

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "**Agreement**") is made and entered into as of June __, 2021 (the "**Agreement Date**"), by and between TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION, a Texas municipal economic corporation ("**Seller**"), and MERITAGE HOMES OF TEXAS, LLC, an Arizona limited liability company ("**Buyer**"), for the purpose of setting forth the agreement of the parties and to provide instructions to CHARTER TITLE COMPANY ("**Escrow Agent**") with respect to the transaction contemplated by this Agreement.

RECITALS

A. Seller is the owner of an undivided fee simple interest in (i) that certain real property consisting of \pm 18.7 acres as more particularly depicted in the yellow outlined area on Exhibit "A-1" attached hereto (the "**Land**"), and (ii) that certain real property consisting of \pm 5.453 acres as more particularly described on Exhibit "A-2" attached hereto (the "**Drainage Tracts**"). The Land, together with the "Improvements," the balance of the "Real Property," and the "Intangible Property" (each as hereinafter defined), are sometimes collectively referred to in this Agreement as the "**Property**."

B. Seller desires to sell, transfer, and convey the Property to Buyer, and Buyer desires to purchase and acquire the Property from Seller, upon and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree, and instruct Escrow Agent, as follows:

1. PURCHASE AND SALE.

Subject to and upon all of the terms and conditions of this Agreement, Seller agrees to sell, transfer, and convey to Buyer, and Buyer agrees to purchase and acquire from Seller, a good and marketable fee simple interest in the Property and dedication of the Drainage Tracts as Public Drainage Easements.

2. PURCHASE PRICE.

The purchase price of the Phase 3 Land shall be Five Hundred Sixty-One Thousand Three Hundred and No/100 Dollars (\$561,300.00) (the "**Phase 3 Land Purchase Price**"), and the separate compensation for the dedication of the Drainage Tracts as Public Drainage Easements shall be Eighty Thousand and No/100 Dollars (\$80,000.00), such that the aggregate purchase price for the Property shall be Six Hundred Forty-One Thousand Three Hundred and No/100 Dollars

(\$641,300.00) (the "**Purchase Price**"), which shall be subject to adjustment as set forth in Section 2.4 below.

2.1 Deposit. Within five (5) Business Days (as hereinafter defined) after the Opening of Escrow, Buyer shall deposit with Escrow Agent the sum of Ten Thousand and No/100 Dollars (\$10,000.00) (the "**Deposit**"). The Deposit shall be applied toward the Purchase Price payable at Closing (as hereinafter defined). Escrow Agent shall invest the Deposit in insured money market accounts, certificates of deposit, or United States Treasury Bills (or repurchase agreements secured by same) as Buyer may instruct from time to time, provided that such investments are federally issued or insured. If Buyer elects to proceed with the purchase of the Property pursuant to Section 4.3, the entire Deposit shall become nonrefundable, subject to the terms of this Agreement.

2.2 Independent Consideration. The parties agree that a portion of the Deposit in the amount of One Hundred and No/100 Dollars (\$100.00) shall be independent consideration (the "**Independent Consideration**") for Seller's execution and delivery of this Agreement and the option granted in and pursuant to this Agreement. The Independent Consideration is independent of any other consideration or payment provided in this Agreement, is non-refundable and shall be retained by Seller, notwithstanding any other provision of this Agreement.

2.3 Payment of Purchase Price. At each Closing, Buyer shall deposit into Escrow the Purchase Price by wire transfer or deposit of immediately available federal funds, net of prorations and adjustments as provided in this Agreement.

2.4 Purchase Price Based on Acreage. The Phase 3 Land Purchase Price has been calculated on the basis of an agreed-upon price of \$30,000 per acre multiplied by the estimated 18.7 acres of the Land. In the event the acreage of the Phase 3 Land is, prior to Closing and pursuant to the Survey (as hereinafter defined), determined to consist of more or less than 18.7 acres, the Phase 3 Land Purchase Price and the Purchase Price shall be adjusted so that the Phase 3 Land Purchase Price is equal to the actual acreage of the Phase 3 Land (as confirmed by the Survey) multiplied by \$30,000.

3. ESCROW.

3.1 Opening of Escrow. Buyer and Seller shall cause an escrow ("**Escrow**") to be opened with Escrow Agent by delivery to Escrow Agent of a fully executed copy of this Agreement. Escrow Agent shall promptly deliver to Buyer and Seller written notice of the date of the "Opening of Escrow." As used herein, the term "**Opening of Escrow**" means the day on which Escrow Agent receives a fully executed copy of this Agreement and has notified each party in writing of such receipt.

3.2 Escrow Instructions. This Agreement shall constitute escrow instructions to Escrow Agent as well as the agreement of the parties. In the event that any other printed escrow instructions are requested of the parties and the terms thereof conflict or are inconsistent with any provision of this Agreement or any deed, instrument, or document executed or delivered in connection with the transaction contemplated hereby, the provisions of this Agreement, or such deed, instrument, or document shall control. Escrow Agent is hereby appointed and designated to

act as Escrow Agent and instructed to deliver, pursuant to the terms of this Agreement, the documents and funds to be deposited into Escrow as herein provided.

3.3 Termination/Cancellation. Upon any termination or cancellation (the terms being used interchangeably herein) by either of the parties hereto as expressly allowed under this Agreement (including, without limitation, any deemed termination or cancellation), (a) Buyer shall return to Seller the “**Property Materials**” (as hereinafter defined); (b) the Deposit shall be delivered to the party that this Agreement specifies is entitled thereto; (c) all other documents, instruments, and funds delivered into Escrow shall be returned to the party that delivered the same into Escrow, and (d) the parties shall thereafter be relieved from further liability hereunder, except with respect to any obligations under this Agreement that are expressly stated to survive any termination of this Agreement. A copy of any notice of termination allowed under this Agreement shall be sent to Escrow Agent by the party electing to terminate.

3.4 Closing Protection Letter. If the Escrow Agent acts as an agent for an underwriter and does not directly issue policies of title insurance, Escrow Agent agrees that as a condition to acting as the Escrow Agent for this transaction, it shall, concurrently with the Opening of Escrow, cause its underwriter to issue to Buyer an escrow and closing protection letter or insured escrow and closing service in written form satisfactory to Buyer.

4. ACTIONS PENDING CLOSING.

4.1 Due Diligence.

4.1.1 Property Materials. On or before the date that is fifteen (15) days after the Opening of Escrow (the “**Document Delivery Date**”), Seller shall, at Seller’s sole cost and expense, provide to Buyer true, correct, and complete copies of all of the following documents within Seller’s possession or control (collectively, the “**Property Materials**”):

- a. All existing surveys of the Property and ;
- b. All existing maps, plats, and development plans for the Property (including, without limitation, with respect to offsite development related to the Property);
- c. All engineering plan sets and any current engineered cost estimates, including cost to complete budgets;
- d. All existing environmental reports for the Property;
- e. All leases, occupancy agreements, operating agreements, and licenses that affect the Property;
- f. All zoning stipulations, agreements, and requirements that affect or that are proposed to affect the Property;
- g. All archaeological, biological, soil, geological, grading, drainage, and hydrology reports, surveys, or assessments and any other engineering reports for the Property;

h. All contracts with all third parties who have provided services or supplied materials to the Property (each of whom Buyer shall be authorized to contact, discuss the Property and/or its development with);

i. Any other third-party reports, contracts, and agreements of any kind in Seller's possession or control pertaining to the Property; and

j. Tax data and/or certificates for the Property.

