

WATER LINE EASEMENT AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GALVESTON §

THAT CC MAGNOLIA CREEK, LLC, a Nevada limited liability company, whose address is 1501 West Bay Area Boulevard, League City, Texas 77573 (hereinafter called "Grantor"), for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration to Grantor in hand paid by LEAGUE CITY, TEXAS, the address of which is _____, League City, Texas _____ (hereinafter called "Grantee"), the receipt and adequacy of which are hereby acknowledged and confessed, and subject to the matters set forth below, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY, unto Grantee a non-exclusive water line easement (the "Easement") for the purpose of constructing, maintaining, operating, repairing and reconstructing underground water lines and necessary related facilities ("Facilities"), subject to the terms and provisions hereinafter set forth in this Water Line Easement Agreement (this "Easement Agreement"), under, across and through those certain tracts of land (the "Easement Tracts") in the J.R. Coryell Survey, Abstract 660, Galveston County, Texas and described more fully in Exhibit "A" attached hereto and incorporated herein by this reference for all purposes.

This Easement Agreement shall be governed by the following:

1. Grantee's Privileges and Obligations. Grantee, at its sole cost and expense, shall secure all necessary permits, licenses and approvals from the necessary governmental authorities prior to performing any work in connection with the Easement and shall ensure that all work performed in connection therewith is in compliance with all applicable governmental laws, statutes, ordinances, resolutions, rules and regulations and all matters of record affecting the Easement. Grantee shall not use the Easement nor permit use of the Easement by any person in a manner that violates any law or regulation, may be dangerous or constitutes a public or private nuisance. Grantee, at its sole cost and expense, shall ensure that all work performed in connection with the Easement shall be conducted so as to (a) be accomplished in an expeditious and diligent manner once the same is initiated and avoid excessive dust and noise caused by such work, (b) minimize any interruption with the operation, maintenance and use of the golf course (the "Golf Course") of which the Easement Tracts are a part; (c) prevent injury to person or property, and (d) prevent any adverse effect on the drainage characteristics of the Easement Tracts or Grantor's adjacent property. Grantee shall make written request to Grantor at least ten (10) days prior to the performance of any work on the Easement Tracts, and shall restrict such work to days when the Golf Course play is at low usage, except in the event of an emergency. Ingress and egress to and from said Easement Tracts for the purpose of exercising the rights herein granted shall solely be by means of the existing public rights of way. Grantee shall stay within the limits of the Easement Tracts; no trespassing, ingress or egress is allowed on Grantor's adjacent property. Grantee shall remove and properly dispose of all trash and debris

on the Easement Tracts or Grantor's adjacent property attributable to Grantee's use of the Easement Tracts, and Grantee shall not bury any trash or waste material of any kind on the Easement Tracts. Grantee shall not permit any lien to be filed or otherwise imposed on any part of the Easement Tracts or Grantor's property. If any such lien is filed, Grantee shall cause such lien to be released and discharged within ten (10) days after filing or, at Grantor's option, provide Grantor a satisfactory bond. Grantee shall indemnify, defend and hold Grantor harmless from any such lien if such lien is related to or arises from Grantee's use of the Easement Tracts.

2. Grantor's Rights. Grantor reserves and retains the rights to (i) grant other rights and easements across, over or under the Easement Tracts to such other persons and entities as Grantor deems proper; provided, however, that such other grant does not unreasonably interfere with the use of the Easement by Grantee for the purpose set forth herein, and (ii) to use the land within said Easement Tracts for any purpose consistent with the rights herein conveyed to Grantee, including without limitation, the right to construct, operate, and maintain, on and across said Easement Tracts, cart paths, landscaping, sprinkler systems, golf course improvements, and utilities other than those to be constructed by Grantee.

