

**Recording Requested By
And When Recorded Return To:**

Jackson Walker L.L.P.
Attn: Judge A. Platt
901 Main Street, Suite 6000
Dallas, Texas 75202

(Space Above for Recorder's Use Only)

DRAINAGE EASEMENT AGREEMENT

This Drainage Easement Agreement (this "**Agreement**") is entered into and effective as of July ____, 2012, by and between **BIG SKY TRAILS, LTD.**, a Texas limited partnership ("**Big Sky**"), and **JAGOE-PUBLIC COMPANY**, a Texas corporation ("**Jagoe-Public**").

RECITALS:

A. Big Sky is the owner of those certain tracts of land in Denton County, Texas, being more particularly described on **Exhibit A** attached hereto and incorporated herein (collectively, the "**Big Sky Property**").

B. Contemporaneously with the execution of this Agreement, Big Sky has conveyed to Jagoe-Public that certain tract of land in Denton County, Texas, being more particularly described in **Exhibit B** attached hereto and incorporated herein (the "**Jagoe-Public Tract**"). The Big Sky Property and the Jagoe-Public Tract are each sometimes individually referred to as a "**Parcel**" and collectively as the "**Parcels**."

C. In partial consideration for the conveyance of the Jagoe-Public Tract to Jagoe-Public and in order to assist the favorable development of the Big Sky Property, Big Sky and Jagoe-Public (sometimes referred to herein individually, as a "**Party**" and collectively, as the "**Parties**") desire and agree to subject the Jagoe-Public Tract to a non-exclusive drainage easement over a portion of the Jagoe-Public Tract as described in **Exhibit C-1** and depicted in **Exhibit C-2** attached hereto and incorporated herein by reference (the "**Easement Area**") as more fully set forth herein.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and the easements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties declare and agree as follows:

1. **Drainage Easement.** Jagoe-Public does hereby grant, sell, bargain and convey to Big Sky, a non-exclusive, perpetual easement (the "**Easement**") upon and across the Easement Area for the purpose of allowing the free flow and drainage of all surface water from the Big Sky Property over and across the Easement Area. Jagoe-Public shall take no action in the Easement

Area which would in any manner prevent the free flow of such surface water from the Big Sky Property onto and across the Easement Area.

2. **Right of Access.** Jagoe-Public hereby grants to Big Sky the right to enter upon the Jagoe-Public Tract for the purpose of removing any obstruction to the Easement herein granted provided that Big Sky has first requested in writing that Jagoe-Public remove such obstruction and Jagoe-Public has failed to do so within ten (10) days of such request.

3. **Warranty of Title.** Jagoe-Public warrants that Jagoe-Public has good and indefeasible title to the Easement Area subject to any matters affecting the Easement Area which are filed of record in Denton County, Texas.

4. **Severability.** If any provision of this Agreement shall be or become invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

5. **Rights of Successors; Binding Effect; Gender.** The easements, restrictions, benefits and obligations hereunder shall create mutual benefits and servitudes running with the land. This Agreement shall bind and inure to the benefit of the Parties, and their respective heirs, representatives, lessees, successors and assigns. The singular number includes the plural and the masculine gender includes the feminine and neuter.

6. **No Merger.** It is expressly understood and agreed that the Parties do not intend that there be, and there shall in no event be, a merger of the respective dominant and servient tenements in the Parcels by virtue of the present or future ownership of any portion of said tenements being vested in the same person(s) or entity, but instead intend that the easement servitudes shall not be extinguished thereby and that said dominant and servient tenements be kept separate.

7. **Governing Law.** This Agreement will be construed in accordance with the laws of the State of Texas.

8. **Modification and Cancellation.** This Agreement (including exhibits) may be modified or terminated or canceled only by written agreement signed by each of the Parties or their respective heirs, legal representatives, successors and assigns (and any mortgagees holding first lien security interests on any portion of the Parcels or any ground lease thereof), as long as they have any interest as an owner or lessee in any Parcel or portion thereof.

9. **Counterparts; Multiple Originals; and Separate Signature Pages.** This Agreement and any and all amendment hereto may be executed simultaneously in two or more counterparts and/or with separate signature pages, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

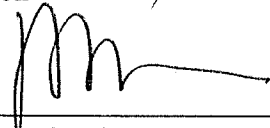
EXECUTED to be effective as of the date first set forth above.

[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]

SEPARATE SIGNATURE AND ACKNOWLEDGMENT PAGE OF BIG SKY

BIG SKY TRAILS, LTD., a Texas limited partnership

By: BST FUND I INC., a Texas corporation

By: 
Peter Malin, President


STATE OF TEXAS §
 §
COUNTY OF _____§

This instrument was acknowledged before me this _____ day of July, 2012, by Peter Malin, President of BST Fund I Inc., a Texas corporation, general partner of BIG SKY TRAILS, LTD., a Texas limited partnership, on behalf of said corporation and said partnership.

Notary Public - State of Texas

SEPARATE SIGNATURE AND ACKNOWLEDGMENT PAGE FOR JAGOE-PUBLIC

JAGOE-PUBLIC COMPANY a Texas corporation

By: 
William J. Cheek, Jr., Vice President

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me this ___ day of July, 2012, by William J. Cheek, Jr., Vice President of JAGOE-PUBLIC COMPANY, a Texas corporation, on behalf of said corporation.

Notary Public - State of Texas