4.1.2 In addition, to the extent any of the items described in Section 4.1.1 were obtained by Seller from third-party consultants paid by Seller and are not otherwise addressed to Buyer, Seller shall, within twenty (20) days of the Opening of Escrow, assist Buyer with obtaining, at Buyer's sole cost and expense, a reliance letter reasonably acceptable to Buyer confirming Buyer's right to rely upon and use such items.

4.1.3 Seller shall promptly furnish to Buyer for its review any of the items described in Section 4.1.1 that may come into Seller's possession or control from and after the Document Delivery Date.

4.2 Buyer's Diligence Tests.

4.2.1 At all reasonable times from the Opening of Escrow to the Closing (or earlier termination of this Agreement), Buyer and its employees, agents, consultants, and contractors shall be entitled, at Buyer's sole cost and expense, to: (a) enter onto the Real Property to perform any inspections, investigations, studies, and tests of the Real Property (including, without limitation, physical, engineering, soils, geotechnical, and environmental tests) that Buyer deems reasonable; (b) review all Property Materials; and (c) investigate such other matters pertaining to the Property as Buyer may desire. Buyer's entry onto and inspections of the Real Property in accordance with the terms of this Agreement shall not damage the Real Property in any material respect. Any entry by Buyer onto the Real Property shall be subject to, and conducted in accordance with, all applicable laws.

4.2.2 Buyer shall indemnify, protect, defend, and hold Seller and Seller's partners, officers, directors, shareholders, managers, members, agents, employees, and representatives (each an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") harmless from and against any and all claims (including, without limitation, claims for mechanic's liens or materialman's liens), causes of action, demands, obligations, losses, damages, liabilities, judgments, costs, and expenses (including, without limitation, reasonable attorneys' fees, charges, and disbursements) (collectively, "**Claims**") in connection with or arising out of any inspections of the Real Property carried on by or on behalf of Buyer pursuant to the terms hereof; provided, however, that Buyer shall have no responsibility or liability for (a) any act or omission of any Indemnified Party; (b) any adverse condition or defect on or affecting the Property not caused by Buyer or its employees, agents, consultants, or contractors but discovered or impacted during their inspections including, without limitation, the pre-existing presence or discovery of any matter (such as, but not limited to, any "Hazardous Substance" (as hereinafter defined)); (c) the results or findings of any inspection; and/or (d) Buyer's election to terminate this Agreement as a result of any inspection pursuant to this Agreement.

4.2.3 In the event that this Agreement is terminated by Buyer other than pursuant to Section 13 upon a default or breach by Seller, Buyer shall repair any material damage to the Property caused by its entry thereon and restore the same to substantially the same condition in which it existed prior to such entry.

4.2.4 The provisions of this Section 4.2 shall survive the Closing or the earlier termination of this Agreement.

4.3 Buyer's Termination Right. Buyer shall have the right at any time on or before the date that is ninety (90) days following the Opening of Escrow (the "**Due Diligence Termination Date**") to determine in its sole and absolute discretion whether or not the Property is acceptable to Buyer. The Due Diligence Termination Date shall be automatically extended by the period of any delay by Seller in timely providing the Property Materials (or associated reliance letters) to Buyer. If Buyer elects to proceed with the purchase of the Property, Buyer will give written notice to Seller and Escrow Agent of such election (a "**Notice of Intent to Proceed**") on or prior to the Due Diligence Termination Date. In the event Buyer does not deliver a Notice of Intent to Proceed on or prior to the Due Diligence Termination Date, then this Agreement and the Escrow shall be automatically deemed terminated. In the event this Agreement is terminated in accordance with this Section, then the Deposit shall be immediately returned to Buyer.

4.4 Survey and Title.

4.4.1 Deliveries by Seller. On or before the Document Delivery Date, Escrow Agent shall cause First American Title Company, Chicago Title Company, Old Republic National Title Insurance Company or other nationally recognized title insurer approved by Buyer ("**Title Insurer**") to issue and deliver to Buyer (a) a current commitment for an Owner's Policy of Title Insurance (Form T-1) for the Real Property (the "**Title Commitment**") and (b) legible copies of all documents referenced therein (collectively with the Title Commitment, the "**Title Documents**").

4.4.2 Survey. Prior to the Due Diligence Termination Date, Buyer, at Buyer's sole election and expense, may obtain a current survey (the "**Survey**") of the Property in a form that substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A, Condition II Survey, prepared by a surveyor reasonably approved by Seller. Any Survey obtained by Buyer pursuant to this Section 4.4.2 shall be certified to Seller, Seller's counsel, Buyer and Title Insurer. The field notes prepared by the surveyor for the boundaries of the Land shall control any conflicts or inconsistencies with the legal description contained herein or in the Title Commitment and such field notes shall be automatically incorporated included as the property description in the Deed and the Owner's Title Policy (as defined below).

4.4.3 Buyer's Review of Title. Buyer shall have until the Due Diligence Termination Date to notify Seller in writing of any objection that Buyer may have to any matters reported or shown in the Title Documents or any amendments or updates thereof (a "**Buyer's Objection Letter**") (provided, however, that if any such amendments or updates are received by Buyer after or within ten (10) Business Days before the Due Diligence Termination Date, Buyer shall have an additional ten (10) Business Days following Buyer's receipt of such amendment or

update and copies of all documents referenced therein to notify Seller of objections to matters shown on any such amendment or update that were not disclosed on the previously delivered Title Documents). Matters shown in Schedule B of the Title Commitment (or any amendments or updates thereof) that are not timely objected to by Buyer as provided above shall be deemed to be "**Permitted Exceptions**." Seller shall cooperate with Buyer to eliminate title exceptions objected to by Buyer, but, except as set forth in the last sentence of this Section 4.4.3, Seller shall have no obligation to cure or correct any matter objected to by Buyer. On or before the fifth (5th) Business Day following Seller's receipt of Buyer's Objection Letter, Seller may elect, by delivering written notice of such election to Buyer and Escrow Agent ("**Seller's Response**"), to cause Title Insurer to remove or insure over any matters objected to in Buyer's Objection Letter. If Seller fails to deliver Seller's Response within the period set forth above, it shall be deemed an election by Seller not to cause Title Insurer to so remove or insure over such objections. If Seller elects or is deemed to have elected not to cause Title Insurer to so remove or insure, or if Buyer determines, in its sole discretion, that any proposed endorsement for or insurance over an objected matter is unsatisfactory, then Buyer must elect, by delivering written notice of such election to Seller and Escrow Agent on or before the earlier to occur of (a) the fifth (5th) Business Day following Buyer's receipt of Seller's Response or (b) if no Seller's Response is received by Buyer, the fifth (5th) Business Day following the date on which Seller shall have been deemed to have responded, as provided above, to: (i) terminate this Agreement, in which case the Deposit shall be immediately returned to Buyer; or (ii) proceed with this transaction, in which event those objected to exceptions or matters that Seller has not elected to cause Title Insurer to so remove or insure shall be deemed to be Permitted Exceptions. In the event that Buyer fails to make such election on a timely basis, then Buyer shall be deemed to have elected to terminate this Agreement in accordance with the preceding clause (i). Notwithstanding anything else stated herein, in all events, regardless of whether Buyer has given notice of objection as stated above, Seller shall be obligated to (1) satisfy and otherwise remove all monetary and financial liens and encumbrances in existence as of the Agreement Date or incurred by Seller on or before Closing hereunder (other than current taxes not yet due), (2) except as may be otherwise specifically set forth in this Agreement, terminate all leases, possessory agreements and licenses that affect the Property and cause all parties-in-possession title exceptions shown on the Title Commitment, if any, to be deleted, and Buyer need not object to any such matters, and (3) obtain a surface waiver, in form and substance reasonably satisfactory to Buyer, from any person or entity that may have a leasehold interest affecting the Property after the Closing, including, without limitation, any oil and gas leaseholders.

