

EXHIBIT K
FORM OF CONTRACT

CONTRACT FOR SALE
OF REAL PROPERTY AT POSSUM KINGDOM LAKE
PALO PINTO, STEPHENS, AND YOUNG COUNTIES

THIS CONTRACT OF SALE (the “Contract”) is made and entered into by and between **BRAZOS RIVER AUTHORITY**, a river authority of the State of Texas, created pursuant to Article XVI, Section 59 of the Texas Constitution (“Seller”), and _____, a ____ (“Purchaser”), to be effective as of the date set forth below.

LIST OF DEFINED TERMS

For reference purposes, following is a list of terms defined in the Contract and the page number on which the definition can be found:

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RECITALS

A. Seller owns approximately _____ acres (approximately _____ acres of which is located above the 1000' contour line [as defined below]) (the "Authority Land")¹ at Possum Kingdom Lake (the "Lake") in Palo Pinto, Stephens, Young, and Jack Counties, in the State of Texas.

B. The boundary of the Lake is defined by the 1000' contour line, which is the line running along the periphery of the Lake if the surface of the Lake is at an elevation of 1000 feet above mean sea level, as measured from the top of the spillway crest gates of the Morris Sheppard Dam, as such line may move and shift from time to time due to natural forces, including erosion and accretion (the "1000' contour line").

C. On ____, 2014, Seller issued that certain Request for Bids known as RFB No. _____ (the "RFB") for the sale of a portion of the Authority Land at the Lake (such land to be conveyed being defined herein as the "Property").

D. _____ [Insert number of bids] bids were received by Seller in response to the RFB, including that certain bid dated _____, 2014 submitted by Purchaser ("Purchaser's Bid").

E. On _____, 20__, the Board of Directors of the Brazos River Authority (the "Board") selected Purchaser's Bid and authorized the General Manager/CEO of the Seller to negotiate a contract and other documents necessary for the conveyance of the Property to Purchaser in accordance with the RFB, subject to ratification of such contract and documents by the Board.

F. Section 8502.020 of the Texas Special District Local Laws Code as amended by the acts of the 83rd Texas Legislature in that certain legislation known as Senate Bill 918, (the "Applicable Code") sets forth certain requirements regarding the sale of the Property as contemplated herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants set forth in this Contract, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Purchaser and Seller hereby agree as set forth below.

1. **Agreement for Sale of the Property.** On and subject to the terms and conditions of this Contract, Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase the following described portion of the Authority Land located in Palo Pinto, Stephens, and Young Counties, Texas (collectively referred to as the "Property"):

a. *Residential Leased Land.* The "Residential Leased Land" consists of those tracts of land consisting of approximately 16 acres which are subject to a single-family residential lease, as generally depicted on Exhibit A attached hereto, as of the date the Declaration Amendment (as hereinafter defined) is filed of record.

¹ In the Applicable Code, the land owned by Seller as of the date before Closing is referred to as the 'Property' instead of as 'Authority Land.' Further, in the Applicable Code, 'Authority Land' is defined as the portion of the property being retained by Seller, whereas this Contract refers to the property being retained by Seller as 'Retained Land.'

b. Commercial Leased Land. The “Commercial Leased Land” consists of those tracts of land consisting of approximately 480 acres which are subject to a commercial lease, including a commercial lease where such commercial Leaseholder (as defined below) is authorized to sublease for residential purposes, as generally depicted on Exhibit A attached hereto, as of the date the Declaration Amendment (as hereinafter defined) is filed of record. The Residential Leased Land and Commercial Leased Land are collectively referred to herein as the “Leased Tract.”² The Leased Tract also includes a portion of that land which is subject to that certain Agreement by and among Seller, The Ranch on Possum Kingdom, L.P., and Hill Country Harbor Village, L.P. (the “Ranch Agreement”, a copy of which was attached to the RFB as Exhibit “F”, and which is incorporated herein by reference as if fully set forth herein) effective as of August 1, 1997 and dated December 12, 1997, some of which land may be used for residential purposes and some of which may be used for commercial purposes; provided however that such portion of the land subject to the Ranch Agreement shall be part of the Leased Tract only to the extent Seller is released from its obligations under the Ranch Agreement as such obligations pertain to such land.

c. Roads. The “Roads” consist of approximately ½ mile of private road owned and maintained by Seller, as generally depicted on Exhibit A attached hereto; provided however that Roads shall not include (i) Driveways (as hereinafter defined), (ii) paved or gravel roads located wholly within Seller’s public use and recreation areas or, in Seller’s discretion, which solely serve Seller’s facilities (as described on the attached Schedule I) as of the Effective Date (as hereinafter defined), (iii) paved or gravel roads located within Seller’s gated operations areas as of the Effective Date, or (iv) paved or gravel roads located wholly within an individual leased lot that is part of the Commercial Leased Land and that serve only that individual commercial leased lot. In those areas where the Roads are not wide enough to meet county standards, to the extent there is undeveloped land available on either side of that portion of such Roads, which undeveloped land is not otherwise needed by Seller for its current or future operations, Seller may, at its discretion, include as part of the Roads, such additional land to permit that portion of the non-conforming Roads to be widened to meet county standards. “Driveways” means those certain private gravel and/or paved driveways that connect a Road or other street or thoroughfare to an individual leased lot or any improvements thereon; and includes those shared or common driveways that serve more than one Leaseholder or individual leased lot.

d. Undeveloped Strips. The “Undeveloped Strips” consist of those certain strips of undeveloped and un-leased land located (i) between individual leased lots within the Leased Tract (i.e., a strip of land which is not covered by the individual leases on either side of such strip of land) or (ii) between the Leased Tract and the Roads, which Seller determines, in its sole discretion, to include as part of the Property. Seller will, in its discretion, determine prior to Closing which undeveloped strips of land will be included within the definition of Undeveloped Strips for purposes of this Contract. Portions of the Undeveloped Strips may be included as part of the Roads and/or portions of the Undeveloped Strips may be conveyed to the adjacent Leaseholders by Purchaser, or otherwise be included as part of the adjacent Leaseholders individual leased lot, as determined and

² In the Applicable Code, the defined term ‘Leased Tract’ also includes the Undeveloped Strips being conveyed by Seller, whether or not subject to a Lease. In this Contract, Undeveloped Strips are not included within the definition of ‘Leased Tract’. Furthermore, ‘Residential Leased Land’ and ‘Commercial Leased Land’ as used herein are referred to as the ‘Remaining Residential Leased Land’ and ‘Remaining Commercial Leased Land’, respectively, in the Applicable Code.

agreed to by Purchaser and the adjoining Leaseholder. Those portions of the Undeveloped Strips which do not become part of the Roads or Leased Tract may be subject to restrictions on use, such restrictions to be set forth in the Declaration (as hereinafter defined). The Leased Tract, Roads, and Undeveloped Strips are collectively referred to as the “Land”.

e. Improvements. The “Improvements” consist of all improvements and fixtures owned by Seller and located on the Land; provided however, that (i) any equipment, fixtures, pipelines, gates, control structures or other appurtenances or facilities owned, installed, or used by Seller in connection with its operations are not being conveyed pursuant to this Contract and are not part of the Improvements; and (ii) Purchaser acknowledges that the improvements, Driveways, paved or gravel roads located wholly within an individual commercial leased lot that is part of the Commercial Leased Land and that serve only that individual commercial leased lot, buildings, houses, and related structures, located on the Leased Tract that are the property of the Leaseholders under any Leases (as defined below) are not part of the Improvements being conveyed pursuant to this Contract.

f. Other Property. The “Other Property” consists of:

i. The interest of the Seller, as lessor or landlord under all those certain commercial and/or residential ground leases, use, and occupancy agreements covering a portion of the Land (hereinafter called the “Leases”) by and between Seller and a Leaseholder and their respective heirs, successors, and assigns, together with all prepaid rents, security deposits, utility deposits, and other deposits made by the Leaseholders under the Leases. “Leaseholder” means a person or entity that has a Lease with Seller including such Leaseholder’s heirs, successors, and assigns. The Leases on the Leased Tract shall remain subject to the terms, conditions, and covenants of the Possum Kingdom Shoreline Management Plan and Customer Guide (“Shoreline Management Plan”) promulgated by Seller and adopted May 22, 2006 and amended July 31, 2006 (and as may be further revised and/or amended by Seller at any time and from time to time), a copy of which is attached to the RFB as Exhibit “E”, and which is incorporated herein by reference;

ii. All of Seller’s interest at the time of Closing in contracts or agreements such as maintenance, service, or utility contracts to the extent they relate to the ownership, use, leasing, maintenance, service, or operation of the Land or Improvements, to the extent they are assignable; and

iii. All and singular the rights and appurtenances pertaining to any of the foregoing, including without limitation, the right of the Seller, if any, in and to adjacent streets, alleys, easements, rights-of-way and rights of ingress and egress thereto.

The Land to be sold is generally depicted on Exhibit A attached hereto and constitutes approximately 16 acres of Residential Leased Land, 480 acres of Commercial Leased Land, the Undeveloped Strips, and approximately ½ mile of Roads. The Parties acknowledge and agree that Exhibit A is not guaranteed to be complete and accurate, and at such time as the Updated Survey (as defined below) is completed and approved, the Parties shall replace Exhibit A attached hereto with the metes and bounds description of the Land set forth in the Updated Survey. The Property shall be conveyed

subject to the Permitted Exceptions (as defined below). The term Property shall not include the real property, improvements, or other rights and reservations which are defined in Paragraph 8 as “Retained Land”.

