virtue of the present or future ownership of any portion of said tenements being vested in the same person or entity, but instead the easements and servitudes created pursuant to the terms of this Agreement will not be extinguished by such vesting in common ownership and the dominant and servient tenements will be kept separate.

Recitals. Any recitals in this Agreement are represented to be accurate, and 14. constitute a part of the substantive Agreement. EXECUTED to be effective on the date this Agreement is recorded. [Signature Pages Follow]

GRANTOR:

GRANTEE:

THE CITY OF DRIPPING SPRINGS, TEXAS

	Printed	l Name:		
THE STATE OF TEXAS	§			
COUNTY OF	§ §			
This instrument was ackn by, TEXAS, on behalf of said city.	_		•	
		Notary Public Sig	gnature	
(SEAL)				

EXHIBIT A

DESCRIPTION OF EASEMENT TRACT

[SEE ATTACHED]

39.010 ACRES BENJAMIN F. HANNA SURVEY NO. 28, ABSTRACT NO. 222 HAYS COUNTY, TEXAS DRAIN FIELD TRACT

FIELD NOTES

BEING A 39.010 ACRE TRACT OF LAND SITUATED IN THE BENJAMIN F. HANNA SURVEY NUMBER 28, ABSTRACT NUMBER 222, HAYS COUNTY, TEXAS, BEING A PORTION OF A CALLED 263.708 ACRE TRACT OF LAND CONVEYED TO TF ARROWHEAD RANCH, LP. IN INSTRUMENT NUMBER 18005877, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, SAID 39.010 ACRE TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod found at the southeast corner of Lot 7, Block J, Arrowhead Ranch Phase 2B, a subdivision recorded in Instrument Number 19036301, Official Public Records, Hays County, Texas, being at a western corner of Lot 8, Block J, Arrowhead Ranch Phase 2D, a subdivision recorded in Instrument Number 19015433, Official Public Records, Hays County, Texas, for a northern corner and the **POINT OF BEGINNING** of the herein described centerline description,

THENCE, over and across said 263.708 acre tract, and with the southern line of said Lot 8, Block J, the following nine (9) courses and distances, numbered 1 through 9,

- 1) S51°30'35"E, a distance of 424.62 feet to a 1/2 inch iron rod found for corner,
- 2) S22°54′57″W, a distance of 121.46 feet to a 1/2 inch iron rod found for corner,
- 3) S67°06′54″E, a distance of 137.05 feet to a 1/2 inch iron rod found for corner,
- 4) N22°53′26″E, a distance of 127.65 feet to a 1/2 inch iron rod found for corner.
- 5) N74°01′19″E, a distance of 944.70 feet to a 1/2 inch iron rod found for corner,
- 6) S53°35'45"E, a distance of 358.72 feet to a 1/2 inch iron rod found for corner,
- 7) S23°46′50″E, a distance of 467.51 feet to a 1/2 inch iron rod found for corner, being at the beginning of a curve to the left,
- 8) Along said curve to the left, having a radius of 140.00 feet, an arc length of 527.99 feet, and a chord that bears \$23°46′50″E, a distance of 266.23 feet to a 1/2 inch iron rod found for corner, and
- 9) S23°46′50″E, a distance of 239.70 feet to a 1/2 inch iron rod found at a southeastern corner of said Lot 8, Block J, being at a southwestern corner of a called 15.229 acre tract of land conveyed to RWC Management Trust in Instrument Number 20042686, Official Public Records, Hays County, Texas, for the easternmost corner of the herein described tract of land,

THENCE, S42°51′43″W, continuing over and across said 263.708 acre tract, with a northwestern line of said 15.229 acre tract of land, passing the southwest corner of said 15.229 acre tract of land, being a northern corner of Lot 86, Block D, Arrowhead Ranch Phase 4, a subdivision recorded in Instrument Number 20037354, Official Public Records, Hays County, Texas, and continuing for a total distance of 633.29 feet to a 1/2 inch iron rod found for corner,

THENCE, over and across said 263.708 acre tract, and with the northeastern line of said Arrowhead Ranch Phase 4, the following fourteen (14) courses and distances, numbered 1 through 14,

- 1) N63°45'22"W, a distance of 482.67 feet to a 1/2 inch iron rod found for corner,
- 2) N12°10′21″W, a distance of 231.09 feet to a 1/2 inch iron rod found for corner,