4.5 Condition of Title at Closing. Upon Closing, Seller shall sell, transfer, and convey to Buyer fee simple title to the Property by a duly executed and acknowledged deed in the form of Exhibit "B" attached hereto (the "**Deed**"), subject only to the Permitted Exceptions.

5. GOVERNMENTAL APPROVALS.

During the term of this Agreement, Buyer and Seller shall cooperate to obtain all necessary approvals from applicable governmental authorities, quasi-governmental authorities, and/or utility providers and regulators (collectively, "**Governmental Authorities**") for the development of the Property as a residential subdivision (collectively, the "**Governmental Approvals**"), in form acceptable to Buyer in its sole and absolute discretion. If, at any time prior to the expiration of the Due Diligence Termination Date, Buyer, in its sole discretion, determines that any of the Governmental Approvals are not obtainable in substance and with stipulations and development

requirements satisfactory to Buyer, or are not timely obtainable, or if, at any time during the Governmental Approvals process, Buyer is otherwise dissatisfied with the status or prospects of obtaining the any of the Governmental Approvals, then Buyer may, prior to the expiration of the Due Diligence Termination Date, elect, by delivering written notice to Seller and Escrow Agent, to terminate this Agreement, whereupon the Deposit, less the Independent Consideration, shall be immediately returned to Buyer.

6. DESCRIPTION OF PROPERTY.

6.1 The Real Property. As used in this Agreement, the term “**Real Property**” shall mean, collectively, all of Seller’s right, title, and interest in and to: (a) the Land; (b) all buildings, structures, and improvements thereon, if any (the “**Improvements**”); and (c) all of the rights, privileges, appurtenances, hereditaments, easements, reversions, and remainders pertaining to or used in connection with the Property and/or any of the Improvements, including, without limitation, all (i) development rights and credits, air rights, water, water rights, and water stock relating to the Land, and (ii) strips and gores, streets, alleys, easements, rights-of-way, public ways, or other rights appurtenant, adjacent, or connected to the Land. During the term of this Agreement, Seller shall not agree to sell, tear down, remove or otherwise alter any existing buildings, structures, fences or other improvements located on the Land without Buyer’s prior written consent.

6.2 The Intangible Property. As used in this Agreement, the term “**Intangible Property**” shall mean all of Seller’s right, title, and interest in and to that certain intangible property owned by Seller or used by Seller exclusively in connection with all or any portion of the Real Property, including, without limitation, all of Seller’s right, title, and interest, if any, in and to: (a) all plats, improvement plans, drawings and specifications, and development rights and credits relating to the Property, (b) all reports, test results, environmental assessments, if any, as-built plans, specifications, and other similar documents and materials relating to the use, operation, maintenance, repair, construction, or fabrication of all or any portion of the Real Property; (c) all transferable business licenses, architectural, site, landscaping or other permits, applications, approvals, authorizations, and other entitlements affecting any portion of the Real Property; and (d) all transferable guarantees, warranties, and utility contracts relating to all or any portion of the Real Property.

7. CONDITIONS TO CLOSING.

7.1 Buyer’s Closing Conditions. The obligation of Buyer to complete the transactions contemplated by this Agreement is subject to the following conditions precedent (and conditions concurrent, with respect to deliveries to be made by Seller at Closing) (the “**Buyer’s Closing Conditions**”), which conditions may be waived, or the time for satisfaction thereof extended, by Buyer only in a writing executed by Buyer:

7.1.1 Seller’s Due Performance. All of the representations and warranties of Seller set forth in this Agreement shall be true, correct, and complete in all material respects as of the Closing Date, and Seller, on or prior to the Closing Date, shall have complied with and/or performed all of the obligations, covenants, and agreements required on the part of Seller to be complied with or performed pursuant to the terms of this Agreement on or prior to the Closing.

7.1.2 Physical Condition of Property. The physical condition of the Property shall be substantially the same on the Closing Date as on the Agreement Date, except for reasonable wear and tear and any damages due to any act of Buyer or Buyer's representatives.

7.1.3 No Moratorium. As of the Closing Date, there shall be no moratorium, injunction, restraining order, or similar restriction imposed by any governmental authority, court, administrative body, or private entity that precludes or prevents the issuance of building permits or certificates of occupancy with respect to the Real Property and/or the construction of residences or other improvements on the Real Property.

7.1.4 Bankruptcy. No action or proceeding shall have been commenced by or against Seller under the federal bankruptcy code or any state law for the relief of debtors or for the enforcement of the rights of creditors, and no attachment, execution, lien, or levy shall have attached to or been issued with respect to Seller's interest in the Property or any portion thereof.

7.1.5 Possession. All lessees, tenants, and occupants of the Property, if any, must have vacated the Property so that sole and exclusive possession of the Property can be provided to Buyer at the Closing.

7.1.6 Title. Title Insurer shall be irrevocably and unconditionally prepared and committed to issue to Buyer (with an effective date not earlier than the Closing Date), an Owner's Policy of Title Insurance (Form T-1) in favor of Buyer for the Real Property (a) showing fee title to the Real Property vested in Buyer, (b) with liability coverage in an amount equal to the Purchase Price, (c) with those endorsements reasonably requested by Buyer (provided that such endorsements are available in the State of Texas and are paid for in accordance with the terms in this Agreement), and (d) containing no exceptions other than the Permitted Exceptions (the "Owner's Title Policy").

7.2 Failure of Buyer's Closing Conditions. If any of Buyer's Closing Conditions described in Section 7.1 above have not been fulfilled within the applicable time periods, Buyer may:

7.2.1 Waive the unfulfilled Buyer's Closing Condition and close the purchase of the Property in accordance with this Agreement, without adjustment or abatement of the Purchase Price;

7.2.2 Extend the Closing until the tenth (10th) day after Buyer's receipt of written notice and evidence that Buyer's Closing Conditions are satisfied; or

7.2.3 Terminate this Agreement by written notice to Seller and Escrow Agent, in which event (a) the Deposit shall be immediately returned to Buyer, and (b) to the extent that the failure of any applicable Buyer's Closing Condition is caused by a Seller default, Buyer shall be entitled to pursue its rights and remedies pursuant to the terms of Section 13.