3. Indemnification by Grantee. To the extent permitted by the Texas Constitution and the laws of the State of Texas, Grantee hereby agrees that it will indemnify, defend and hold harmless Grantor and Grantor's officers, directors, members, managers, partners, shareholders, employees, agents, contractors, licenses, invitees, and any affiliates or subsidiaries of the foregoing, and all of their respective officers, directors, employees, shareholders, members, partners, agents and contractors (each individually a "Grantor Party" and collectively referred to as, "Grantor Parties"), from any and all expenses, suits, actions, judgments, attorneys' fees, and costs arising from any suits, actions, or claims of any character, type (including, without limitation, all environmental claims and injuries; and all damage resulting from the flight of errant golf balls) or description brought or made for or on account of any injuries or damages received or sustained by any person or persons or property, arising out of, or occasioned by Grantee's use of the Easement Tracts or any acts or omissions of Grantee or any Grantee Party in connection with the Easement Tracts or any work performed thereon. Construction, maintenance, operation, repair or reconstruction work performed on the Easement Tracts may be performed by an independent contractor retained by Grantee to provide services under this Easement Agreement. Grantee further agrees that it shall require each such independent contractor so retained to be responsible for its negligent and intentional acts and omissions and to maintain commercial general liability insurance coverage, workers compensation insurance and automobile insurance liability coverage, consistent with Grantee's standard requirements, at all times during which construction, maintenance, operation, repair or reconstruction work is performed on the Easement Tracts, and shall provide evidence thereof to Grantor upon request.

4. Restoration. Grantee, by accepting delivery of this Easement, hereby agrees, at its sole expense, that it shall restore, within ten (10) days after substantial completion of any construction or maintenance by or on behalf of Grantee with respect to the Easement Tracts, the surface of the land, including, without limitation, the removal of rocks, the replacement of topsoil to a minimum depth of six inches (6"), the replanting of landscaping including turf and ground covers, and the repair, reconstruction or replacement of cart paths, sprinkler systems, fences, other utilities, and any and all other golf course improvements to the condition found

prior to each such operation. Grantee will restore the surface of all disturbed areas on the Easement Tracts to the original contour and condition. Any damage done to the turf areas of the Golf Course shall be repaired using sod of the same type of grass damaged. Grantee further agrees that if such repairs are not complete within such ten (10) day period, Grantor may give Grantee written notice of breach. If, at the end of five (5) days after such written notice is given, Grantee has not commenced the repairs or does not diligently pursue the repairs to completion, Grantor will have the right to make the repairs without any further notice to Grantee, and Grantee will be liable to Grantor for the full cost of such work performed, such amount to be paid by Grantee within ten (10) days after invoicing by Grantor.

5. Property Title. This Easement does not convey any fee simple interest or any other right or interest in or the Easement Tracts except for the rights and purposes specifically granted herein, and this Easement covers no property other than the Easement Tracts. No warranty of title to any property is given hereunder and the Easement herein given to Grantee is subject and subordinate to all present or future mortgages, leases or other instruments affecting the Easement Tracts and to all other encumbrances, conditions, and reservations upon or under which Grantor holds its property.

6. Notice. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and (i) hand delivered, (ii) sent by nationally recognized overnight courier service, or (iii) sent by certified mail, return receipt requested, postage prepaid, addressed as shown below, or to such other address as the party concerned may substitute by written notice to the other.

If to Grantor: Magnolia Creek Golf Club
1501 West Bay Area Boulevard
League City, Texas 77573
Attention: General Manager

with a copy to: CC MAGNOLIA CREEK, LLC
3030 LBJ Freeway, Suite 600
Dallas, Texas 75234
Attention: Legal Department

If to Grantee: City of League City

Attn: _____

All notices hand delivered or sent by nationally recognized overnight courier service shall be deemed received on the date of delivery. All notices forwarded by mail shall be deemed received on a date three days (excluding Sundays and holidays) immediately following the date of deposit in the U.S. mail; provided, however, the return receipt indicating the date upon which notices were received shall be prima facie evidence that such notices were received on the date on the return receipt.