2. **Purchase Price.** The purchase price for the Property shall be \$_____ (the “Purchase Price”).

3. **Payment of Purchase Price.** The Purchase Price for the Property shall be paid by Purchaser to Seller in the following manner:

a. *Initial Escrow Deposit; Title Company.* Purchaser, simultaneously with its delivery of Purchaser’s Bid pursuant to the RFB, delivered to Seller a cashier’s check or money order in the amount of _____ Dollars (\$_____ [Insert amount that is 1% of Purchase Price]) (the “Initial Escrow Deposit”), which amount Seller has deposited into a non-interest bearing account in Seller’s name, pursuant to the terms of the RFB. Within five (5) business days after the later of (i) Purchaser’s delivery of the Additional Escrow Deposit (as set forth in Paragraph 3.b below) to Heritage Title Company of Austin at its offices at 401 Congress Avenue, Suite 1500, Austin, TX 78701, Attention: John Bruce (the “Title Company”) or (ii) the date on which the Board ratifies this Contract, Seller shall deliver the Initial Escrow Deposit to the Title Company, which shall serve as Purchaser’s initial escrow deposit for Purchaser’s full and faithful performance of its obligations under this Contract.

b. *Additional Escrow Deposit.* Upon Purchaser’s execution of this Contract, Purchaser shall deposit with the Title Company an additional sum in the amount of _____ Dollars (\$_____ [Insert amount that is 4% of Purchase Price]) (the “Additional Escrow Deposit”). The Initial Escrow Deposit and the Additional Escrow Deposit shall be referred to herein collectively as the “Escrow Deposit”. In the event that Purchaser fails to deposit the Additional Escrow Deposit with the Title Company as and when required above, then such failure shall constitute a default by Purchaser for the purposes of Paragraph 17.b below. The Title Company shall deposit the Escrow Deposit in one or more interest bearing accounts with a bank or other financial institution reasonably acceptable to Purchaser and Seller. Interest earned on the Escrow Deposit shall be added to and become part of the Escrow Deposit. The Escrow Deposit shall be paid to Seller at the Closing (as defined herein) as a part of the payment of the Purchase Price or, if the Closing does not occur, shall be otherwise disbursed in accordance with this Contract.

c. *Cash Payment at Closing.* Subject to the adjustments under Paragraph 15 of this Contract, the balance of the Purchase Price shall be paid to Seller in good funds at the Closing by cashier’s check or wired funds, which, in either case, will allow the Title Company to disburse those funds to Seller at the Closing.

4. **Feasibility Period.**

a. *Feasibility Period.* Purchaser and Purchaser’s representatives shall have a period of sixty (60) days beginning on the Effective Date (as defined below) of this Contract and ending at 5:00 p.m. central time on the 60th day thereafter (the “Feasibility Period”) during which to

inspect the condition of the Property, and to conduct such tests and examinations thereof as Purchaser, in its sole discretion, deems necessary or desirable.

b. *Purchaser's Inspections.* During the Feasibility Period, Purchaser, its agents and contractors, shall have access to the Property at all reasonable times to conduct its tests and examinations thereof; provided, however, that Purchaser shall notify Seller at least twenty four (24) hours in advance of any times Purchaser, its agents or contractors, shall desire access to the Property, and Seller or its agent or representative shall be permitted to accompany Purchaser or its agents on any such inspection. Purchaser hereby indemnifies and shall hold harmless and (upon request of Seller) defend Seller and the Property from and against any and all costs, expenses, liabilities, claims, demands and causes of action (including any mechanics' liens) arising as a result of or in connection with any tests or other examinations on the Property undertaken by or on behalf of Purchaser, which indemnity shall survive the Closing or any termination of this Contract. Upon completion of any tests or other examinations on the Property by or on behalf of Purchaser, Purchaser shall restore the Property to substantially the same condition in which the Property existed prior to the conducting of such tests or other examinations, which obligation of restoration shall survive any termination of this Contract. Prior to Purchaser's initial entry upon the Land after the Effective Date, Purchaser shall deliver to Seller a certificate of insurance evidencing Purchaser's maintenance of commercial general liability insurance with combined single limits of not less than \$5,000,000.00 and naming Seller as an additional insured thereunder. Purchaser does further hereby waive any rights of subrogation any insurer or other third party may have by, through or under Purchaser against Seller or its agents, contractors, employees, representatives or Board members, and Purchaser shall obtain an endorsement on its insurance policy acknowledging such waiver. Inspection of any portion of the Property which is subject to a Lease must be with the consent of the Leaseholder under such Lease, which Seller shall use its commercially reasonable efforts to obtain after Purchaser's request therefor. Purchaser shall agree not to unreasonably interfere with a Leaseholder's use and occupancy of its individual leased lot during any such entry. Notwithstanding any provision of this Contract, the provisions of this Paragraph 4.b shall survive any termination of this Contract and the limitations on Seller's remedies under Paragraph 17.b shall not in any way limit Seller's enforcement of the provisions of this Paragraph 4.b.

c. *Termination During Feasibility Period.* If Purchaser, in its sole and absolute discretion, discovers any aspect of the Property to be unsatisfactory, then Purchaser may terminate this Contract by giving Seller written notice of such termination, along with the sum of One Thousand Dollars (\$1,000.00) (the "Option Payment"), which sum Purchaser shall pay to Seller as consideration for this option, prior to the expiration of the Feasibility Period, in which case this Contract shall be deemed terminated, the parties shall have no further obligations one to the other hereunder (except those which expressly survive the termination hereof). After such termination, the Escrow Deposit (less the Option Payment, if not already paid to Seller) shall be refunded to Purchaser within five (5) business days after Purchaser's delivery to Seller of the Due Diligence Materials (as hereinafter defined). If Purchaser fails to give Seller written notice terminating this Contract prior to the expiration of the Feasibility Period, then Purchaser shall be deemed to have waived its right to terminate this Contract pursuant to this Paragraph 4. The Escrow Deposit shall be non-refundable after the expiration of the Feasibility Period, except in the event of a Seller default which is not timely cured or as may be otherwise specifically set forth herein. If the transaction contemplated in this Contract is not closed for any reason, then Purchaser shall turn over to Seller all

Seller's Information (as defined below) and any and all documents, reports, surveys, engineering and other studies generated or acquired by Purchaser in connection with its feasibility review hereunder (collectively, the "Due Diligence Materials"). The Due Diligence Materials shall be delivered to Seller within five (5) business days after the termination of the Contract, and to the extent that Purchaser is entitled to a return of the Escrow Deposit, then such return shall be conditioned upon Purchaser delivering the Due Diligence Materials to Seller.

5. **Survey.**

a. *Initial Survey.* Seller, at Purchaser's expense, shall obtain and deliver to Purchaser a current survey of the 1000' contour line, the back and side boundary lines of the Leased Tract (the "Initial Survey"). The Initial Survey shall be prepared by an engineer or surveyor selected by Seller ("Surveyor"). The Initial Survey may also include a portion of the Roads and the Undeveloped Strips. The Initial Survey will not include the interior leased lot lines and may not encompass all or any of the Roads or Undeveloped Strips. The scope of work and estimated completion schedule for the Initial Survey is attached hereto as Exhibit J. Notwithstanding the attached scope of work and schedule, Seller shall not be in default if the Surveyor does not complete the Initial Survey in the timeframes provided for in the attached schedule unless such delays are solely caused by the gross negligence or willful misconduct of Seller and such delays materially and adversely impact the Closing. Additionally, Seller reserves the right to amend, alter, or otherwise modify the attached scope of work and schedule with the Surveyor, and Purchaser acknowledges that Purchaser is not a party to Seller's contract with the Surveyor and is not a third-party beneficiary thereof.

b. *Updated Survey.* Purchaser, at Purchaser's expense, shall obtain and deliver to Seller, an updated survey (the "Updated Survey"), prepared by Surveyor or a licensed surveyor selected by Purchaser and reasonably acceptable to Seller and the Title Company, which Updated Survey shall, at a minimum, (i) depict the Leased Tract, Roads, and Undeveloped Strips being conveyed pursuant to this Contract, (ii) set forth an accurate metes and bounds description of the Leased Tract, Roads, and Undeveloped Strips being conveyed pursuant to this Contract; (iii) locate any buildings, structures, or other improvements (including Improvements) which encroach over the boundary of the Leased Tract or are otherwise located in whole or in part on the Retained Land; and (iv) meet or exceed the requirements of a Category 1B, Condition II, Standard Land Survey according to the standards prescribed by the Manual of Practice for Land Surveying in the State of Texas, 2006 Revised Eleventh Edition, as promulgated by the Texas Society of Professional Surveyors. The Updated Survey is not required to include the interior leased lot lines. Seller shall have the right to review and approve Purchaser's contract with its selected surveyor, including without limitation the scope of work, cost associated with each task, and schedule set forth therein.

c. *Cooperation of Parties.* Seller and Purchaser hereby agree to cooperate and work together in good faith to have the Initial Survey and Updated Survey completed as promptly and efficiently as possible. Upon completion of the Updated Survey, Purchaser will deliver the Updated Survey to Seller for its review and approval, which shall not be unreasonably withheld, conditioned, or delayed. The Updated Survey shall be delivered to Seller at least forty five (45) days prior to Closing, but in no event later than May 15, 2015, unless otherwise agreed to by Seller and Purchaser in writing. Seller shall promptly review such Updated Survey and notify Purchaser in

writing of any objections thereto. Purchaser shall deliver a revised Updated Survey which addresses such objections within fifteen (15) days (or such other time period as may be agreed to in writing) after receipt of such objections. At such time as the Updated Survey is completed and approved by Seller, Seller and Purchaser shall execute an amendment to this Contract that will substitute the metes and bounds legal description of the Land contained in the survey for the Land description and/or depiction attached hereto as Exhibit A. The Initial Survey and Updated Survey are collectively referred to herein as the “Survey”.