J: \AC2004LP\4937\SURVEY\FIELD NOTES\M&B - 39.010 ACRES - DRAIN FIELD TRACT.DOC

39.010 ACRES BENJAMIN F. HANNA SURVEY NO. 28, ABSTRACT NO. 222 HAYS COUNTY, TEXAS DRAIN FIELD TRACT

- 3) S70°56′22″W, a distance of 251.46 feet to a 1/2 inch iron rod found for corner, being at the beginning of a curve to the left,
- 4) Along said curve to the left, having a radius of 325.00 feet, an arc length of 36.52 feet, and a chord that bears N22°09′41″W, a distance of 36.50 feet to a 1/2 inch iron rod found for corner,
- 5) N64°37′09″E, a distance of 246.85 feet to a 1/2 inch iron rod found for corner,
- 6) N26°18′15"W, a distance of 112.44 feet to a 1/2 inch iron rod found for corner,
- 7) N51°10′09"W, a distance of 200.05 feet to a 1/2 inch iron rod found for corner,
- 8) N67°51'19"W, a distance of 895.73 feet to a 1/2 inch iron rod found for corner,
- 9) N46°41′41″W, a distance of 177.11 feet to a 1/2 inch iron rod found for corner,
- 10) N24°31′06″W, a distance of 218.07 feet to a 1/2 inch iron rod found for corner,
- 11) N71°38′14″W, a distance of 109.17 feet to a 1/2 inch iron rod found for corner,
- 12) S65°28′54″W, a distance of 140.00 feet to a 1/2 inch iron rod found for corner,
- 13) N24°31′06″W, a distance of 263.72 feet to a 1/2 inch iron rod found for corner, being at the beginning of a curve to the right,
- 14) Along said curve to the right, having a radius of 274.00 feet, an arc length of 48.05 feet, and a chord that bears N19°35′31″W, a distance of 47.99 feet to a 1/2 inch iron rod found at the southwest corner of Lot 1, Block J, said Arrowhead Ranch Phase 2B, being on the east line of Arrowhead Ranch Boulevard (Private Road), for the northwest corner of the herein described tract of land,

THENCE, continuing over and across said 263.708 acre tract, and with the south line of said Arrowhead Ranch Phase 2B, the following three (3) courses and distances, numbered 1 through 3,

- 1) \$83°39'13"E, a distance of 379.62 feet to a 1/2 inch iron rod found for corner,
- 2) N88°01'33"E, a distance of 99.89 feet to a 1/2 inch iron rod found for corner, and
- 1) N56°35′28″W, a distance of 29.39 feet to the **POINT OF BEGINNING** and containing 39.010 acres of land.

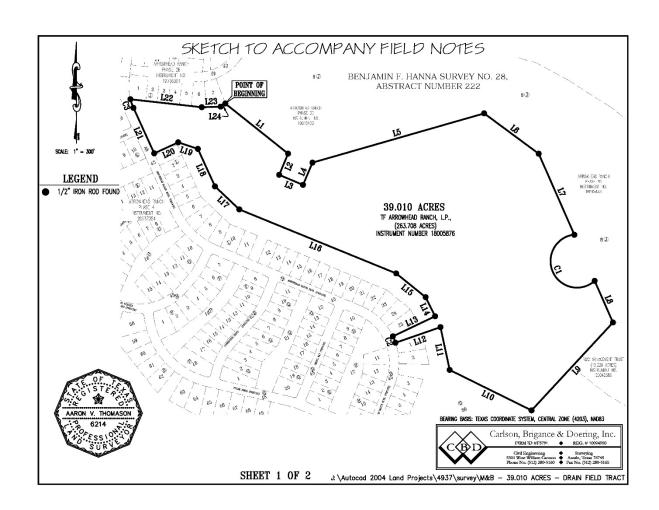
Surveyed by: _______ Aaron Thomason, R.P.L.S. NO. 6214

Carlson, Brigance and Doering, Inc.
Reg. # 10024900
5501 West William Cannon
Austin, TX 78749
Ph: 512-280-5160
aaron@cbdeng.com



BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204)

 ${\tt J: AC2004LPA937\SURVEY\FIELD\ NOTES\M\&B-39.010\ ACRES-DRAIN\ FIELD\ TRACT.DOC}$



SKETCH TO ACCOMPANY FIELD NOTES

Line Table				
Line #	Length	Direction		
L1	424.62	S51'30'35"E		
L2	121.46	S22'54'57"W		
L3	137.05	S67'06'54"E		
L4	127.65	N22"53'26"E		
L5	944.70	N74"01'19"E		
L6	358.72	S53"35'45"E		
L7	467.51	S23'46'50"E		
L8	239.70	S23°46'50"E		
L9	633.29	S42'51'43"W		
L10	482.67	N63°45'22"W		
L11	231.09	N12"10'21"W		
L12	251.46	S70"56'22"W		

	Line Table				
Line #	Length	Direction			
L13	246.85	N64'37'09"E			
L14	112.44	N26°18'15"W			
L15	200.05	N51°10'09"W			
L16	895.73	N67'51'19"W			
L17	177.11	N46'41'41 ' W			
L18	218.07	N24"31'06"W			
L19	109.17	N71°38'14"W			
L20	140.00	S65'28'54"W			
L21	263.72	N24"31'06"W			
L22	379.62	S83*39*13*E			
L23	99.89	N88'01'33"E			
L24	29.39	N56"35'28"E			

	Curve Table							
Curve #	Length	Radius	Chord Direction Chord Length		Tangent	DELTA		
C1	527.99	140.00	S23°46'50"E	266.23	429.84	216'04'53"		
C2	36.52	325.00	N22'09'41"W	36.50	18.28	6"26"20"		
C3	48.05	274.00	N19'35'31"W	47.99	24.09	10"02'52"		

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE (4203), NAD83



SHEET 2 OF 2

J: \Autocad 2004 Land Projects \4937\survey\M&B - 39.010 ACRES - DRAIN FIELD TRACT