8 CLOSING.

8.1 Closing Date. Subject to the terms of this Agreement (including the satisfaction of Buyer's Closing Conditions), the closing of Buyer's purchase of the Property shall occur on or

before the date that is thirty (30) days after the Due Diligence Termination Date. As used herein, the following terms shall have the following meanings: (a) “**Closing**” shall mean the recordation of the applicable Deed in the official records of Galveston County, Texas (the “**Official Records**”); and (b) “**Closing Date**” shall mean the date upon which the Closing actually occurs.

8.2 Deliveries by Seller. On or before Closing, Seller, at its sole cost and expense, shall deliver or cause to be delivered into Escrow the following items, documents, and instruments, each dated as of the Closing Date, fully executed and, if appropriate acknowledged, and, if applicable, in proper form for recording:

8.2.1 Deed. The Deed conveying the Real Property to Buyer;

8.2.2 Non-Foreign Affidavit. A Non-Foreign Affidavit in the form attached hereto as Exhibit “C” (the “**Non-Foreign Affidavit**”);

8.2.3 General Assignment. A general assignment to Buyer of the Intangible Property in the form attached hereto as Exhibit “D” (the “**General Assignment**”);

8.2.4 Tax Certificates. Paid tax certificates showing that all property taxes for the Property have been paid for the years prior to the year of the Closing;

8.2.5 Proof of Authority. Such proof of Seller’s authority and authorization to enter into this Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents, or certificates on behalf of Seller to act for and bind Seller as may be reasonably required by Title Insurer, Escrow Agent, or Buyer;

8.2.6 Other. Such other items, documents, and instruments as may be reasonably required by Buyer, Title Insurer, Escrow Agent, or otherwise in order to effectuate the provisions of this Agreement and the Closing and/or otherwise to fulfill the covenants and obligations to be performed by Seller at the Closing pursuant to this Agreement.

8.3 Deliveries by Buyer. On or before Closing, Buyer, at its sole cost and expense, shall deliver or cause to be delivered into Escrow the following funds and the following items, documents, and instruments, each dated as of the Closing Date, fully executed and, if appropriate acknowledged, and, if applicable, in proper form for recording:

8.3.1 Purchase Price. Cash or other immediately available funds in an amount equal to the unpaid sum of the Purchase Price and all of Buyer’s share of the Closing Costs (and otherwise sufficient to close the transaction contemplated herein);

8.3.2 Proof of Authority. Such proof of Buyer’s authority and authorization to enter into this Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents, or certificates on behalf of Buyer to act for and bind Buyer as may be reasonably required by Title Insurer, Escrow Agent, or Seller; and

8.3.3 Other. Such other items, documents, and instruments as may be reasonably required by Seller, Title Insurer, Escrow Agent, or otherwise in order to effectuate the provisions of this Agreement and the Closing and/or otherwise to fulfill the covenants and obligations to be performed by Buyer at the Closing pursuant to this Agreement.

8.4 Actions by Escrow Agent. Provided that Escrow Agent shall not have received written notice from Buyer or Seller of the failure of any condition to Closing or of the termination of the Escrow and this Agreement, when Buyer and Seller have deposited into Escrow the documents and funds required by this Agreement, Escrow Agent shall, in the order and manner herein below indicated, take the following actions at Closing:

8.4.1 Funds. Disburse all funds as follows:

a. Pursuant to the "Closing Statement" (as hereinafter defined), retain for Escrow Agent's own account all escrow fees and costs, disburse to Title Insurer the fees and expenses incurred in connection with the issuance of the Original Title Binder, and disburse to any other persons or entities entitled thereto the amount of any other Closing Costs;

b. Disburse to Seller an amount equal to the Purchase Price, less or plus the net debit or credit to Seller by reason of the prorations and allocations of Closing Costs provided for in this Agreement; and

c. Disburse to the party who deposited the same any remaining funds in the possession of Escrow Agent after the payments pursuant to Sections and above have been completed.

8.4.2 Recording. Cause the Deed and any other documents customarily recorded and/or that the parties hereto may mutually direct to be recorded in the Official Records and obtain conformed copies thereof for distribution to Buyer and Seller.

8.4.3 Delivery of Documents. Deliver: (a) to Seller (i) one original of all documents deposited into Escrow (other than the Deed, the other documents recorded pursuant to the terms of this Agreement, the Non-Foreign Affidavit, and the General Assignment), (ii) one copy of the Non-Foreign Affidavit and the General Assignment, and (iii) one conformed copy of each document recorded pursuant to the terms of this Agreement; and (b) to Buyer, (i) one original of all documents deposited into Escrow (other than the Deed and the other documents recorded pursuant to the terms of this Agreement, but including, without limitation, the Non-Foreign Affidavit), and (ii) the one conformed copy of each document recorded pursuant to the terms of this Agreement. Originals of any documents recorded at Closing shall be delivered after such recording as indicated thereon.

8.5 Prorations/Appportionment.

8.5.1 Method of Proration. Taxes and assessments affecting the Property shall be prorated between Buyer and Seller as of the Closing Date based on a 365-day year. All non-delinquent real estate taxes and assessments on the Property shall be prorated based on the actual current tax bill, but if such tax bill has not yet been received by Seller by the Closing Date or if supplemental taxes are assessed after the Closing for the period prior to the Closing, the parties

shall make any necessary adjustment after the Closing by cash payment to the party entitled thereto so that Seller shall have borne all real property taxes, including all supplemental taxes, allocable to the period prior to the Closing and Buyer shall bear all real property taxes, including all supplemental taxes, allocable to the period from and after the Closing. If any expenses attributable to the Property and allocable to the period prior to the Closing are discovered or billed after the Closing, the parties shall make any necessary adjustment after the Closing by cash payment to the party entitled thereto so that Seller shall have borne all expenses allocable to the period prior to the Closing and Buyer shall bear all expenses allocable to the period from and after the Closing. All improvement and special liens and assessments shall be paid in full by Seller at or before the Closing. Notwithstanding the foregoing, if any taxes, assessments, penalties and/or interest (collectively, the "**Rollback Taxes**") are imposed or proposed against or related to the Property for any reason and which apply to or are based, calculated or assessed in some manner on periods prior to and through the year of Closing, such Rollback Taxes applicable to the Property or which would be or are occasioned by Buyer's ownership, development or change of use of the Property shall be the responsibility of Buyer.

8.5.2 Apportionment. If taxes and/or assessments must be prorated and/or paid before the appropriate tax/assessment records reflect the Property as a separate parcel, such taxes and/or assessments will be allocated between the portion of the Property to be purchased at the Closing and the rest of the applicable parcel on the basis of acreage, except that any taxes attributable to improvements will be allocated to the land on which the improvements are located.

8.5.3 Survival. The obligations under this Section 8.5 shall survive the Closing and the delivery and recordation of the Deed.

8.6 Closing Costs. Each party shall pay its own costs and expenses arising in connection with the Closing (including, without limitation, its own attorneys' and advisors' fees, charges, and disbursements), except the following costs (the "**Closing Costs**"), which shall be allocated between the parties as follows:

8.6.1 The cost of the standard premium payable with respect to the Owner's Title Policy shall be paid by Seller;

8.6.2 The cost of any extended coverage and endorsements to the Owner's Title Policy requested by Buyer and Escrow Agent's escrow fees and costs shall be paid by Buyer;

8.6.3 Buyer and Seller shall each pay their own attorney's fees and related costs and expenses incurred in connection with this Agreement and the Closing; and

8.6.4 All recording fees and other closing fees and costs shall be charged to and paid by Seller and Buyer in accordance with Escrow Agent's customary practices.

