

EXHIBIT N
FORM FOR ASSIGNMENT, ASSUMPTION, AND RATIFICATION
OF LEASES AND RENTS

ASSIGNMENT, ASSUMPTION, AND RATIFICATION OF LEASES AND RENTS

THIS ASSIGNMENT, ASSUMPTION, AND RATIFICATION OF LEASES AND RENTS (this "Assignment") is executed to be effective as of ____ day of _____, 20__ (the "Effective Date"), by and between **BRAZOS RIVER AUTHORITY**, a river authority of the State of Texas, as assignor (the "Authority") and _____, a _____, as assignee ("Assignee").

WITNESSETH:

WHEREAS, the Authority, as Declarant, entered into that certain Declaration of Restrictive Covenants, Easements, and Conditions dated September 27, 2010 (the "**Original Declaration**"; as amended by that certain First Amendment to the Original Declaration [and that certain Second Amendment to the Original Declaration], the "**Declaration**"), which Declaration has been recorded the same in the Official Public Records of Palo Pinto County (at Volume 1739 and Page 446, as amended in Volume 1857 page 343 and Volume ____ Page ____), Stephens County (at Volume 1986 Page 1, as amended in Volume 2003 Page 56 and Volume ____ Page ____), Young County (at Volume 1082 Page 149, as amended in Volume ____ Page ____), and Jack County (at Volume 849 Page 95, as amended in Volume ____ Page ____); and

WHEREAS, as of the date hereof, the Authority has conveyed to Grantor fee simple interests in that certain Property generally described and/or depicted in Exhibits "B-1-B", "B-2-B", "C-1-B", "E-B", "F-B", and "G-B" to the Declaration (the "**Property**"); and

WHEREAS, the Authority, as lessor, has previously entered into those certain lease agreements described on Exhibit A attached hereto (as the same have been amended from time to time, collectively, the "Leases") with the "Leaseholders", as lessees; and

WHEREAS, the land which is subject to the Leases is more particularly described in the Leases and is collectively referred to herein as the "Leased Property", and individually as a "Leased Lot"; and

WHEREAS, the Leased Property is located within the Property; and

WHEREAS, the Authority desires to assign to Assignee, and Assignee desires to assume, all of the Authority's rights and obligations under the Leases, and all of the Authority's interest in the Rents (defined below).

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and Assignee agree as follows:

1. Assignment and Assumption. The Authority does hereby assign, transfer, and set over unto Assignee all of the Authority's right, title and interest in the Leases, and Assignee does hereby assume all of the Authority's rights and obligations arising under the Leases from and after the Effective Date. The Authority does hereby assign, transfer, and set over unto Assignee all rents, revenues, income, and profits payable under the Leases from and after the date hereof, including, without limitation, all fixed and additional rents, cancellation payments, and all sums due and payments made under any guarantee of any of the Leases or any obligations thereunder (collectively "Rents"). Assignee assumes all obligations for the return of all lessee security deposits held by the Authority, if any, pursuant to the provisions of the Leases and delivered to Assignee, and Assignee further assumes all of the Authority's obligations under the Leases which arise after the Effective Date hereof, and agrees to hold the Authority harmless from any such obligations. Rents from the Leases are collected annually in advance and have been prorated between the Authority and Assignee based on the actual Rents collected by the Authority as of the date of the delivery hereof, and any rentals collected by the Authority after the Effective Date hereof, regardless of whether attributable to periods before or after the Effective Date hereof shall be collected for the account of Assignee and promptly delivered to Assignee. From and after the Effective Date, Assignee shall be considered the lessor under the Leases.

2. Ratification and Lessee Protections.

a. *Ratification.* Assignee hereby ratifies, confirms, and approves the Leases in all respects, and the terms, covenants, conditions, provisions, and restrictions of the Leases remain in full force and effect, just as if Assignee had been the original lessor under the Leases.

b. *Lessee Protections.* As part of the consideration for the conveyance of the Property to Assignee, Assignee acknowledges and agrees that each of the Leaseholders under the Leases shall have the right, during the time periods provided below, to exercise one of the following options (collectively, the "Lessee Protections"):

(i) Purchase the fee simple interest in the applicable Leaseholder's Leased Lot, in cash or through lender financing, for 90% of the land only assessed value of the leasehold estate without any exemptions, as determined by the applicable county appraisal district (the "Assessed Value") for the year 2012, such option to be available as a Contemporaneous Closing (as hereinafter defined), and for a period of one (1) year beginning on the Effective Date hereof (the "Option Period").

(ii) for (1) any residential lessee 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 lessee, the option to purchase the fee simple interest in the applicable Leaseholder's Leased Lot via seller financing for 100% of the Assessed Value for the year 2012, with a down payment of ten percent (10%) (or more at Leaseholder's option), an annual interest rate of six percent (6%), a 30-year amortization, such option to be available as a Contemporaneous Closing (as hereinafter defined), and for the entire Option Period.