6. Owner Policy of Title Insurance; Title Commitment; Title Review.

a. Title Commitment. Seller shall cause the Title Company to furnish to Purchaser, within thirty (30) days after the Effective Date hereof, a written title report(s) or commitment(s) (the “Title Commitment”) to issue a Texas Owner’s Policy of Title Insurance on the standard form of policy prescribed by the Texas State Board of Insurance of the State of Texas, which Title Commitment shall specify all exceptions to title, including, without limitation, easements, liens, encumbrances, restrictions, conditions, or covenants affecting the Property, and, at Purchaser’s cost and expense, accompanied by complete and legible copies of all recorded documents (collectively, the “Title Documents”) affecting title to the Property and referred to in the Title Commitment.

b. Owner Policy. Purchaser, at Purchaser’s expense, shall obtain an Owner Policy of Title Insurance (on a form prescribed by the State Board of Insurance of the State of Texas), insuring title to the Land and Improvements in Purchaser in the full amount of the total Purchase Price, and containing those exceptions set forth on the Title Commitment (the “Permitted Exceptions”), including without limitation: (i) the standard printed exception for taxes for the year of the Closing (if not paid before the Closing) and subsequent years; (ii) the standard printed exception for shortages in area (and the balance of the standard printed exception pertaining to boundaries and encroachments unless deleted, at Purchaser’s option and expense, to the extent permitted by applicable regulations); (iii) the terms and conditions of any access easements or other rights reserved by or granted to Seller in connection with the Closing; (iv) the easements, covenants, and restrictions contained in the Declaration (as defined below) or Deed, (v) any and all leases on the Property and rights of parties in possession and any memoranda of any such leases; (vi) any and all easements, rights-of-way, and other matters whether or not of record, and those visible and apparent on the Property, affecting or related to it (including, without limitation, any easements or agreements, whether or not recorded, between Seller and the Water Supply Corporation for the installation, maintenance, repair, or replacement of water lines located beneath the Property) and all liens, restrictions, reservations, covenants, conditions, and interests validly existing and recorded of record; (vii) all regulations, restrictions, laws, statutes, ordinances, obligations or other matters which affect the Property and which are imposed by or existing by reason of any regulatory, governmental or quasi-governmental districts, entities, agencies, authorities or other bodies of any kind or nature, including, without limitation, Seller (“Governmental Authorities”); (ix) all riparian rights, water rights, public access rights or other rights of any kind or nature which affect the Property and which are held by or relate to any Governmental Authorities or the public generally; (x) all reservations, exceptions, covenants, conditions, restrictions and other matters expressly set forth herein, including the Declaration and Restrictions (as defined below); and (xi) any other matters that become Permitted

Exceptions pursuant to the terms of this Contract including, without limitations, those matters set forth in Paragraphs 8 and 9 below.

c. **Title Objections.** Purchaser shall, within fifteen (15) days after receipt of the Title Commitment and Title Documents, notify Seller in writing of any objections to any exceptions (other than Permitted Exceptions) shown on the Title Commitment. To the extent Purchaser does not make any such objections to title by giving Seller timely written notice thereof as provided above, or if Purchaser does not terminate this Contract pursuant to Paragraph 4.c above, then in either event Purchaser shall be deemed to have approved the condition of title as shown in the Title Commitment and Title Documents and waived its right to object, and all matters shown on the Title Commitment shall be deemed Permitted Exceptions. Seller shall have the right, but not the obligation, to cure or remove any such title objections, and Seller shall have no obligation to incur any expenses in curing any such objections; provided however, Seller agrees to use good faith efforts to address and/or remove those requirements or exceptions shown on Schedule C of the Title Commitment that are created by Seller to the extent they apply to any leased lot which is to be sold to a Leaseholder concurrently with the Closing hereunder. Notwithstanding the foregoing, Seller shall have no obligation to cure any exceptions on Schedule C of such Title Commitment regarding legal right of access to or from the Property.

7. **Seller's Information.** Within ninety (90) days after the Effective Date, Seller shall deliver to Purchaser the following items (collectively, "Seller's Information"), to the extent in Seller's possession, which shall be considered part of the Due Diligence Materials:

- a. Copies of all existing Leases on the Property and any amendments thereto; and
- b. A current rent roll for the Property.

Seller shall deliver to Purchaser such Seller's Information on a CD or other electronic format at Seller's expense. If Purchaser desires to obtain a hard copy or paper copy of any or all of Seller's Information, then Seller will deliver such items at Purchaser's sole cost and expense. To the extent Seller has additional information in its possession regarding the Leases on the Property, and Purchaser desires to see such information, Seller agrees to reasonably cooperate with Purchaser in providing such information and allowing Purchaser to view such files, at Purchaser's sole cost and expense. It is acknowledged and agreed by Purchaser that by providing such Seller's Information, Seller is not making and has not made any representation or warranty regarding the completeness or accuracy of the Seller's Information or the information contained therein, and Purchaser shall not be entitled to rely upon the accuracy or completeness of such information, but agrees to rely solely on its own analysis or inspections as Purchaser deems necessary regarding such information.

8. **Seller's Retained Property.** The following described property is being retained by Seller (the "Retained Land") and is expressly excluded from the Property (except as may be specifically set forth below):

a. **Undeveloped Land.** That portion of the Authority Land that is not within the Leased Tract, the Roads or the Undeveloped Strips is excluded from the definition of Property and is not being conveyed hereunder.

b. Airport. The Possum Kingdom Airport and the land on which it is located is being retained by Seller and is not part of the Property. At Closing, Purchaser shall grant Seller an easement permitting Seller to remove obstructions or hazards from the “clear zone” that may impair the operation of the Airport (the “Airport Easement”).

c. Mineral Reservation. Seller, in the Deed, will reserve all of Seller’s right, title and interest in and to all oil, gas, coal, lignite, sulphur and other mineral substances from which sulphur may be derived or produced, salt, potash, uranium, thorium, gypsum, mercury, zeolite, fluorspar, carbonaceous shale, bentonite and other varieties of clay, and all other minerals in, on, or under the Property wherever located and by whatever method recovered, as well as the rights to lease and to grant ingress and egress rights to explore for and produce such minerals on the Property to the extent allowed by law.

d. Access Easement. The Property will be sold subject to Purchaser granting to Seller an Access Easement to permit access to and from the Retained Land such that Seller can conduct its operations and for public health, safety, and welfare purposes and, in accordance with the Applicable Code. The form of such Access Easement is attached hereto as Exhibit C. The Access Easement shall permit Seller, its agents, employees, designees, tenants, lessees, invitees, customers, contractors, suppliers, licensees, successors and assigns the right of ingress and egress over, through and across the Property, including Roads (and any other roads which may be constructed on the Property in replacement of or in addition to the Roads) for access to and from the Retained Land. In addition, as set forth in the Declaration (as hereinafter defined), Purchaser will be required to ensure that no Leaseholder or other user of the Property is permitted to obstruct, prevent, or otherwise restrict access over and across any portion of the Roads (or any other roads which may be constructed on the Property in replacement of the Roads), so that all Leaseholders and other users of the Property shall have the right of ingress and egress through, over and across such Roads and such Leaseholders shall at all times have access to and from their individual leased lots over and across such Roads, to the extent such access exists at Closing (or materially the same degree of access in the event that other roads are constructed in replacement of or in addition to the Roads).

e. Declaration of Restrictive Covenants, Easements and Conditions. The Property will be sold subject to the restrictions described in the Declaration of Restrictive Covenants, Easements and Conditions, made by Seller and recorded in the Official Public Records of Palo Pinto County (at Volume 1739 and Page 446, as amended in Volume 1857 Page 343), Stephens County (at Volume 1986 Page 1, as amended in Volume 2003 Page 56), Young County (at Volume 1082 Page 149), and Jack County (at Volume 849 Page 95) (the “Original Declaration”), as such Original Declaration will be further amended by that certain amendment to be filed on or before Closing in the property records of the counties in which the Property is located (the “Declaration Amendment”; the Original Declaration as amended by the Declaration Amendment is referred to herein as the “Declaration”).³ A draft of the Declaration Amendment is attached hereto as Exhibit D.

f. Flowage Easement. Seller, in the Deed, will reserve the perpetual right, power, privilege and easement to occasionally overflow, flood, and submerge that portion of the Property located at or below the elevation contour of 1015’ above mean sea level in connection with

³ ‘Declaration’ as used herein is defined as ‘Restrictions’ in the Applicable Code.

Seller's operation and maintenance of the Lake, and Seller shall have no liability to Purchaser (or its successors, assigns, lessees [including Leaseholders], or any other person) for any damages, claims, costs, injuries, or liabilities to any person or the Property or any Improvements or other building, structures, or improvements thereon caused by or arising from such overflow or any act or omission by Seller in connection with the right and easement reserved in the Deed.

g. Other. Any portion of the Authority Land which Seller determines, in its sole discretion, is reasonably needed by Seller for its current or future operations.