8.7 Closing Statement. Five (5) Business Days prior to the Closing Date, Escrow Agent shall deliver to each of the parties for their review and approval a preliminary closing statement (the "**Preliminary Closing Statement**") setting forth: (a) the proration amounts allocable to each of the parties pursuant to Section 8.5; and (b) the Closing Costs allocable to each of the parties pursuant to Section 8.6. Based on each of the party's comments, if any, regarding the Preliminary Closing Statement, Escrow Agent shall revise the Preliminary Closing Statement and deliver a

final, signed version of a closing statement to each of the parties at the Closing (the “**Closing Statement**”).

8.8 Deliveries Outside of Escrow. Upon the Closing, Seller shall deliver sole and exclusive possession of the Property to Buyer, subject only to the Permitted Exceptions. Further, Seller hereby covenants and agrees to deliver to Buyer, on or prior to the Closing, the Intangible Property, including, without limitation, the original Property Materials. Effective immediately upon the Closing, any personal property remaining on the Property shall be deemed abandoned and may be removed and disposed of by Buyer at its sole cost and expense.

9 SELLER’S REPRESENTATIONS AND WARRANTIES. Seller represents, and warrants to and agrees with Buyer, as of the Agreement Date and as of each Closing, as follows:

9.1 Seller’s Authority; Validity of Agreements. Seller has full right, power, and authority to sell the Property to Buyer as provided in this Agreement and to carry out its obligations hereunder. The individual(s) executing this Agreement and the instruments referenced herein on behalf of Seller has/have the legal power, right, and actual authority to bind Seller to the terms hereof and thereof. This Agreement is, and all other instruments, documents and agreements to be executed, and delivered by Seller in connection with this Agreement shall be, duly authorized, executed, and delivered by Seller and the valid, binding, and enforceable obligations of Seller (except as enforcement may be limited by bankruptcy, insolvency, or similar laws) and do not, and as of the Closing Date will not result in any violation of, or conflict with, or constitute a default under, any provisions of any agreement of Seller or any mortgage, deed of trust, indenture, lease, security agreement, or other instrument, covenant, obligation, or agreement to which Seller or the Property is subject, or any judgment, law, statute, ordinance, writ, decree, order, injunction, rule, ordinance, or governmental regulation or requirement affecting Seller or the Property.

9.2 Sole Owner. Seller is the sole owner of fee simple interest to the Property. Seller shall not take any action to affect title to the Property while this Agreement is in effect except as requested by Buyer in writing in connection with the Governmental Approvals, and the sole and exclusive possession of the Property shall be delivered to Buyer on or before the date of Closing and there shall be no leases or other rights to occupancy in effect at Closing.

9.3 No Third-Party Rights. Except as may be disclosed in the in the Property Materials and/or Title Commitment, to Seller’s knowledge, there are no leases, occupancy agreements, easements, licenses, or other agreements that grant third-parties any possessory or usage rights to all or any part of the Property.

9.4 Zoning and Condemnation. To Seller’s knowledge and except as disclosed in the Property Materials and/or Title Commitment, there are no pending proceedings to alter or restrict the zoning or other use restrictions applicable to the Property, to condemn all or any portion of the Property by eminent domain proceedings or otherwise, or to institute a moratorium or similar restriction on building on or issuing certificates of occupancy for construction on the Property.

9.5 Litigation. To Seller’s knowledge, (a) there are no actions, investigations, suits, or proceedings (other than tax appeals or protests) pending or threatened that affect the Property, the ownership or operation thereof, or the ability of Seller to perform its obligations under this

Agreement, and (b) there are no judgments, orders, awards, or decrees currently in effect against Seller with respect to the ownership or operation of the Property that have not been fully discharged prior to the Agreement Date.

9.6 Bankruptcy. There are no attachments, levies, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy, or any other debtor relief actions contemplated by Seller or filed by Seller, or to Seller's knowledge, pending in any current judicial or administrative proceeding against Seller.

9.7 No Violations of Environmental Laws. To Seller's knowledge and except as disclosed in the Property Materials: (a) the Property is not in, nor has it been or is it currently under investigation for violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under, or about the Property, including, but not limited to, soil and groundwater conditions ("Environmental Laws"); (b) the Property has not been subject to a deposit of any Hazardous Substance (as hereinafter defined); (c) neither Seller nor any third party has used, generated, manufactured, stored, or disposed in, at, on, or under the Property any Hazardous Substance; and (d) there is not now in, on, or under the Property any underground or above ground storage tanks or surface impoundments, any asbestos containing materials, or any polychlorinated biphenyls used in hydraulic oils, electrical transformers, or other equipment. Seller hereby assigns to Buyer as of the Closing all claims, counterclaims, defenses, and actions, whether at common law or pursuant to any other applicable federal, state or other laws that Seller may have against any third party or parties relating to the existence or presence of any Hazardous Substance in, at, on, under, or about the Property. For purpose of this Agreement, the term "Hazardous Substance" shall be deemed to include any wastes, materials, substances, pollutants, and other matters regulated by Environmental Laws.

9.8 Fees. Except as disclosed in the Property Materials, Seller has not received written notice from any of the Governmental Authorities of any new (or increases in existing) development fees, impact fees, or other fees that will be levied (or are under consideration by any of the Governmental Authorities) in connection with the development of or upon any of the Real Property.

9.9 Government Approvals. Seller has not received written notice from any of the Governmental Authorities of any policy or action, nor is it aware of any such policy or action, precluding or inhibiting (a) issuance of grading and/or building permits with respect to the Property; (b) approval of precise engineering plans, environmental impact reports, site plans, and/or plat maps with respect to any of the Property; (c) issuance of water, sewer, or other utility connection permits or authorizations affecting development of any of the Property; or (d) issuance of certificates of occupancy for residences on the Property.

9.10 No Liens. To Seller's knowledge, there are no mechanic's or materialman's liens or similar claims or liens now asserted against the Property for work performed or commenced prior to the date hereof; and Seller shall timely satisfy and discharge any and all obligations relating to work performed on or conducted at or materials delivered to the Property prior to Closing in order to prevent the filing of any claim or mechanic's lien with respect thereto, but Seller shall not

be responsible for any amounts due to consultants or other third-parties performing work at Buyer's request and Buyer shall timely pay all amounts due to such persons.

9.11 No Other Commitments. Except as may be disclosed in the in the Property Materials and/or Title Commitment, Seller has not made any commitment or representation to any governmental authority, or any adjoining or surrounding property owner, that would in any way be binding on Buyer or would interfere with Buyer's ability to develop and improve the Property as a residential development, and Seller shall not make any such commitment or representation that would affect the Property or any portion thereof, without Buyer's written consent.

9.12 No Default. To Seller's knowledge, Seller is not in default under the provisions of any deed of trust, mortgage, or other encumbrances, liens, or restrictions that affect the Property. Seller shall pay all amounts when due with regard to the Property until Closing.