(iii) Enter into a new 99-year lease with Assignee for the applicable Leased Lot at a rental rate during the first year of 6% of the Assessed Value for the year 2012, with annual CPI (as defined below) increases or decreases, such option to be available during the entire Option Period. The 99-year lease will include an option for the applicable Leaseholder to purchase the fee simple interest in the Leaseholder's Leased Lot (as such Leased Lot is described in the new 99-year lease) for 100% of the Assessed Value at the time of purchase (but not less than the Assessed Value for the year 2012), which purchase option may be exercised by the applicable Leaseholder at any time during the term of the Leaseholder's 99-year lease by providing advance written notice to Assignee and otherwise complying with the terms of the 99-year lease.

(iv) For any Leaseholder who is over the age of sixty-five (65) years and who received an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the Leaseholder's Leased Lot by January 1, 2013, enter into a new 20-year lease with Assignee for the applicable Leased Lot, with a rental rate as determined by the lease rate methodology adopted by the Board of Directors of the Brazos River Authority which is in effect as of the Effective Date hereof (a copy of which methodology is attached hereto as Exhibit B), or such other lease rate structure as set forth in the applicable Leaseholder's Lease (and including increases and adjustments to such rates), with annual CPI increases or decreases. This 20-year lease option shall be available to qualifying Leaseholders during the entire Option Period. The new 20-year lease shall include an option for the applicable Leaseholder to purchase the fee simple interest in the Leaseholder's Leased Lot (as such Leased Lot is defined in the new 20-year lease) for 100% of the Assessed Value at the time of purchase (but not less than the Assessed Value for the year 2012), which purchase option may be exercised by the applicable Leaseholder at any time during the term of the Leaseholder's 20-year lease by providing advance written notice to Assignee and otherwise complying with the terms of the 20-year lease.

(v) As to any Leaseholder who does not exercise one of the foregoing purchase or lease options during the Option Period, the Leaseholder's existing Lease will remain in effect in accordance with the terms set forth therein, and for an eight-year period commencing on the Effective Date hereof: (a) the Lease rental rate (including any adjustments thereto) as set forth in the applicable Lease, or as calculated pursuant to the lease rate methodology adopted by the Board of Directors of the Brazos River Authority which is in effect as of the Effective Date hereof (a copy of which methodology is attached hereto as Exhibit B), as applicable, will be maintained and honored by Assignee, (b) the Leaseholder will have the option to purchase the fee simple interest in the Leaseholder's Leased Lot (as such Leased Lot is defined in the Leaseholder's Lease) for 100% of the Assessed Value at the time of purchase (but not less than the Assessed Value for the year 2012), and (c) the term of the Leaseholder's existing Lease will be extended as necessary to allow for this full 8-year rental and purchase option period.

c. *Additional Options.* Assignee may elect to offer additional purchase and/or lease options to Leaseholders, in Assignee's sole discretion, so long as (i) such additional options are made available to all similarly situated Leaseholders on an equal basis and (ii) the foregoing Lessee Protections are made available to such Leaseholders for the time periods provided above.

d. *CPI*. “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.

e. *Determined Assessed Value if County Does Not Provide Such Value*. In the event a county does not provide an assessed value for the applicable Leased Lot at the time the Leaseholder exercises its purchase or lease option described above, then the “Assessed Value” of the applicable Leased Lot, for the purpose of calculating the purchase option price or lease rental rate shall be calculated based on the assessed value on a per square foot basis for comparable lots with similar physical characteristics in the applicable county or adjoining counties for the applicable year.

f. *Contemporaneous Closing*. Assignee agrees and acknowledges that those Leaseholders who timely exercise their purchase options set forth in Paragraphs 2.b.(i) and (ii) and otherwise comply with the terms of Section 8502.020, Texas Special District Local Laws Code, may purchase the applicable Leaseholder’s Leased Lot contemporaneously with Assignee’s purchase of the Property from the Authority (a “Contemporaneous Closing”); provided however, that in no event shall the deed or any other documents transferring any interest of Assignee in the applicable Leased Lot be filed of record prior to those certain Special Warranty Deeds, Quitclaim Deed, and/or Easements executed by the Authority, as grantor thereunder, in favor of Assignee conveying or granting an interest in the Property being filed of record in Palo Pinto, Stephens, and Young County on or about the date hereof (collectively, the “Deeds”).

3. Reserved.

4. The Ranch. Assignee acknowledges that some of the Leases are located within 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. In addition to the terms and conditions set forth herein, those Leases which are part of the Ranch are also subject to (i) the terms of that certain Agreement by and among the Authority, The Ranch on Possum Kingdom, L.P., and Hill Country Harbor Village, L.P. (the “Ranch Agreement”) effective as of August 1, 1997 and dated December 12, 1997, and (ii) the restrictions and covenants set forth in that certain Declaration of Covenants, Conditions and Restrictions for The Ranch on Possum Kingdom Palo Pinto County, Texas (the “Ranch Declarations”) dated December 8, 1997, as recorded in Vol. 944, Page 403 of the Official Public Records of Palo Pinto County, Texas.