9. **Property Condition**. As set forth in Paragraph 10 below, the Property is being sold "as is", and without warranties of any kind whatsoever, expressed or implied, except for the warranty of title set forth in the Deed. Purchaser is responsible for determining that the Property meets Purchaser's requirements regarding access, size, shape, location, zoning, use, environmental standards and easements. Purchaser agrees to take the Property in its current condition, including the conditions set forth below, and Seller shall have no obligation to cure any of the conditions set forth below, nor shall Seller have any liability for any such conditions.

a. Legal Access. Purchaser acknowledges that portions of the Property may have no legal access and can only be reached by crossing privately owned property. Purchaser shall be responsible, at its option and expense, for obtaining an access agreement with such adjoining landowners. In addition, Purchaser acknowledges that there may be portions of the Property that are only accessible by water and have no access from land.

b. Roads. Purchaser acknowledges that the Roads are private and may not be continuous (i.e., the Roads may be separated by gravel and/or paved roads located on land not owned by Seller and not being conveyed hereunder [see Subparagraph 9.a above]). In addition, Purchaser acknowledges that portions of the Roads may be located wholly or partially within the boundaries of individual leased lots. Further, Purchaser acknowledges that the Roads, in many instances, are not sufficient to meet county standards and the Roads are not currently maintained by the counties in which the Roads are located. Upon Closing, Purchaser shall be responsible for maintaining such Roads or ensuring that such Roads are maintained in accordance with the requirements set forth in the Applicable Code by the counties or some other governmental or non-governmental entity, or a homeowners or property owners association where applicable [e.g., for those Roads which are subject to the Ranch Agreement, cause such Roads to be maintained by the applicable association as set forth in such Ranch Agreement]. Purchaser, at its option and expense, shall be responsible for working with the appropriate governmental entities to dedicate such Roads to the public. Purchaser acknowledges that the Applicable Code provides for the dedication of the Roads to the applicable county and Purchaser agrees that it shall assume responsibility for (i) making any payments to the applicable county in connection with the dedication of all or any portion of the Roads as set forth in the Applicable Code, (ii) for maintaining the Roads in accordance with the requirements set forth in the Applicable Code after Closing and prior to such dedication, and (iii) for continuing to maintain those portions of the Roads in accordance with the requirements set forth in the Applicable Code which cannot be dedicated to the applicable county because such roads are "inaccessible" as defined in the Applicable Code, until such time as the Road becomes accessible and can be transferred. These obligations shall survive Closing.

c. Meandering Boundary and Lot Lines. Purchaser acknowledges that the boundary of the Property is, in part, a meander line that changes over time due to natural forces, such as accretion and erosion. Therefore, the Property will increase or decrease over time as the 1000' contour line, changes due to natural forces. Purchaser acknowledges that Purchaser shall not construct, nor permit the construction of, any structures or improvements that impact or artificially amend or alter the shoreline of the Lake (including the 1000' contour line), or the lakebed, without the prior written approval of Seller in its sole discretion. The foregoing obligation shall survive Closing and be contained in the Deed. In addition, Purchaser acknowledges that the metes and bounds description for individual leases may overlap with the metes and bounds descriptions for an adjacent leased lot (i.e., two leases purportedly convey rights in the same strip of land).

d. Encroachments. Purchaser acknowledges that some improvements constructed by Leaseholders on the Residential Leased Land encroach onto Retained Land or across individual leased lot lines and onto a neighboring leased lot.

i. Seller agrees to notify Leaseholders within thirty (30) days after the receipt of the Updated Survey of any such encroachments on the Leaseholder's individual leased lot into the Retained Land Purchaser acknowledges that encroachments onto the Retained Land. Purchaser acknowledges that encroachments onto the Retained Land may be required to be removed or modified and Purchaser shall be responsible for causing the removal or modification of the same as may be required by Seller. If Purchaser does not act promptly to comply with these obligations after receiving such notice from Seller, Seller may, after reasonable notice to Purchaser, take such actions as are necessary to remove all unapproved encroachments or otherwise modify such encroachments. Purchaser agrees to grant to Seller the right (but not the obligation) to use any funds placed in escrow by the applicable Leaseholders (if any) upon such Leaseholder's purchase or lease of the individual leased lot from Purchaser to the extent such funds are for the removal or modification of any such encroachments. In the event Seller performs such work, Seller shall have the right to recover the reasonable costs of same from Purchaser, with interest, and if litigation is filed to recover such costs and interest from Purchaser, Seller shall have the additional right to recover from Purchaser Seller's reasonable and necessary attorney's fees and expenses incurred to pursue such litigation and to collect such costs and interest from Purchaser. If required by Seller, Purchaser shall provide a guaranty by a person or entity acceptable to Seller to ensure the foregoing obligations are fulfilled. **Regardless, Purchaser acknowledges that any further encroachments into the Retained Land are strictly prohibited.**

ii. As to Leaseholder encroachments across leased lot lines, Purchaser shall be responsible for resolving any and all boundary or title issues or disputes related to same as between individual Leaseholders of the Leased Tract, and Seller shall have no responsibility for resolving such matters.

iii. Purchaser hereby indemnifies Seller against and holds Seller harmless from, and upon request of Seller shall defend Seller from, all claims, liabilities, demands or causes of action, including attorney's fees and costs incurred by Seller, which arise from or are caused by the removal or modification of any such encroachments, whether into the

Retained Land or across leased lot lines, or any boundary disputes. The obligations stated in this Paragraph 9.d. shall survive Closing.

e. *Leaseholder Compliance and Enforcement.* On and after Closing, Purchaser shall assume responsibility for enforcing the terms of the Leases and shall cooperate with Seller to ensure the Leaseholders' compliance with the Leases, the Shoreline Management Plan and other rules and regulations of Seller, and the Declaration. The Assignment (as defined below, and a copy of which is attached hereto as Exhibit F) shall include such obligations of Purchaser.

f. *Platting and Subdivision.* Purchaser and Seller acknowledge that the Applicable Code exempts the Property from any and all county platting requirements. Purchaser acknowledges that any additional surveying and other related requirements shall be the sole responsibility of Purchaser, and Seller shall have no obligation therefor. These obligations shall survive Closing.

g. *Leaseholder Improvements.* Purchaser acknowledges that the improvements, Driveways, paved or gravel roads located wholly within an individual commercial leased lot that is part of the Commercial Leased Land and that serve only that individual commercial leased lot, buildings, houses, and related structures located on the Leased Tract are the property of the Leaseholders unless specifically stated otherwise herein or in the Leaseholder's Lease and, as such, are not being conveyed hereunder. Such Leaseholder improvements do not include the Improvements, or other improvements owned, installed, or used by Seller in connection with its operations referenced in Paragraph 1.e above.

h. *The Ranch.* A portion of the Property to be conveyed hereunder is a part of that certain subdivision (the "Ranch") of record in Palo Pinto County, Texas according to the map or plat of record in Volume 7, Page 71, Plat Records of Palo Pinto County, Texas, as it may be amended or modified from time to time. The Ranch subdivision includes a portion of the Land being conveyed hereunder and a portion of the Retained Land. The portion of the Property which is part of the Ranch is conveyed subject to the terms and conditions set forth in the Ranch Agreement, as well as that certain Declaration of Covenants, Conditions and Restrictions for The Ranch on Possum Kingdom Palo Pinto County, Texas (the "Ranch Declarations", a copy of which were attached to the RFB as Exhibit "N", and which are incorporated herein by reference) dated December 8, 1997, as recorded in Vol. 944, Page 403 of the Official Public Records of Palo Pinto County, Texas. On and after Closing, Purchaser and its successors and assigns shall be responsible for enforcing the terms and conditions of the Ranch Agreement and Ranch Declarations and shall cooperate with Seller to ensure the Leaseholders' compliance with the same. The Assignment of the Ranch Agreement to be executed at Closing (a copy of which is attached hereto as Exhibit H) shall include such obligations of Purchaser.

i. *Green Acres.* A portion of the Property to be conveyed hereunder is a part of that certain subdivision ("Green Acres") of record in Palo Pinto County, Texas according to the map or plat of record in Vol. 5, Page 17, as it may be amended or modified from time to time. The portion of the Property which is part of Green Acres is conveyed subject to the terms and conditions set forth in that certain Green Acres Subdivision Declaration of Covenants, Conditions and Restrictions (the "Green Acres Declarations"), dated March 26, 1979, as recorded with the plat in

Vol. 5, Page 17 of the Plat Records of Palo Pinto County, Texas. On and after Closing, Purchaser and its successors and assigns shall be responsible for enforcing the terms and conditions of the Green Acres Declarations and shall cooperate with Seller to ensure the Leaseholders' compliance with the same.