9.13 Endangered Species. To Seller's knowledge and except as disclosed in the Property Materials, there are no threatened or endangered species or protected natural habitat, flora, or fauna on the Property nor are there any areas on or near the Property that are designated as wetlands or otherwise subject to the United States Army Corps of Engineers' Section 404 permit requirements.

9.14 Wells/Underground Tanks. To Seller's knowledge and except as disclosed in the Property Materials and/or Title Commitment, there are no wells, drilling holes, wellheads, or underground storage tanks located on or under the Property.

9.15 Landfill/Waste Disposal Site. Seller has not used the Property and, to Seller's knowledge and except as disclosed in the Property Materials, the Property has never been used as a landfill, waste disposal site (including, without limitation, construction waste), or cemetery/burial site.

9.16 Survival. All of the representations, warranties, and agreements of Seller set forth in this Agreement shall be true upon the Agreement Date, shall be deemed to be repeated at and as of the Closing Date, and shall survive the delivery of the Deed and the Closing. Prior to a termination of this Agreement, Seller shall not take any action, fail to take any required action, or willfully allow or consent to any action that would cause any of Seller's representations or warranties to become untrue.

10 BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants to Seller, as of the Agreement Date and as of Closing, as follows:

10.1 Due Organization. Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Arizona.

10.2 Buyer's Authority; Validity of Agreements. Buyer has full right, power, and authority to purchase and acquire the Property from Seller as provided in this Agreement and to carry out its obligations hereunder. The individual(s) executing this Agreement and the instruments referenced herein on behalf of Buyer has/have the legal power, right, and actual authority to bind Buyer to the terms hereof and thereof. This Agreement is, and all instruments, documents, and agreements to be executed and delivered by Buyer in connection with this Agreement shall be, duly authorized, executed, and delivered by Buyer and shall be valid, binding,

and enforceable obligations of Buyer (except as enforcement may be limited by bankruptcy, insolvency, or similar laws) and do not, and as of the Closing Date will not, violate any provision of any law, statute, ordinance, rule, regulation, agreement or judicial order to which Buyer is a party or to which Buyer is subject.

10.3 Survival. All of the representations, warranties, and agreements of Buyer set forth in this Agreement shall be true upon the Agreement Date, shall be deemed to be repeated at and as of the Closing Date (except as otherwise set forth in writing to Seller) and shall survive the delivery of the Deed and the Closing.

11 AS-IS.

THE PARTIES HEREBY ACKNOWLEDGE AND AGREE AS FOLLOWS: (A) BUYER IS A SOPHISTICATED BUYER WHO IS FAMILIAR WITH THIS TYPE OF PROPERTY; (B) EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE DEED, AND/OR ANY OTHER DOCUMENT OR INSTRUMENT DELIVERED BY SELLER AT CLOSING (THE "EXPRESS REPRESENTATIONS"), NEITHER SELLER NOR ANY OF ITS AGENTS, REPRESENTATIVES, BROKERS, OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, OR EMPLOYEES HAS MADE OR WILL MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY; AND (C) THE PROPERTY IS BEING SOLD TO BUYER IN ITS PRESENT "AS IS" CONDITION SUBJECT TO THE EXPRESS REPRESENTATIONS. SUBJECT TO THE EXPRESS REPRESENTATIONS AND THE TERMS HEREOF, BUYER WILL BE AFFORDED THE OPPORTUNITY TO MAKE ANY AND ALL INSPECTIONS OF THE PROPERTY AND SUCH RELATED MATTERS AS BUYER MAY REASONABLY DESIRE AND, ACCORDINGLY, SUBJECT TO THE EXPRESS REPRESENTATIONS, BUYER WILL RELY SOLELY ON ITS OWN DUE DILIGENCE AND INVESTIGATIONS IN PURCHASING THE PROPERTY.

12 RISK OF LOSS.

12.1 Condemnation. If, prior to any Closing, all or any portion of the Property is taken by condemnation or eminent domain (or is the subject of a pending or contemplated taking which has not been consummated), Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option to terminate this Agreement upon written notice to Seller given within thirty (30) days after receipt of such notice from Seller, in which event the Deposit shall be returned to Buyer. Prior to any termination of this Agreement, Buyer shall have the right to participate in any proceedings and negotiations with respect to the taking and any transfer in lieu of taking (and Seller shall not consummate any transfer in lieu of taking without Buyer's prior written consent). If Buyer waives the right to terminate this Agreement and elects to proceed with the Closing, then (a) Seller, at, and as a condition precedent to Buyer's obligation to proceed with, the Closing, must: (i) pay to Buyer (or direct Escrow Agent to credit Buyer against the Purchase Price for) the amount of all awards for the taking (and any consideration for any transfer in lieu of taking) actually received by Seller; and (ii) assign to Buyer by written instrument reasonably satisfactory to Buyer all rights or claims to any future awards for the taking (and any consideration for any transfer in

lieu of taking); and (b) the parties shall proceed to the Closing pursuant to the terms hereof without further modification of the terms of this Agreement.

12.2 Casualty. Prior to the Closing and notwithstanding the pendency of this Agreement, the entire risk of loss or damage by earthquake, hurricane, tornado, flood, landslide, fire, sinkhole, or other casualty shall be borne and assumed by Seller. If, prior to the Closing, any portion of the Property is damaged as a result of any earthquake, hurricane, tornado, flood, sinkhole, landslide, fire, or other casualty, Seller shall use its best efforts to notify Buyer of such fact, if known by Seller. In such event, Buyer shall have the option to terminate this Agreement upon written notice to Seller given within thirty (30) days after receipt of any such notice from Seller, in which event the Deposit shall be returned to Buyer. Prior to any termination of this Agreement, Buyer shall have the right to participate in any adjustment of the insurance claim. If Buyer waives the right to terminate this Agreement and elects to proceed with the Closing, then (a) Seller, at and as a condition precedent to Buyer's obligation to proceed with the Closing, must either: (i) pay to Buyer (or direct Escrow Agent to credit Buyer against the Purchase Price for) the amount of any insurance proceeds actually received by Seller plus the amount of any deductible under Seller's insurance; or (ii) if no insurance proceeds have been received by Seller, assign to Buyer by written instrument reasonably satisfactory to Buyer all rights or claims to the insurance proceeds and credit Buyer against the Purchase Price for any deductible payable under Seller's insurance policy; and (b) the parties shall proceed to the Closing pursuant to the terms hereof without further modification of the terms of this Agreement.

13 REMEDIES.

13.1 Default by Seller. If Seller shall breach any of the terms or provisions of this Agreement or otherwise fail to perform any of Seller's obligations under this Agreement at or prior to Closing, and if such failure continues for ten (10) days after Buyer provides Seller and Escrow Agent with written notice thereof, and provided Buyer is not then in default, then Buyer may, as Buyer's sole remedies for such failure, but without limiting Buyer's right to recover attorneys' fees pursuant to Section 15.14 below: (a) waive the effect of such matter and proceed to consummate this transaction; (b) cancel this Agreement and receive a full refund of the Deposit, together with all accrued interest, and recover from Seller the reasonable out-of-pocket expenses incurred by Buyer related to the Property and this transaction; or (c) proceed with an action against Seller for specific performance; provided, however, if the remedy of specific performance is not available to Buyer due to the willful and bad faith actions of Seller constituting a default under this Agreement, Buyer shall be entitled to bring an action to recover the Deposit together with all accrued interest and any other damages suffered or incurred as a result of any breach or failure by Seller to perform any of Seller's obligations under this Agreement.