5. Green Acres. Assignee acknowledges that some of the Leases are located within that certain subdivision (“Green Acres”) of record in Palo Pinto County, Texas according to the map or plat of record in Vol. 5, Page 25, as it may be amended or modified from time to time. In addition to the terms and conditions set forth herein, those Leases which are part of Green Acres are also 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.

6. No Representations or Warranties. The Authority makes and has made NO REPRESENTATION OR WARRANTY, express or implied, as to the existence or non-existence of any Leaseholder defaults, or conditions which, with the passage of time, would become defaults, under the Leases. Assignee, as lessor under the Leases, shall have all rights and remedies which may be permitted under such Leases in the event of the existence of any defaults occurring prior to the date hereof, and the Authority shall have no obligation to exercise any such rights or remedies or to cure such defaults, if any.

7. Further Assignments. In the event Assignee sells, transfers or otherwise conveys the Property (in whole or in part) to any person or entity (other than to the existing Leaseholder pursuant to the Lessee Protections described above), Assignee agrees to require that any successor-in-interest to Assignee's interest in the Property (or any portion thereof) honor the obligations set forth in the Lessee Protections, and grant to the Leaseholders the rights and options set forth above during the remaining Option Period or 8-year period as applicable.

8. Third Party Beneficiary.

a. *Lessee Protections.* The Authority and Assignee agree that (i) the Lessee Protections are intended to benefit the individual Leaseholders under the Leases and (ii) each of the individual Leaseholders is, and shall be deemed, an intended third party beneficiary solely with respect to the Lessee Protections as to each individual Leaseholder's Leased Lot. If Assignee fails to perform its obligations with respect to the Lessee Protections as to any such Leaseholder, then such Leaseholder shall have the right to bring an appropriate action against Assignee to enforce specific performance of the Lessee Protections as to that Leaseholder's Leased Lot only, as such Leaseholder's sole and exclusive remedy for the failure of Assignee to perform its obligations with respect to the Lessee Protections, as to such Leaseholder. This provision does not authorize or permit any Leaseholders to bring a suit against the Authority or Assignee for damages or any relief other than as set forth in the immediately preceding sentence.

b. *Reserved.*

9. Cooperation. Assignee will use good faith efforts to observe and perform all the obligations imposed upon the lessor under the Leases and will use good faith efforts not to do or permit to be done anything to impair any of the Leases. Assignee agrees to use good faith efforts to require the Leaseholders' compliance with the applicable terms, provisions, and conditions of the Shoreline Management Plan and other Authority regulations, the Declaration, the Ranch Agreement and Ranch Declarations (to the extent applicable), the Green Acres Declarations (to the extent applicable), and the Leases, and to exercise Assignee's remedies thereunder for a violation of the foregoing by any Leaseholder. The Authority and Assignee agree to cooperate with regard to the enforcement of any such violation.

10. Indemnification. Assignee hereby indemnifies and will defend and hold the Authority harmless from any loss, attorney's fees, expenses or claims arising out of or related to

Assignee's failure to perform any of the obligations of lessor under the Leases pertaining to the Property from and after the Effective Date.

11. Entire Agreement. This Assignment contains the entire agreement between the Authority and Assignee pertaining to the Leases. No covenant, representation or condition not expressed herein shall be binding upon the Authority or Assignee or shall affect or be effective to interpret, change or restrict the provisions of this Assignment.

12. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. Headings. The headings, captions, numbering system, etc. are inserted in this Assignment as a matter of convenience only, and shall not control or affect the meaning or construction of any provision of this Assignment.

14. Counterparts. This Assignment may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical.

[Signature Page(s) to Follow]

[SIGNATURE PAGE TO ASSIGNMENT, ASSUMPTION, AND RATIFICATION OF LEASES AND RENTS]

IN WITNESS WHEREOF, the Authority and Assignee have executed this Assignment to be effective as of the Effective Date.

THE AUTHORITY (AS ASSIGNOR):

BRAZOS RIVER AUTHORITY,
a river authority of the State of Texas

By: _____
Phillip Ford, General Manager/CEO

ASSIGNEE:

_____, a _____

By: _____

Name: _____

Title: _____

EXHIBIT A
TO ASSIGNMENT, ASSUMPTION, AND RATIFICATION OF LEASES AND RENTS

Leases

[See Attached]

EXHIBIT B
TO ASSIGNMENT, ASSUMPTION, AND RATIFICATION OF LEASES AND RENTS

Lease Rate Methodology

[See Attached]