10. **Property Sold "As-Is".**

a. *General.* **PURCHASER HEREBY EXPRESSLY ACKNOWLEDGES THAT PURCHASER IS RELYING SOLELY UPON ITS INVESTIGATION AND EXAMINATION OF THE PROPERTY AND PURCHASER HAS OR WILL HAVE, PRIOR TO THE END OF THE FEASIBILITY PERIOD, THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY THE PURCHASER IN ORDER TO ENABLE THE PURCHASER TO EVALUATE THE PURCHASE OF THE PROPERTY. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE PURCHASER OF REAL PROPERTY AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS, AND THAT PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAME, AND, UPON CLOSING, SHALL ASSUME THE RISK OF ANY ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, THAT MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT PURCHASER IS ACQUIRING THE PROPERTY ON AN "AS IS, WHERE IS" AND "WITH ALL FAULTS" BASIS, WITH ANY AND ALL LATENT AND PATENT DEFECTS, WITHOUT REPRESENTATION, WARRANTIES OR COVENANTS, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, EXCEPT FOR THE WARRANTY OF TITLE SPECIFICALLY SET FORTH IN THE DEED (AS HEREINAFTER DEFINED) TO BE DELIVERED AT CLOSING. PURCHASER HEREBY WAIVES AND RELINQUISHES ALL RIGHTS AND PRIVILEGES ARISING OUT OF, OR WITH RESPECT OR IN RELATION TO, ANY REPRESENTATIONS, WARRANTIES OR COVENANTS, WHETHER EXPRESS OR IMPLIED, WHICH MAY HAVE BEEN MADE OR GIVEN, OR WHICH MAY HAVE BEEN DEEMED TO HAVE BEEN MADE OR GIVEN BY SELLER, EXCEPT AS EXPRESSLY SET FORTH HEREIN. FURTHER, PURCHASER AGREES THAT SELLER SHALL NOT BE LIABLE TO PURCHASER FOR, AND UPON CLOSING, PURCHASER HEREBY FULLY AND FINALLY RELEASES AND DISCHARGES SELLER, ITS PRINCIPALS, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, REPRESENTATIVES AND ATTORNEYS FROM, AND PURCHASER ASSUMES ALL RISK AND LIABILITY FOR, AND INDEMNIFIES, AND HOLDS SELLER HARMLESS FROM, AND UPON REQUEST FROM SELLER SHALL DEFEND SELLER FROM, ANY AND ALL CLAIMS FOR COSTS, EXPENSES, PENALTIES, LOSSES, LIABILITIES, DAMAGES, DEMANDS, ACTIONS OR CAUSES OF ACTION ARISING FROM OR RELATED TO THE OWNERSHIP, USE, PHYSICAL CONDITION, LOCATION, MAINTENANCE, REPAIR, OR OPERATION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY CONSTRUCTION DEFECTS, ERRORS OR OMISSIONS OR ENVIRONMENTAL CONDITIONS AFFECTING THE**

PROPERTY, WHETHER OR NOT SUCH CLAIM IS ALLEGED TO ARISE FROM THE NEGLIGENCE OF SELLER.

b. *Specific.* **WITHOUT LIMITING THE GENERAL PROVISIONS OF PARAGRAPH 10.a HEREINABOVE, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, AS TO (I) MATTERS OF TITLE OTHER THAN AS EXPRESSLY PROVIDED IN THE DEED, (II) ZONING, (III) TAX CONSEQUENCES, (IV) PHYSICAL OR ENVIRONMENTAL CONDITIONS, INCLUDING THE CONDITION OF THE SOIL OR WATER, GEOLOGY, THE EXISTENCE OF HAZARDOUS OR TOXIC MATERIALS IN OR ON THE LAND, (V) AVAILABILITY OF UTILITIES OR OTHER SERVICES TO THE LAND, (VI) AVAILABILITY OF ACCESS, INGRESS OR EGRESS, (VII) OPERATING HISTORY OR PROJECTIONS, (VIII) VALUATION OR THE PRESENT OR FUTURE INCOME THAT MAY BE GENERATED FROM THE PROPERTY, (IX) GOVERNMENTAL APPROVALS, (X) GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY, INCLUDING, WITHOUT LIMITATION: (A) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, HABITABILITY, SUITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY, (B) THE MANNER OR QUALITY OF THE CONSTRUCTION OR THE WORKMANSHIP OR MATERIALS INCORPORATED INTO ANY OF THE PROPERTY, (C) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, AND (D) THE EXISTENCE OF KNOWN OR UNKNOWN FAULTS. PURCHASER FURTHER EXPRESSLY ACKNOWLEDGES AND AGREES THAT SELLER IS NOT REPRESENTING OR WARRANTING THAT ANYTHING CAN OR WILL BE ACCOMPLISHED THROUGH PURCHASER'S EFFORTS WITH REGARD TO THE PLANNING, OR PLATTING PROCESS OF ANY MUNICIPALITY, PALO PINTO, STEPHENS, OR YOUNG COUNTIES, OR ANY OTHER GOVERNMENTAL OR MUNICIPAL AUTHORITIES, BOARDS OR ENTITIES. PURCHASER FURTHER ACKNOWLEDGES THAT ALL OR A PORTION OF THE PROPERTY MAY NOT CURRENTLY MEET OR COMPLY WITH, AND SELLER HAS NOT WARRANTED, AND DOES NOT HEREBY WARRANT, THAT THE PROPERTY NOW MEETS OR COMPLIES WITH, OR IN THE FUTURE WILL MEET OR COMPLY WITH, THE REQUIREMENTS OF ANY SAFETY CODE, ENVIRONMENTAL LAW OR REGULATION OF THE STATE OF TEXAS, ANY MUNICIPALITY, THE COUNTIES OF PALO PINTO, STEPHENS, OR YOUNG, OR ANY OTHER AUTHORITY (INCLUDING SELLER) OR JURISDICTION. PURCHASER FURTHER ACKNOWLEDGES THAT PURCHASER, AT PURCHASER'S EXPENSE, SHALL BE RESPONSIBLE FOR BRINGING SUCH PROPERTY INTO COMPLIANCE WITH ANY SUCH CODES OR REGULATIONS.**

c. *Excluded Items.* **NOTWITHSTANDING ANY SEEMING CONTRADICTION, IT IS AGREED AND UNDERSTOOD THAT THE PROVISIONS OF THIS PARAGRAPH 10 ARE LIMITED SO AS TO NOT BE CONSTRUED AS DIMINISHING OR NEGATING (I) SELLER'S RESPONSIBILITY FOR ANY REPRESENTATIONS PROVIDED IN THIS CONTRACT (BUT ONLY TO THE EXTENT**

EXPRESSLY PROVIDED AND FOR THE DURATION STATED), AND (II) ANY WARRANTY OF TITLE SET FORTH IN THE DEED TO BE DELIVERED BY SELLER TO PURCHASER AT CLOSING.

d. *Incorporation Into Deed.* **IT IS AGREED AND UNDERSTOOD THAT THE TERMS AND PROVISIONS OF THIS PARAGRAPH 10 SHALL EXPRESSLY SURVIVE THE CLOSING AND NOT MERGE THEREIN AND SHALL BE INCORPORATED INTO THE DEED TO BE DELIVERED BY SELLER TO PURCHASER AT CLOSING.**

11. **Use of Property.** Purchaser, in the Deed, shall acknowledge and agree that (i) Purchaser's use of the Property will not endanger health, create a nuisance, or otherwise be incompatible with the scenic, recreational, and environmental uses and values of the Lake, and (ii) Purchaser shall take all reasonable precautions to ensure that the construction, operation, and maintenance of any structures, improvements, or facilities currently located or to be located on the Land will occur in a manner that will protect the scenic, recreational, and environmental uses and values of the Lake (collectively, the "Restrictions"). Purchaser acknowledges that Seller, as the fee simple owner of the Property, has established the above Restrictions as covenants, conditions and restrictions, whether mandatory, prohibitive, permissive or administrative, to regulate the uses of the Property and the improvements placed on it. Purchaser and Seller agree to stipulate in the Deed that (a) the Restrictions touch and concern the Property and are for the benefit of both the Property and Retained Land; (b) privity of estate exists by reason of Seller's ownership of the Property; (c) notice shall be given by filing the Deed in the real property records of the counties in which the Property is situated; and (d) the Restrictions are reasonable, their purposes being for the common benefit of Purchaser and Seller. The Restrictions will run with the land making up the Property, shall be binding on Purchaser and Purchaser's successors and assigns forever, shall be enforceable by Seller, and shall inure to the benefit of Seller and Purchaser, and their respective successors and assigns forever. The Restrictions may not be modified or terminated, in whole or in part, except with the consent of Seller and the owner of the Property, and then only by written instrument duly executed and acknowledged by Seller and the owner of the Property and recorded in the office of the recorder of the counties in which the Property is situated.

