

REAL ESTATE CONTRACT

State of Texas

§

§

County of Williamson

§

THIS CONTRACT OF SALE ("Contract") is made by and between SOMERSET HILLS, LTD (referred to in this Contract as "Seller") and the WILLIAMSON COUNTY, a political subdivision of the State of Texas with offices located at 710 Main St. Georgetown, Texas 78664, (referred to in this Contract as "Purchaser"), upon the terms and conditions set forth in this Contract.

ARTICLE I PURCHASE AND SALE

1.01 By this Contract, Seller sells and agrees to convey, and Purchaser purchases and agrees to pay for all of Seller's interest in a tract of land situated in Williamson County, Texas, containing 24.30 acres, more or less and being more particularly shown in Exhibit "A" attached hereto and incorporated herein for all purposes; together with all and singular the rights and appurtenances pertaining to the property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (all of such real property, rights, and appurtenances being referred to in this Contract as the "Property"), together with any improvements, fixtures, and personal property owned by Seller situated on and attached to the Property, for the consideration and upon and subject to the terms, provisions, and conditions set forth below.

ARTICLE II PURCHASE PRICE

Amount of Purchase Price

2.01 The purchase price for the Property shall be the sum of Five Hundred Twenty-six Thousand and no/100 DOLLARS (\$461,700.00).

Payment of Purchase Price

2.02 The Purchase Price shall be paid in cash at the closing.

ARTICLE III PURCHASER'S OBLIGATIONS

Conditions to Purchaser's Obligations

3.01 The obligations of Purchaser hereunder to consummate the transaction contemplated hereby are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part by Purchaser at or prior to the closing).

Preliminary Title Commitment

*Georgetown
Title Company
702 ROCK STREET
GEORGETOWN, TX 78626*
TR

3.02 Within twenty-one (21) days after the date of execution of this Contract, Seller, at Seller's sole cost and expense, will obtain from ~~Independence Title Company~~, whose offices are located at ~~9442 Capital of Texas Highway, Building 2, Suite 200, Austin, TX 78759~~ (the "Title Company") a preliminary title report (the "Title Commitment") accompanied by copies of all recorded documents relating to easements, rights-of-way, etc., affecting the Property. Purchaser will give Seller written notice on or before the expiration of ten (10) days after Purchaser receives the Title Commitment that the condition of title as set forth in the Title Commitment is or is not satisfactory. In the event that Purchaser states that the condition is not satisfactory, Seller may undertake to eliminate or modify all unacceptable matters to the reasonable satisfaction of Purchaser at or prior to Closing. In the event Seller is unable or unwilling to do so, this Contract shall thereupon be null and void for all purposes and the Escrow Deposit shall be forthwith returned by the Title Company to Purchaser.

Survey

3.03 Within ten (10) days from the date hereof, Purchaser, at Purchaser's sole cost and expense, may, at Purchaser's sole option, cause to be delivered a current plat or survey of the Property, prepared by a duly licensed Texas land surveyor selected by Purchaser. The survey shall be staked on the ground, and the plat shall show the location of all improvements, highways, streets, roads, railroads, rivers, creeks, or other water courses, fences, easements, and rights-of-way on or adjacent to the Property, if any, and shall contain the surveyor's certification addressed to Seller and Purchaser that there are no encroachments on the property and shall set forth the number of total acres comprising the Property, together with a metes and bounds description thereof.

ARTICLE IV CLOSING

4.01 The closing shall be held at the Title Company on or before the earlier of _____ or the forty-fifth (45th) day after the date of execution of this Contract, or at such time, date, and place as Seller and Purchaser may agree upon (which date is herein referred to as the "closing date").

Seller's Obligations

4.02 At the closing Seller shall:

(a) Deliver to Purchaser a duly executed and acknowledged Special Warranty Deed conveying good and indefeasible title in fee simple to all of Seller's interest in the Property, free and clear of any and all liens, encumbrances, conditions, easements, assessments, and restrictions, except for the following:

(i) General real estate taxes for the year of closing and subsequent years not yet due and payable;

(ii) Any exceptions approved by Purchaser pursuant to Article III hereof and as set forth in Exhibit "B"; and

(iii) Any exceptions approved by Purchaser in writing.

(b) Deliver to Purchaser a Texas Owner's Title Policy at Seller's sole expense, issued by Title Company, in Purchaser's favor in the full amount of the purchase price, insuring Purchaser's fee simple title to the Property subject only to those title exceptions listed above, such other exceptions as may be approved in writing by Purchaser, and the standard printed exceptions contained in the usual form of Texas Owner's Title Policy.

(c) Deliver to Purchaser possession of the Property.

(d) Seller shall have performed, observed, and complied with all of the covenants, agreements, and conditions required by this Contract to be performed, observed, and complied with by Seller prior to or as of the closing.

Purchaser's Obligations

4.03 At the Closing, Purchaser shall pay the cash portion of the purchase price.

Prorations

4.04 General real estate taxes for the then current year relating to the Property shall be prorated as of the closing date and shall be adjusted in cash at the closing. If the closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate for the next preceding year applied to the latest assessed valuation. All special taxes or assessments to the closing date shall be paid by Seller. Agricultural roll-back taxes, if any, shall be paid by Purchaser.