The addresses and addressees may be changed by giving notice of such change in the manner provided herein for giving notice. Unless and until such written notice is received, the last address and addressee given shall be deemed to continue in effect for all purposes. No notice to either party hereto shall be deemed given or received unless the entity noted "With a copy to" is simultaneously delivered notice in the same manner as any notice given to either party hereto.

7. Enforcement. This Easement Agreement may be enforced by any proceedings at law or in equity against any person or entity violating or attempting to violate any part of this Easement Agreement either to restrain or enjoin violations or to recover damages. Damages shall not be deemed adequate compensation for any breach or violation of any provision hereof, and the enforcing party shall be entitled to relief by way of injunction as well as any other remedy either at law or in equity. The rights, powers and remedies provided herein shall be cumulative and not restrictive of other remedies at law or in equity, and the exercise of any particular right, power or remedy shall not be deemed an election of remedies or to preclude resort to other rights, powers or remedies. No delay or failure to invoke any available right, power or remedy in respect to a breach of this Easement Agreement shall be held to be a waiver of (or estop a party from asserting) any right, power or remedy available upon the recurrence or continuance of said breach or the occurrence of a different breach. The obligations of Grantee set forth herein shall survive any termination of this Easement.

8. Litigation. In the event of any controversy, claim, or dispute relating to this instrument or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable attorney's expenses, attorney's fees, and costs, to the extent permitted by the Texas Constitution, the laws of the State of Texas, and other applicable law.

9. Terms. The terms "Grantor" and "Grantee" as used herein shall be deemed to be plural, when required to be so, and shall include the successors and assigns of Grantor and the permitted successors and assigns of Grantee.

10. Assignment. Grantee may not assign the Easement without the prior written consent of Grantor.

11. Severability. Invalidation of any one or more of the provisions hereof, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect.

12. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect. Any subsequent modification shall be in writing, signed by the party to be charged.

13. Effectiveness of Agreement. Notwithstanding anything herein to the contrary, this Easement Agreement shall not be effective for any purpose until Grantor and Grantee have executed this document and it has been filed of record in the county in which the property subject to this Easement is located. Grantee joins in the execution of this Easement Agreement

to evidence its agreement to the exceptions, reservations, restrictions, conditions and provisions hereinabove set out, which shall be binding upon Grantee, its permitted successors and assigns.

14. Termination. The Easement granted herein shall exist and run with and burden the Easement Tracts for so long as the Facilities are used by Grantee for the purposes set forth herein, it being understood that at such time as the Facilities are permanently abandoned or removed from the Easement Tracts that this Easement shall terminate and be of no further force and effect.

TO HAVE AND TO HOLD unto Grantee, its permitted successors and assigns, the above described Easement for the purpose of constructing, maintaining, operating, repairing and reconstructing the Facilities.

*[Remainder of page intentionally blank;
Signatures begin on the following page]*

IN WITNESS WHEREOF, this Easement Agreement is executed this _____ day of _____, 2016.

Grantor:
CC MAGNOLIA CREEK, LLC,
a Nevada limited liability company

By: _____
Printed Name: _____
Title: _____

THE STATE OF TEXAS §
 §
THE COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2016, by _____, _____ of CC MAGNOLIA CREEK, LLC, a Nevada limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2016.

Notary Public in and for
State of Texas

IN WITNESS WHEREOF, this Easement Agreement is executed this _____ day
of _____, 2016.

Grantee:
City of League City, Texas

By: _____
Printed Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the _____ day of _____,
2016, by _____, _____ of the City of League City Texas,
known to me to be the person whose name is subscribed to the foregoing instrument and
acknowledged to me that he executed the same for the purposes and consideration therein
expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of
_____, 2016.

Notary Public in and for
State of Texas

AFTER RECORDATION, RETURN TO:

CC MAGNOLIA CREEK, LLC
3030 LBJ Freeway, Suite 600
Dallas, Texas 75234
Attention: Legal Department

Exhibit “A”
Easement Tracts

(See the attached)