12. **Leaseholder Protections.** Purchaser agrees to provide the following Leaseholder protections to each residential and commercial Leaseholder of any portion of the Leased Tract (subject to the terms and conditions of the Ranch Agreement, where applicable). These Leaseholder protections shall run with the land and burden any successor-in-interest to the Purchaser for the time periods specified below. These Leaseholder protections shall be set forth in the Assignment (as defined below) and the Memorandum of Assignment, Assumption, and Ratification of Leases and Rents, a form of which is attached hereto as Exhibit G.

a. *Leaseholder Protections.* Purchaser agrees to offer to each Leaseholder the following purchase and lease options:

i. Permit the Leaseholder to purchase its leased lot in cash or through lender financing for 90% of land only assessed value without any exemptions (as determined by the county appraisal district) (the "Assessed Value") for the year 2012, such option to be

available concurrently with Closing (as set forth below) and for a period of one year from Closing.

ii. Permit (1) any residential Leaseholder that qualifies for financing under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 111-203) and any related regulations and (2) any commercial Leaseholder to purchase its leased lot via seller financing for 100% of Assessed Value for the year 2012, with a down payment of ten percent (10%) (or more at Leaseholder's option) and an annual interest rate of six percent (6%), with a 30-year amortization, such option to be available concurrently with Closing (as set forth below) and for a period of one year from Closing.

iii. Offer a new 99-year lease at a rental rate of 6% of the Assessed Value for the year 2012, with annual CPI (as defined below) increases or decreases, such option to be available for a period of one year from Closing. The 99-year lease will include an option to purchase the leased lot at the Assessed Value at the time of purchase (but not less than the 2012 Assessed Value). "CPI" means the consumer price index for Housing, Dallas-Fort Worth, TX area, Series ID: CUURA316SAH, CUUSA316SAH, Base Period: 1982-84 = 100, as published by the Bureau of Labor Statistics of the United States Department of Labor, or its equivalent substitute should this series be discontinued.

iv. For the "over-65" homestead Leaseholders, offer a new 20-year lease with a rental rate as determined by the current lease rate methodology adopted by the Board or other lease rate structure as set forth in the applicable Leaseholder's existing Lease (and including increases and adjustments to such rates), with annual CPI increases or decreases, such option to be available for a period of one year from Closing. The 20-year lease will include an option to purchase the leased lot at the Assessed Value at the time of purchase (but not less than the 2012 Assessed Value). This 20-year lease option is available to those Leaseholders who are over the age of 65 and who received an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the Leaseholder's individual leased lot by January 1, 2013. The current lease rate methodology adopted by the Board is attached hereto as Exhibit I.

v. As to any Leaseholder who does not timely exercise one of the foregoing options, Purchaser shall ratify the existing Leases, with (a) adoption of the current lease rate methodology adopted by Seller or other lease rate structure as set forth in the Lease, as applicable (and including increases and adjustments to such rates) for 8 years from Closing, (b) an option permitting Leaseholders to purchase their leased lot for the greater of (1) the Assessed Value at the time of purchase or (2) the 2012 Assessed Value, for a period of 8 years from Closing, and (c) an agreement to extend Leases as necessary to allow for this full 8-year purchase option period.

Purchaser may elect to offer additional purchase and/or lease options to Leaseholders, in Purchaser's discretion, and nothing herein shall be construed as prohibiting such offers, so long as (a) such additional options are made available to all similarly situated Leaseholders on an equal basis and (b) the foregoing options in Paragraphs 12.a.i - 12.a.v are made available to such Leaseholders for the time periods provided above.

b. Determining Assessed Value if County Does Not Provide Such Value.

Purchaser agrees that in the event a county does not provide an assessed value for leased lot(s) at the time the Leaseholder exercises its purchase or lease option described above, then the "Assessed Value" of the subject leased lot in 2012 or at the time the option is exercised, as applicable, for the purposes of the purchase option price or lease rental rate referenced in subsection 12.a above, shall be calculated based on the assessed value per square foot of comparable lots with similar physical characteristics in the applicable county or adjoining counties.

c. Concurrent Closing. Purchaser shall permit Leaseholders to exercise their purchase options set forth in Subparagraphs 12.a.i and 12.a.ii above concurrently with the Closing under this Contract, in accordance with the terms and conditions set forth below and as otherwise set forth in the Applicable Code. Purchaser and Seller agree to comply with the terms set forth in the Applicable Code regarding such concurrent closing, including without limitation, the following terms and conditions:

i. No later than thirty (30) days after the Effective Date of this Contract, Seller agrees to post on its website the Effective Date of this Contract and the anticipated date of Closing, which date shall be at least six (6) months from the Effective Date of the Contract. Furthermore, Seller agrees to post on its website, any changes to the anticipated date of Closing. These dates shall be used to establish the time periods provided in this Paragraph 12.c and as provided in the Applicable Code.

ii. Purchaser agrees to enter into a commercially reasonable purchase and sale agreement which complies with the Applicable Code with those Leaseholders who notify both Seller and Purchaser, in writing, within ninety (90) days after the Effective Date of this Contract of such Leaseholder's intent to purchase its leased lot(s) concurrently with Closing.

iii. On or before Closing, Purchaser agrees to deliver each purchase and sale agreement and the applicable earnest money delivered by Leaseholder to the title company or escrow agent selected by Leaseholder and Purchaser and approved by Seller; and at Closing, Purchaser shall ratify the purchase and sale agreement.

iv. Neither Purchaser nor Seller shall have any obligation to cure any of Leaseholder's title or survey objections or to incur any expenses in curing any such items, except that Purchaser and/or Seller, as applicable, agree to use good faith efforts to address and/or remove those requirements or exceptions shown on Schedule C of the title commitment that are applicable to or created by the Purchaser and/or Seller, as applicable; provided, however, neither the Purchaser nor Seller shall have any obligation to cure any exceptions on the attached Schedule C regarding legal right of access to or from the applicable leased lot.

v. Purchaser and Seller agree to review those surveys of individual leased lots (including any Undeveloped Strips which are to become part of such leased lot) provided to Purchaser and Seller by the applicable Leaseholder at least forty-five (45) days prior to

Closing. Seller agrees to notify Purchaser of any objections to the surveys and Purchaser and Seller (and their respective representatives or agents) may perform an inspection of the applicable leased lot to verify the accuracy of such survey and any encroachments thereon. Purchaser acknowledges that, prior to being approved by Seller, the Leaseholder's survey must:

(A) Be acceptable to the title company selected by Purchaser and Leaseholder (and reasonably approved by Seller) for purposes of issuing any policy of title insurance on the applicable leased lot;

(B) Be prepared by a licensed state land surveyor or a registered professional land surveyor reasonably acceptable to Seller;

(C) Include the boundary of the Leaseholder's leased lot (and any portion of the Undeveloped Strips becoming part of such leased lot), which boundaries must be consistent with the Survey prepared pursuant to this Contract; and

(D) Include all improvements on the leased lot, including any encroachments across the boundary lines of the leased lot or any setbacks; and evidence that any such encroachments have been cured by Leaseholder (either by removal of such encroachment or by written agreement between the affected parties permitting such encroachment to continue on terms and for the time period agreed to by such parties).

vi. Purchaser agrees to cooperate with the purchasing Leaseholder to timely complete all documentation necessary to effectuate transfer of the applicable leased lot from Purchaser to Leaseholder and to deliver such completed and executed documents to the applicable title company. Promptly after Closing, Seller shall deliver (or cause to be delivered) written notice to the applicable title company or escrow agent confirming that the Closing of the Property from Seller to Purchaser has been completed and the Deed and other documents have been recorded.

vii. Purchaser agrees and acknowledges that in no event shall the deed or any other documents transferring the applicable leased lot from Purchaser to Leaseholder be recorded prior to Closing having occurred on the Property pursuant to this Contract, including without limitation the execution and recordation of the Deed and all other documents referenced in this Contract which are to be executed and/or recorded at Closing.

d. ***Indemnification.* Seller shall have no obligations regarding the concurrent closing or conveyance or leasing of the Property from Purchaser to Leaseholder (or any other person or entity) pursuant to the Leaseholder protections set forth above or otherwise except as may be specifically set forth herein or in the Applicable Code. Seller shall not be a party to the purchase and sale agreement between Purchaser and Leaseholder and shall have no obligations thereunder, nor shall Seller have any liability for any acts or omissions by the parties to such agreement. The rights of Seller to review or approve any matters related to the**

conveyance of an individual leased lot to a Leaseholder shall be in Seller's sole discretion and any approvals, objections, or failure to approve shall not be deemed a default under this Contract, nor shall Seller be liable to Leaseholder or Purchaser for any such approvals, objections, or failures to approve. Purchaser agrees to notify the Leaseholders in the purchase and sale agreement with each such Leaseholder of the foregoing. Purchaser hereby indemnifies and shall hold harmless and (upon request from Seller) defend Seller and the Authority Land from and against any and all costs, expenses, liabilities, claims, demands and causes of action (including any mechanics' liens) arising as a result of or in connection with (i) the conveyance or leasing of any of the individual leased lots to Leaseholders or any other person or entity, (ii) the default or other termination of any conveyance or lease of individual leased lots to Leaseholders or any other person or entity, and/or (iii) Seller's approval, objection, or failure to approve any matters related to such conveyance or lease. This indemnity shall survive the Closing or any termination of this Contract.

13. **Reserved.**

14. **Closing; Closing Documents.**

a. *Possession and Closing.* Possession of the Property shall be delivered by Seller to Purchaser at the Closing, subject to the Leases and Permitted Exceptions. Subject to all of the terms and conditions of this Contract, the Closing shall take place at the offices of the Title Company on or before forty five (45) days after the later to occur of (i) expiration of the Feasibility Period and (ii) delivery of the Updated Survey (herein called the "Closing"), or such later date as may be agreed to in writing by the Seller and Purchaser, but in no event earlier than six (6) months after the Effective Date and in no event later than June 30, 2015. After receipt and approval of the Survey, Seller and Purchaser shall agree on a date for Closing. Notwithstanding the foregoing, in the event Closing has not occurred on or before June 30, 2015, then this Contract shall be automatically terminated and of no further force and effect and the parties shall have no further obligations except those that expressly survive termination of such Contract. In such event, the Escrow Deposit shall be returned to Seller as consideration for the right given to Purchaser in this Contract to purchase the Property (it being agreed that it would be extremely difficult, if not impossible, to calculate the actual damages to Seller); provided however, if the reason such Closing has not occurred by June 30, 2015 is due solely to the gross negligence or willful misconduct of Seller, then the Escrow Deposit shall be returned to Purchaser within five (5) days after Purchaser delivers the Due Diligence Materials to Seller. In either case, Purchaser and Seller shall have no other or further liability or obligation to each other hereunder except as specifically provided in this Contract. Time is of the essence with respect to the Closing and the delivery at the Closing of the Purchase Price. The date the Closing actually occurs shall be herein referred to as the "Closing Date."