13.2 Default by Buyer. If Buyer shall breach any of the terms or provisions of this Agreement or otherwise fail to perform any of Buyer's obligations under this Agreement and if such failure continues for ten (10) days after Seller provides Buyer and escrow agent with written notice thereof, and provided Seller is not then in default, then Seller may waive such breach and proceed to consummate this transaction in accordance with the terms hereof, or Seller may, as its exclusive remedy, cancel this Agreement and retain the deposit, together with all accrued interest, as liquidated damages and as consideration for the acceptance of this Agreement and for taking the property off the market, and not as a penalty. Buyer and Seller have determined and hereby

agree that it would be impractical or extremely difficult, if not impossible, to ascertain with any degree of certainty the amount of damages that would be suffered by Seller if Buyer fails to purchase the property in accordance with the provisions of this Agreement, and the parties agree that a reasonable estimate of such damages under the circumstances is an amount equal to the deposit, together with all accrued interest. Accordingly, Buyer and Seller agree that if Buyer breaches any of its obligations under this Agreement or otherwise defaults hereunder, Seller may retain the deposit, together with all accrued interest, as liquidated damages.

14 BROKERS.

Each of Buyer and Seller hereby represents and warrants to and agrees with each other that it has not had, and shall not have, any dealings with any third party to whom the payment of any broker's fee, finder's fee, commission, or other similar compensation shall or may become due or payable in connection with the transaction contemplated hereby. Seller shall indemnify, defend, protect, and hold Buyer harmless for, from, and against any and all Claims incurred by Buyer by reason of any breach or inaccuracy of the representation, warranty, and agreement of Seller contained in this Section. Buyer shall indemnify, defend, protect, and hold Seller harmless from and against any and all Claims incurred by Seller by reason of any breach or inaccuracy of the representation, warranty, and agreement of Buyer contained in this Section. The provisions of this Section shall survive the Closing or earlier termination of this Agreement. Seller acknowledges that principals, affiliates, officers, and employees of Buyer are licensed real estate brokers and/or salespersons in the State of Texas.

15 MISCELLANEOUS PROVISIONS.

15.1 Governing Law; Venue. This Agreement and the legal relations between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without regard to its principles of conflicts of law. Venue for any action brought to interpret or enforce this Agreement shall be located in Galveston County, Texas.

15.2 Entire Agreement. This Agreement, including the exhibits attached hereto, constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof and supersedes all prior agreements, understandings, letters of intent, term sheets, negotiations, and discussions, whether oral or written, of the parties, and there are no warranties, representations, or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein or in the documents delivered pursuant hereto or in connection herewith.

15.3 Modification; Waiver. No supplement, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

15.4 Notices. All notices, consents, requests, reports, demands or other communications hereunder (collectively, "Notices") shall be in writing and may be given personally, by registered

or certified mail, by electronic mail, by courier, or by Federal Express (or other reputable overnight delivery service) for overnight delivery, as follows:

To Seller: Texas City Economic Development Corporation
1801 9th Ave N.
Texas City, TX 77590
Attention: Jon Branson, Manager
E-mail: jbranson@texascityx.gov

and with a copy to: City of Texas City, Texas
1801 - 9th Avenue North
Texas City, TX 77590
Attention: City Attorney
E-mail: kdickson@texascityx.gov

To Buyer: Meritage Homes of Texas, LLC
3250 Briarpark Drive, Ste 100
Houston, Texas 77042
Attention: David Jordan
Telephone: (713) 357-1103
E-mail: david.jordan@meritagehomes.com

and with a copy to: Meritage Homes Corporation
8800 E. Raintree Dr., Suite 300
Scottsdale, Arizona 85260
Attention: Ryan Hamilton
Telephone: (480) 515-8089
E-mail: ryan.hamilton@meritagehomes.com

and with a copy of any default notice to: Meritage Homes Corporation
8800 E. Raintree Dr., Suite 300
Scottsdale, Arizona 85260
Attention: General Counsel

To Escrow Agent: Charter Title Company
Attention: Sari LaGrone
Commercial Escrow Officer
1717 W. Loop S., 12th Floor
Houston, TX 77027
Telephone: (713) 966-4884
Email: slagrone@chartertitle.com

or to such other address or such other person as the addressee party shall have last designated by Notice to the other party and Escrow Agent (in each instance, so long as such address is located in the United States of America). Each Notice shall be deemed to have been delivered, given, and received for all purposes as of the date so delivered, at the applicable address (so long as delivery is evidenced by the customary courier or U.S. mail receipt); provided that (a) Notices received on

a day that is not a Business Day shall be deemed received on the next Business Day and (b) Notices by electronic mail shall be deemed delivered on the date sent to the e-mail of the intended recipient as set forth in this Agreement (as evidenced by the sender's "sent mail" mailbox and by the absence of a delivery failure message in the sender's "inbox") if sent or transmitted prior to 5:00 p.m. Arizona time, or otherwise on the next succeeding Business Day. Notice to a party shall not be effective unless and until each required copy of such Notice specified above (or as the parties may from time to time specify by notice in accordance with this Section) is given. The inability to deliver a Notice because of a changed address of which no Notice was given, or any rejection or other refusal to accept any Notice, shall be deemed to be the receipt of the Notice as of the date of such inability to deliver or rejection or refusal to accept. Any telephone numbers set forth above are provided for convenience only and shall not alter the manner of giving Notice set forth in this Section. Any Notice to be given by any party hereto may be given by legal counsel for such party. Notwithstanding the foregoing, if no email address is provided for a party above, then the date for delivery shall be extended by the number of days to effectuate alternate delivery of Notice so long as the Notice was transmitted on the date due.

15.5 Expenses. Subject to the provision for payment of the Closing Costs in accordance with the terms of Section 8.6 of this Agreement and of any other provision of this Agreement, whether or not the transaction contemplated by this Agreement shall be consummated, all fees and expenses incurred by any party hereto in connection with this Agreement shall be borne by such party.

15.6 Severability. Any provision or part of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall, as to such situation and such jurisdiction, be ineffective only to the extent of such invalidity and shall not affect the enforceability of the remaining provisions hereof or the validity or enforceability of any such provision in any other situation or in any other jurisdiction.

15.7 Successors and Assigns. Neither party hereto may assign its rights or delegate its obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, Buyer may assign its rights or obligations under this Agreement, in whole or in part, without the prior written consent of Seller, to an affiliate of Buyer, but Buyer shall not be released from any obligations hereunder. In addition to the foregoing, Buyer may nominate another entity to take title to all or a portion of the Property at Closing provided that the nominee executes a form of assignment and assumption reasonably approved by Seller whereby the nominee assumes liability under this Agreement from and after the date of such nomination without that relieving Buyer of any obligations. For the purposes of this Section 15.7, "Affiliate", Affiliate means Meritage Homes of Texas, LLC, an Arizona limited liability company, and any other entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control of Meritage Homes of Texas, LLC, an Arizona limited liability company.

15.8 Counterparts. This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

15.9 Multiple Parties. In the event Seller consists of more than one person and/or entity and Seller defaults or is in breach of any of the terms of this Agreement, all of the persons and entities comprising Seller shall be jointly and severally liable for the performance and/or satisfaction of Seller's obligations under this Agreement.