Closing Costs

4.05 All costs and expenses of closing in consummating the sale and purchase of the Property shall be borne and paid as follows:

Owner's Title Policy paid by Seller;
Survey paid by Purchaser;
Filing fees for deed paid by Purchaser;
Filing fees for release(s) paid by Seller;
Title curative matters, if any, paid by Seller;
Attorney's fees paid by each respectively.

ARTICLE V **REPRESENTATIONS OF SELLER**

5.01 Seller represents to Buyer, based solely on the actual current knowledge of Seller, without duty of investigation or inquiry, as follows:

- (a) There are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers except those which will be terminated at Closing;
- (b) Seller has complied with all applicable laws, ordinances, regulations, and restrictions relating to the Property, or any part of it;
- (c) Seller is not aware of any material physical defects to the Property;
- (d) Seller is not aware of any environmental hazards or conditions that affect the Property except as previously disclosed to or known to Purchaser;
- (e) Seller is informed that there may have been oil and/or gas well drilled on the Property;
- (e) Seller is not aware that the Property is or has ever been used for the storage or disposal of hazardous materials or toxic waste, or any underground tanks or containers; and
- (f) Seller is not aware that radon, asbestos insulation or fireproofing, urea formaldehyde foam insulation, lead based paint or other pollutants or contaminants of any nature now exist or have ever existed on the Property.

ARTICLE VI
REAL ESTATE COMMISSIONS

6.01 No broker has been involved in the negotiation and consummation of this Contract.

6.02 All real estate commissions will be the sole responsibility of Seller, and Seller agrees to indemnify and hold harmless Buyer from any claims for these commissions.

ARTICLE VII
ESCROW DEPOSIT

7.01 For the purpose of securing the performance of Purchaser under the terms and provisions of this Contract, Purchaser has delivered to Title Company, the sum of One Thousand Dollars (\$1,000.00), the Escrow Deposit, which shall be paid by the Title Company to Seller in the event Purchaser breaches this Contract as provided in Article VIII hereof. At the closing, the Escrow Deposit shall be paid over to Seller and applied to the cash portion of the purchase price, provided, however, that in the event the Purchaser shall have given written notice to the Title Company that one or more of the conditions to its obligations set forth in Article III have not been met, or, in the opinion of Purchaser, cannot be satisfied, in the manner and as provided for in Article III, then the Escrow Deposit shall be forthwith returned by the Title Company to Purchaser.

ARTICLE VIII
BREACH BY SELLER

8.01 In the event Seller shall fail to fully and timely perform any of its obligations hereunder or shall fail to consummate the sale of the Property for any reason, except Purchaser's default, Purchaser may: (1) enforce specific performance of this Contract; or (2) terminate this Contract and request that the Escrow Deposit shall be forthwith returned by the Title Company to Purchaser.

ARTICLE IX
BREACH BY PURCHASER

9.01 In the event Purchaser should fail to consummate the purchase of the Property, the conditions to Purchaser's obligations set forth in Article III having been satisfied and Purchaser being in default and Seller not being in default hereunder, Seller shall have the right to receive the Escrow Deposit from the Title Company, the sum being agreed on as liquidated damages for the failure of Purchaser to perform the duties, liabilities, and obligations imposed upon it by the terms and provisions of this Contract, and Seller agrees to accept and take this cash payment as its total damages and relief and as Seller's sole remedy hereunder in such event.

ARTICLE X

MISCELLANEOUS

Assignment of Contract

10.01 This Contract may not be assigned without the express written consent of Seller.

Survival of Covenants

10.02 Except for the warranties contained in the Deed from Seller to Purchaser, any of the representations, warranties, covenants, and agreements of the parties, as well as any rights and benefits of the parties shall not survive the closing and shall be merged therein.

Notice

10.03 Any notice required or permitted to be delivered hereunder shall be deemed received when sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to Seller or Purchaser, as the case may be, at the address set forth opposite the signature of the party.

Texas Law to Apply

10.04 This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Williamson County, Texas.

Parties Bound

10.05 This Contract shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Contract.

Legal Construction

10.06 In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Contract shall be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

Prior Agreements Superseded

10.07 This Contract constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

Time of Essence

10.08 Time is of the essence in this Contract.

Gender

10.09 Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

Special Conditions

10.10 The contract is specifically conditioned upon the following conditions being satisfied on or before the closing date;

- (a) The Texas Department of Transportation (TxDOT) and Williamson County must enter into an interlocal agreement wherein TxDOT shall agree to fully reimburse the County for the Purchase Price, as stated herein, and other costs related to this acquisition.
- (b) Williamson County shall enter into a contract with Somerset Hills, Ltd. to acquire approximately 17 acres of land abutting the property.
- (c) United State Fish and Wildlife Service (USFWS) must agree in writing to allow the Property to be used as mitigation of certain endangered species for the construction of SH 195.

Dated this _____ day of _____, 2012.

(the rest of this page left intentionally blank)

SELLER:

SOMERSET HILLS, LTD.

By: _____

By: _____

PURCHASER:

T.L. WRIGHT - Co General Partner

WILLIAMSON COUNTY

By: _____

DAN A. GATTIS, County Judge
710 Main Street
Georgetown, Texas 78628

RECEIPT

Receipt of copy of Contract and \$1,000 Earnest Money in the form of a municipal government check is acknowledged.

Date: _____

Independence Title Company

By: _____

_____, Escrow Agent