b. *Seller's Closing Documents.* At the Closing, Seller, at Seller's expense, shall deliver or cause to be delivered to Purchaser each of the following:

i. *Special Warranty Deed.* A duly executed and acknowledged Special Warranty Deed ("Deed"), in the proper form for recording and otherwise in a form similar to the form attached hereto as Exhibit B, containing a description of the Land and conveying title to the Land and Improvements to Purchaser, free and clear of any and all liens,

reservations, restrictions, easements, security agreements, pledges and other encumbrances, except as otherwise set forth in such Deed and except for the Permitted Exceptions, to which this sale and the conveyance of the Property shall be made and accepted subject to. Purchaser must accept the Property with any and all defects. Neither Seller nor the Board will make any warranty of any kind, express or implied with respect to the Property, except for the warranty of title set forth in the Deed. The Property being conveyed pursuant to the Deed will be described in part by a meander line, which meander line is an elevation contour line that is subject to change over time.

ii. Bill of Sale. A bill of sale and assignment of any personal property comprising the Property (including any warranties and guaranties relating to any Improvements on the Land), and other property of Seller which Seller agrees herein to assign to Purchaser, if any.

iii. Assignment, Assumption and Ratification of Leases and Rents. A duly executed Assignment, Assumption, and Ratification of Leases and Rents (the “Assignment”) wherein Seller will assign, and Purchaser will assume and ratify, the Leases to the extent they cover the Property, as of the date of the Closing, in a form similar to the form attached hereto as Exhibit F. Purchaser will agree to enforce the terms of the Leases, the Shoreline Management Plan, and the Declaration to the extent they cover the Property.

iv. Assignment and Assumption of Contracts. To the extent there are any service contracts affecting the Property which cannot or will not be terminated as of the date of Closing, a duly executed Assignment and Assumption of Contracts wherein Purchaser will assume such service contracts to the extent they cover the Property.

v. Assignment and Assumption of Ranch Agreement. A duly executed Assignment and Assumption of Ranch Agreement, in a form similar to the form attached hereto as Exhibit H, wherein Seller assigns, and Purchaser assumes and ratifies, the Ranch Agreement (and leases contained therein) to the extent they cover the Property, as of the date of the Closing. Purchaser will agree to enforce the terms of the Ranch Agreement to the extent it covers the Property and to cooperate with Seller in enforcing the same to the extent it covers or affects the Retained Land.

vi. Letter to Leaseholders. A letter from Seller to all Leaseholders advising them of the sale of the Property and that all future rents are to be paid to Purchaser, and that all security deposits and lease obligations have been assumed by the Purchaser and that the Purchaser is responsible for their refund. Purchaser covenants and agrees to countersign the letters and to post a copy of such letter on its website. Seller shall be responsible for delivering copies of the letters to each Leaseholder.

vii. Evidence of Seller’s Authority. Evidence reasonably satisfactory to Purchaser and the Title Company reflecting the valid authorization of the person who has signed this Contract and all of Seller’s closing documents on Seller’s behalf.

viii. Other. Any other documents required by this Contract to be delivered by Seller at Closing, and any documents reasonably required by the Applicable Code, Purchaser and/or Title Company to convey the Property.

c. Purchaser's Closing Documents. At the Closing Purchaser, at Purchaser's expense, shall deliver to Seller the following:

i. Payment of Purchase Price. The Purchase Price in the form required in Paragraph 3 above.

ii. Evidence of Purchaser's Authority. Evidence reasonably satisfactory to Seller and the Title Company reflecting the valid authorization of the person who has signed this Contract and all of Purchaser's closing documents on Purchaser's behalf.

iii. Access Easement. A duly executed and acknowledged Access Easement (as more particularly described in Paragraph 8.e above), in favor of Seller and its agents, tenants, lessees, licensees, successors and assigns so that such parties will have access to and from the Retained Land, in the proper form for recording and otherwise in a form similar to the form attached hereto as Exhibit C.

iv. Airport Easement. A duly executed and acknowledged Airport Easement in the proper form for recording and otherwise in a form similar to the form attached hereto as Exhibit E.

v. Other Documents. Purchaser will execute any other documents required by this Contract, and any documents reasonably required by the Applicable Code, Seller and/or Title Company to convey the Property and/or protect Seller's rights and interests in the Retained Land, and the Lake.

15. Adjustments at Closing. The following prorations and adjustments shall be made at the Closing and, as the case may be, deducted from or added to the amount Purchaser is required to pay at the Closing under Paragraph 3 above:

a. Rents. Rents from the Leases are collected annually in advance and shall be prorated between Seller and Purchaser based on the actual rents collected as of the date of Closing.

b. Taxes. Seller is a tax exempt entity and, therefore, does not pay ad valorem taxes on Land owned by Seller. Purchaser acknowledges that any ad valorem taxes, special assessments and rollback taxes assessed on the Land or any portion of the Property for the year of Closing and subsequent years shall be the responsibility of Purchaser, and Purchaser shall assume such responsibility at Closing. In addition, any assessments or taxes (including rollback taxes) that may be levied or assessed against the Property for periods prior to or after Closing resulting from Purchaser's acquisition of the Property, the change in use of the Property by Purchaser after Closing, or for any other reason shall be the responsibility of Purchaser. In the event such taxes are reimbursable pursuant to the terms of the Leases, then Purchaser shall have the rights to receive such reimbursements for any such taxes assessed during the year of Closing and subsequent years. The provisions of this Paragraph 15.b shall survive Closing.

c. *Title Insurance and Other Closing Expenses.* Purchaser shall be responsible for all closing costs and expenses (including any escrow fee charged by the Title Company), the cost of the Updated Survey, and its own attorney's fees. Purchaser shall also be responsible for the premium for any Owner Policy of Title Insurance, including any additional premium for modification to the survey exception or any other amendments in the Owner Policy of Title Insurance if elected by Purchaser. Purchaser shall reimburse Seller for the cost of the Initial Survey. Seller shall be responsible for its own attorney's fees. Seller shall not be responsible for payment of any closing costs or for the Owner Policy of Title Insurance.

16. **Status Reports.** Due to the requirements set forth in the Applicable Code and Purchaser's and Seller's desire to ensure that this transaction proceeds to Closing in a timely manner, Purchaser agrees to provide to Seller, at Purchaser's sole cost and expense, written status reports outlining Purchaser's status and progress on Purchaser's obligations under this Contract, including without limitation, (i) Purchaser's attempts to secure financing and/or investors for the purchase of the Property, (ii) the completion of the Updated Survey, (iii) Purchaser's review and correction of any Title issues, (iv) Purchaser's concurrent closings with Leaseholders, and (v) any other matters reasonably requested by Seller at least fifteen (15) days prior to the delivery of the next such monthly report. Purchaser shall provide such reports to Seller on or before the 15th day of each month following the Effective Date (it being agreed that such report may be delivered to Seller's attorney via electronic mail). Purchaser shall not be considered in default of this Contract for failure to timely deliver any such report, unless such failure continues for five (5) days after receipt of written notice of such failure from Seller. Upon Seller's review of each such monthly report, Seller shall have the right to request additional information and documentation from Purchaser as Seller reasonably deems necessary, and Purchaser hereby agrees to promptly provide such additional information and documentation to Seller.

17. **Remedies Upon Default.**

a. *Seller Default.* If, after receipt of written notice and a reasonable time to cure such failure, Seller fails to complete this sale in accordance with the terms and provisions of this Contract for any reason except Purchaser's default, Purchaser shall have, as Purchaser's sole and exclusive remedy against Seller, the right to terminate this Contract by giving written notice to Seller at or prior to the Closing, whereupon the Escrow Deposit shall be returned to Purchaser by the Title Company and Purchaser and Seller shall have no other or further liability or obligation to each other except as specifically provided in this Contract and this Contract shall be deemed to have been terminated on the date Purchaser notifies Seller of Purchaser's election of this right to terminate this Contract. Without limiting the generality of the foregoing, Purchaser acknowledges and agrees that in no event shall Purchaser be entitled to monetary damages from Seller under any circumstances. In the event Seller is involved in any litigation arising out of this Contract brought by, through or under Purchaser, Seller shall be entitled to recover from Purchaser Seller's reasonable attorney's fees and expenses incurred in connection with such litigation.

b. *Purchaser Default.* If Purchaser fails to complete this sale in accordance with the terms and provisions of this Contract for any reason except Seller's default, Seller shall have, as Seller's only remedies against Purchaser, the options of (i) enforcing specific performance of the Contract, or (ii) terminating this Contract by giving notice to Purchaser and to the Title Company,

whereupon the Escrow Deposit shall immediately be paid to Seller as consideration for the right given to Purchaser in this Contract to purchase the Property (it being agreed that it would be extremely difficult, if not impossible, to calculate the actual damages to Seller), after which Purchaser and Seller shall have no other or further liability or obligation to each other hereunder except as specifically provided in this Contract, and this Contract shall be deemed to have been terminated on the date Seller notifies Purchaser of Seller's election of this right to terminate this Contract. Without limiting the generality of the foregoing, Seller acknowledges and agrees that in no event shall Seller be entitled to monetary damages other than the Escrow Deposit as provided above; provided, however, nothing contained herein shall be deemed to limit Purchaser's indemnity obligations hereunder.

c. Waiver. The requirements imposed upon Seller in this Contract are for Purchaser's benefit, and those requirements or other provisions for Purchaser's benefit may be waived in writing by Purchaser. Likewise, the requirements imposed upon Purchaser in this Contract are for the Seller's benefit, and those requirements or other provisions for the Seller's benefit may be waived in writing by Seller.