15.10 Headings. The Section headings of this Agreement are for convenience of reference only and shall not be deemed to modify, explain, restrict, alter, or affect the meaning or interpretation of any provision hereof.

15.11 Time of Essence. Time shall be of the essence with respect to all matters contemplated by this Agreement.

15.12 Further Assurances. In addition to the actions recited herein and contemplated to be performed, executed, and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the Closing or after the Closing any and all such further acts, instruments, deeds, and assurances as may be reasonably required to consummate the transaction contemplated hereby.

15.13 Construction. As used in this Agreement, the masculine, feminine, and neuter gender and the singular or plural shall each be construed to include the other whenever the context so requires. This Agreement shall be construed as a whole and in accordance with its fair meaning, without regard to any presumption or rule of construction causing this Agreement or any part of it to be construed against the party causing the Agreement to be written. The parties acknowledge that each has had a full and fair opportunity to review the Agreement and to have it reviewed by counsel. If any words or phrases in this Agreement have been stricken, whether or not replaced by other words or phrases, this Agreement shall be construed (if otherwise clear and unambiguous) as if the stricken matter never appeared and no inference shall be drawn from the former presence of the stricken matters in this Agreement or from the fact that such matters were stricken.

15.14 Attorneys' Fees. In the event that either party hereto brings an action or proceeding against the other party to enforce or interpret any of the covenants, conditions, agreements, or provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover all costs and expenses of such action or proceeding, including, without limitation, attorneys' fees, charges, disbursements, and the fees and costs of expert witnesses. If any party secures a judgment in any such action or proceeding, then any costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by the prevailing party in enforcing such judgment, or any costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by the prevailing party in any appeal from such judgment in connection with such appeal shall be recoverable separately from and in addition to any other amount included in such judgment. The preceding sentence is intended to be severable from the other provisions of this Agreement and shall survive and not be merged into any such judgment.

15.15 Business Days. As used herein, the term "**Business Day**" shall mean a day that is not a Saturday, Sunday, or legal holiday. In the event that the date for the performance of any covenant or obligation under this Agreement shall fall on a Saturday, Sunday, or legal holiday, the date for performance thereof shall be extended to the next Business Day. Similarly, in the event that the day for the performance of any covenant or obligation under this Agreement involving

Escrow Agent shall fall on a Business Day on which Escrow Agent is closed for business to the public, the date for performance thereof shall be extended to the next Business Day on which Escrow Agent is open for business to the public.

Remainder of this page intentionally left blank.

Signature page(s) follows(s).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SELLER:

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION, a Texas municipal economic corporation

By _____

Its _____

BUYER:

MERITAGE HOMES OF TEXAS, LLC, an Arizona limited liability company

By _____

Its _____

ESCROW AGENT:

The undersigned Escrow Agent hereby accepts the foregoing Purchase and Sale Agreement and Joint Escrow Instructions, agrees to act as Escrow Agent under this Agreement in strict accordance with its terms, agrees to insert as the "Agreement Date" on page 1 hereof, if not otherwise dated, the latest date this Agreement was signed by Seller and Buyer and delivered to Escrow Agent, and agrees to comply with the applicable provisions of the Internal Revenue Code with respect to the transactions contemplated hereby.

CHARTER TITLE COMPANY

By: _____

Name: _____

Title: _____

Date: _____

LIST OF EXHIBITS

EXHIBIT "A-1"	DEPICTION OF THE PHASE 3 LAND
EXHIBIT "A-2"	DEPICTION OF THE PUBLIC DRAINAGE EASEMENTS
EXHIBIT "B"	DEED
EXHIBIT "C"	NON-FOREIGN AFFIDAVIT
EXHIBIT "D"	GENERAL ASSIGNMENT

EXHIBIT "A-1"

DEPICTION OF THE PHASE 3 LAND



This image cannot currently be displayed.

EXECUTED AND DELIVERED on this the ____ day of _____, 20__.

GRANTOR:

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION, a Texas non-profit

corporation

By: _____

Name: Mark Ciavaglia

Title: President

Date: _____

STATE OF TEXAS §

§

COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Mark Ciavaglia, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2021.

[SEAL]

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:

Printed Name of Notary

EXHIBIT "A" TO SPECIAL WARRANTY DEED

Legal Description

EXHIBIT "B" TO SPECIAL WARRANTY DEED

Permitted Exceptions

STATE OF _____)
) ss.
County of _____)

The foregoing document was acknowledged before me this ____ day of _____,
20____, by _____, as _____ of _____
_____, a(n) _____, on behalf thereof.

Notary Public

My Commission Expires:

EXHIBIT "D"

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (this "**Assignment**") is executed as of the ____ day of _____, _____, by _____, a(n) _____ ("**Assignor**"), to and for the benefit of _____, a(n) _____ ("**Assignee**").

WHEREAS, contemporaneously herewith, Assignee is acquiring from Assignor certain real property described in Exhibit "A" attached hereto (the "**Land**"), together with all of Assignor's right, title, and interest in and to: (a) all buildings, structures, and improvements thereon (the "**Improvements**"); and (c) all of the rights, privileges, appurtenances, hereditaments, easements, reversions, and remainders pertaining to or used in connection with the Land and/or any of the Improvements, including, without limitation, all (i) development rights and credits, air rights, water, water rights, and water stock relating to the Land, and (ii) strips and gores, streets, alleys, easements, rights-of-way, public ways, or other rights appurtenant, adjacent, or connected to the Land (collectively, the "**Real Property**");

WHEREAS, in connection with the foregoing acquisition, Assignor desires to transfer and assign to Assignee all of Assignor's right, title, and interest in and to certain items and rights applicable or relating thereto, all as hereinafter provided.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby grants, sells, transfers, and assigns unto Assignee all of Assignor's right, title, and interest in and to that certain intangible property owned by Assignor or used by Assignor exclusively in connection with all or any portion of the Real Property, including, without limitation, all of Assignor's right, title, and interest, if any, in and to: (a) all plats, improvement plans, drawings and specifications, and development rights and credits relating to the Property, (b) all books, records, reports, test results, environmental assessments, if any, as-built plans, specifications, and other similar documents and materials relating to the use, operation, maintenance, repair, construction, or fabrication of all or any portion of the Real Property; (c) all transferable business licenses, architectural, site, landscaping or other permits, applications, approvals, authorizations, and other entitlements affecting any portion of the Real Property; and (d) all transferable guarantees, warranties, and utility contracts relating to all or any portion of the Real Property, and Assignor agrees not to release, waive, or alter the liability of any persons providing such guarantees or warranties from and after the date of this Assignment.

This Assignment is binding upon the successors and assigns of Assignor and will inure to the benefit of the successors and assigns of Assignee.

Assignor hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to Assignee, and its successors and assigns, any new or confirmatory instruments and take such further acts as Assignee may reasonably request to evidence the assignment contained herein.

This Assignment shall be governed by and interpreted under the laws of the State of Texas, without regards to its principles of conflict of laws.

ASSIGNOR:

By _____

Its _____

EXHIBIT "A" TO GENERAL ASSIGNMENT

Legal Description