18. Applicable Code. Purchaser and Seller hereby agree to comply with the requirements set forth in the Applicable Code, including without limitation, the timeframes, purchase options, restrictions, and notice requirements set forth therein. Purchaser and Seller agree to amend this Contract and the forms attached hereto, if necessary, to comply with the Applicable Code.

19. Real Estate Commissions. Seller and Purchaser represent and warrant to each other that they have dealt with no broker, finder or similar agent in connection with the transaction provided for in this Contract. Seller and Purchaser agree to hold each other harmless from and against any claim for a commission or other fee made by any other person claiming to have dealt with the indemnifying party in connection with this transaction, including reasonable attorney's fees incurred in the defense of such a claim.

20. Notices. Any notices required or permitted to be given under this Contract shall be in writing and shall be deemed to be given (a) when actually received by that person, or (b) three (3) days after being deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to Seller or Purchaser, as the case may be, at the address indicated below, or to a different address as previously given in a notice to the other party.

If to Seller: Brazos River Authority
Administrative Services
P.O. Box 7555
Waco, Texas 76714-7555

With a Copy To: Metcalfe Wolff Stuart & Williams, LLP
221 W. 6th Street, Suite 1300
Austin, Texas 78701
Attn: Nicole D. Castro

If to Purchaser: _____

21. **Title Company as Escrow Agent.** The parties hereto hereby appoint the Title Company to act as escrow agent in retaining any closing documents and deposits of funds in accordance with the terms of this Contract. In handling any escrowed funds, the Title Company shall be governed by the terms contained herein and shall not be responsible for the validity, sufficiency or enforceability of any of the terms of this Contract. The Title Company shall not be charged with any notice, fact or information not specifically set forth herein. The Title Company shall be entitled to rely on any written notice, demand or document which in good faith is believed to be genuine, and it shall not be required to inquire as to identity, authority or rights of the undersigned. The Title Company shall not be liable for any act or omission by or on behalf of the Title Company with respect to this Contract, except in cases of gross negligence or willful misconduct, provided, however, the Title Company shall be liable for the funds actually deposited in its possession. The Title Company shall not be authorized to apply any escrowed funds to any indebtedness of any party hereto or withhold the disbursement of such funds for reasons except as provided in this Contract. In the event either party hereto becomes entitled to any escrowed funds deposited with the Title Company in accordance with the terms of this Contract, the Title Company is hereby authorized to immediately pay said deposit to the party so entitled thereto. In the event the Title Company requires same, Purchaser and Seller agree to deliver a letter of instruction to the Title Company directing the disbursement of the deposit to the party entitled thereto and indemnifying the Title Company against any and all claims. In the event either party hereto fails or refuses to sign or deliver such an instruction letter when the other party is entitled to such disbursement, then the party so failing or refusing to sign or deliver such letter shall pay, upon final order of the court with appropriate jurisdiction that such other party is entitled to such disbursement, all reasonable attorney's fees and expenses incurred by the party so entitled to such disbursement in connection with its recovery thereof and interest on such amount disbursed at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by state or federal law from the date of refusal to sign such requested release of funds.

22. **Miscellaneous.**

a. **Assignment; Binding Effect; Authority.** Purchaser cannot assign this Contract to any other person or entity without the prior written consent of Seller. Subject to this restriction on assignment, this Contract and all of its terms and provisions shall be binding upon and inure to the benefit of Seller, and the successors and assigns of Seller, and Purchaser, and the successors and assigns of Purchaser. Purchaser represents that it is duly organized, validly existing and in good standing under the laws of the state of its organization, that Purchaser has the legal power to enter into this Contract and to perform all the terms of this Contract, and that the persons signing this Contract on Purchaser's behalf are fully authorized to sign for and to bind Purchaser. Seller represents that it has the legal power to enter into this Contract and to perform all the terms of this Contract (subject to ratification of such Contract by the Board), and that the persons signing this Contract on Seller's behalf are fully authorized to sign for and to bind Seller (subject to ratification of such Contract by the Board).

b. Complete Agreement; Headings; Waiver. This Contract contains the complete agreement of the parties and cannot be amended or modified except by written agreement signed by Seller and Purchaser. The paragraph headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the scope, content or extent of this Contract or any part of it. If any portion of this Contract is held by a court of proper jurisdiction to be invalid or inoperative, then so far as is reasonable and possible the remainder of the Contract shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provisions of this Contract shall not be deemed to be a waiver of that party's right to enforce against the other party the same or any other term or provision. The terms and provisions of this Contract shall not merge with, or be extinguished or otherwise affected by, any subsequent conveyance or instrument between the parties, unless the instrument specifically so states and is signed by both parties. Except for those limited third-party beneficiary rights specifically set forth in the Assignment, this Contract and the rights and obligations set forth herein are for the benefit of Purchaser and Seller and there are no intended third party beneficiaries to this Contract.

c. Governing Law. This Contract and the obligations under this Contract shall be construed in accordance with, governed by, and shall be subject to, the laws of the State of Texas, and exclusive venue for any dispute arising hereunder shall lie in McLennan County, Texas.

d. Attorneys' Fees. Any party to this Contract bringing suit against the other in respect to any matters stated herein may, if successful in such suit, recover from the nonprevailing party its costs of court and reasonable attorneys' fees and associated legal expenses in such suit.

e. Execution in Counterparts. The Contract can be executed in counterparts, each of which shall be an original and, upon the delivery to the Title Company of one or more of the Contracts signed by all parties, together with written notice of the ratification of the Contract by the Board, will constitute a fully executed and binding contract. As soon as possible, the parties agree to exchange Contracts so that each party will have a fully executed Contract.

f. Time Periods. Unless otherwise expressly provided herein, all periods for performance, delivery, review or approval and the like shall be determined on a "calendar" day basis. If any day for performance, delivery, review or approval shall fall on a Saturday, Sunday or legal holiday (state or federal) in Austin, Texas, the time therefor shall be extended to the next business day. Time is of the essence of this Agreement.

g. Effective Date of Contract. For purposes of this Contract it is agreed that the effective date of this Contract shall be the date on which the Board ratifies this Contract or the date on which the Contract is fully executed, whichever is later (the "Effective Date"). A copy of a resolution by the Board indicating its acceptance and ratification of the Contract and the date of such ratification, along with a copy of the fully executed and dated Contract, shall be conclusive evidence of the Effective Date. This Contract shall not be effective or binding on the parties unless and until such time as the Board ratifies such Contract and the Contract is fully executed by the parties hereto.

h. River Authority. Purchaser acknowledges and agrees that Seller is a river authority created and existing pursuant to Article XVI, Section 59 of the Texas Constitution and

other applicable law and as such is a political subdivision of the State of Texas. Nothing herein shall be construed to waive, impair, or diminish Seller's sovereign immunity arising from its status as a governmental entity.

IN WITNESS WHEREOF, the parties hereto have executed this Contract to be effective as of the Effective Date.

[SIGNATURE PAGE FOLLOWS]

[Signature Page for Contract for Sale]

SELLER:

BRAZOS RIVER AUTHORITY

By: _____
Phil Ford, General Manager/CEO

Date signed by Seller:
_____, 20__

[Signature Page for Contract for Sale, Continued]

PURCHASER:

_____, a _____

By: _____

Name: _____

Title: _____

Date signed by Purchaser:

_____, 20__

Exhibits:

Exhibit A – Depiction of Land

Exhibit B – Form of Special Warranty Deed

Exhibit C – Form of Access Easement

Exhibit D – Draft of Declaration Amendment

Exhibit E – Form of Airport Easement

Exhibit F – Form of Assignment, Assumption and Ratification of Leases and Rents

Exhibit G – Form of Memorandum of Assignment, Assumption, and Ratification of Leases and Rents

Exhibit H – Form of Assignment and Assumption of Ranch Agreement

Exhibit I – Current Lease Rate Methodology

Exhibit J – Survey Scope of Work and Schedule

Schedule I – Public Use and Recreation Areas and Authority Access Roads

ACCEPTANCE BY THE TITLE COMPANY

The undersigned Title Company hereby acknowledges receipt of the Escrow Deposit and a fully executed counterpart of this Contract and agrees to accept, hold, return and/or disburse the Escrow Deposit referred to in such Contract strictly in accordance with the provisions hereof. The undersigned Title Company further covenants and agrees with Seller and Purchaser to timely issue the Title Commitment to Purchaser in accordance with the provisions of Paragraph 6 hereof.

TITLE COMPANY:

HERITAGE TITLE COMPANY OF AUSTIN, INC.

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Depiction of Land

EXHIBIT B

Form of Special Warranty Deed

EXHIBIT C

Form of Access Easement

EXHIBIT D

Draft of Declaration Amendment

EXHIBIT E

Form of Airport Easement

EXHIBIT F

Form of Assignment, Assumption and Ratification of Leases and Rents

EXHIBIT G

Form of Memorandum of Assignment, Assumption, and Ratification of Leases and Rents

EXHIBIT H

Form of Assignment and Assumption of Ranch Agreement

EXHIBIT I

Current Lease Rate Methodology

EXHIBIT J

Survey Scope of Work and Schedule

[See Attached]

SCHEDULE I

Public Use and Recreation Areas and Authority Access Roads