

REAL ESTATE CONTRACT

State of Texas

§

County of Williamson

§

§

This Real Estate Contract ("Contract") is made by and between KB Home Lone Star Inc., a Texas corporation (referred to in this contract as "KB Home") and Williamson County, Texas (referred to in this Contract as "County"), a Texas political subdivision, upon the terms and condition set forth in this Contract. KB Home and the County may be referred to as "Party" or "Parties" as the context may require.

ARTICLE I PURCHASE AND SALE

1.01 By this Contract, KB Home sells and agrees to convey to a tract of land situated in Williamson County, Texas, being more particularly described as follows:

4.5 acres, as more particularly described in Exhibit "A" attached hereto and incorporated herein

together with all and singular the rights and appurtenances pertaining to the property, including any right, title and interest of KB Home 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 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 CONSIDERATION

Purchase Price

2.01 The Purchase Price for the Property, any improvements thereon, and any damage or cost of cure for the remaining Property of Seller shall be the sum of FOUR HUNDRED AND NINETY THOUSAND AND 00/100 DOLLARS (\$490,000.00).

Payment of Purchase Price

2.02 The Purchase Price shall be payable in cash at the Closing.

2.03 Upon execution of this Contract by both Parties, County agrees to deliver a cash deposit in the amount of \$12,000.00 (the "Escrow Deposit"), to be held in escrow by the Title Company (defined herein) as Escrow Agent pursuant to the terms of this Contract. Failure by County to timely deposit the Escrow Deposit with the Title Company shall result in the automatic termination of this Contract, and neither party hereto shall have any further obligation thereunder.

ARTICLE III

PARTY'S OBLIGATIONS

Conditions to Party's Obligations

3.01 The obligations of the Parties 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 either Party at or prior to the closing).

KB Home Acquisition as Condition Precedent

3.02 KB Home will have acquired record title to the Property pursuant to that certain Agreement of Purchase and Sale of Real Property dated August 13, 2015, by and between Bradley Family Partnership, Ltd., a Texas limited partnership, as seller, and KB Home, as purchaser, attached hereto as Exhibit "B" and incorporated herein by reference (the "Sunrise Road Contract"). The obligations of KB Home under this Contract will be strictly contingent upon KB Home acquiring record title to the Property, free and clear of liens and encumbrances, except as otherwise provided in the Sunrise Road Contract, on or before the Closing Date (as defined herein). Should KB Home exercise its option to terminate the Sunrise Road Contract at any time prior to the Closing Date, this Contract shall automatically terminate and thereafter neither KB Home nor County shall have any continuing rights or obligations hereunder.

Waterline Easement Agreement

3.03 As a condition precedent to Closing, KB Home and County shall negotiate and finalize an easement agreement (the "Easement Agreement") whereby County shall encumber the Property with a non-exclusive waterline easement in favor of KB Home and its successors and assigns, for waterline access in such location as agreed upon by the Parties. The obligations of KB Home under this Contract will be strictly contingent upon (i) KB Home and County agreeing upon the form of the Easement Agreement prior to Closing and (ii) County's execution and recordation of the Easement Agreement at Closing. In the event either of the conditions in the preceding sentence are not satisfied at or before Closing, KB Home may elect to terminate this Agreement and the Title Company shall promptly deliver the Escrow Deposit to KB Home without the necessity of obtaining any consent or release by County.

Preliminary Title Commitment

3.04 Within twenty-one (21) days after the date of execution of this Contract, KB Home, at KB Home's sole cost and expense, will obtain from Georgetown Title, whose offices are located at 1111 Mays Street, Round Rock, Texas (the "Title Company") a preliminary title report for the Property accompanied by copies of all recorded documents relating to easements, rights-of-way, etc., affecting the Property. On or before the expiration of ten (10) days after receipt of the Commitment, County shall give KB Home notice that a condition of title as set forth in the respective Commitment is or is

not satisfactory. In the event County states that a condition is not satisfactory, KB Home may undertake to eliminate or modify all unacceptable matters to the reasonable satisfaction of County at or prior to Closing. In the event either KB Home is unable or unwilling to do so, this Contract shall thereupon be null and void for all purposes.

3.05 The Parties 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 the Parties prior to or as of the closing unless waived.

ARTICLE IV **CLOSING**

4.01 The closing shall occur contemporaneously with KB Home's acquisition of the Property under the Sunrise Road Contract, which shall occur no later than May 11, 2016 (which date is herein referred to as the "Closing Date"). Should KB Home fail to acquire the Property in accordance with the provisions of the Sunrise Road Contract on or before the Closing Date, either Party may terminate this Contract and thereafter neither KB Home nor County shall have any continuing rights or obligations hereunder.

KB Home's Obligations

4.02 At the closing KB Home shall:

- (a)** Deliver to County a duly executed and acknowledged General Warranty Deed conveying good and indefeasible title in fee simple 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 County pursuant to Article III hereof; and
 - (iii)** Any exceptions approved by County in writing.
- (b)** Deliver to County a Texas Owner's Title Policy at County's sole expense, issued by Title Company, in County's favor in the full amount of the appraised value, as agreed upon by the Parties, insuring County'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 County, and the standard printed exceptions contained in the usual form of Texas Owner's Title Policy.
- (c)** Deliver to County possession of the Property.

County's Obligations

4.03 At the closing, County shall:

- (a) 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 the Parties for the real property conveyed by such Parties.

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 County;
Appraisal paid by KB Home;
Filing fees for deed for paid by County;
Attorney's fees paid by each respectively.

ARTICLE IV **REPRESENTATIONS**

4.01 KB Home represents and warrants to County to the best of their knowledge, as of the Closing Date, as follows:

- (a) There are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers, except as otherwise provided in accordance with Section 3.02 herein;
- (b) KB Home has complied with all applicable laws, ordinances, regulations, and restrictions relating to the Property, or any part of it;
- (c) KB Home is not aware of any material physical defects to the Property;
- (d) KB Home is not aware of any environmental hazards or conditions that affect the Property;
- (e) KB Home 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) KB Home 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 V

BREACH

5.01 In the event KB Home 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 County's default, County may: (1) enforce specific performance of this Contract; or (2) request that the Escrow Deposit, if any, shall be forthwith returned by the title company to County.

5.02 In the event County should fail to consummate the purchase of the Property, the Purchaser being in default and Seller not being in default hereunder, Seller shall have the right to receive the Escrow Deposit, if any, 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 VI

MISCELLANEOUS

Survival of Covenants

6.01 Any of the representations, warranties, covenants, and agreements of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the closing of the transactions contemplated hereby shall survive the closing and shall not be merged therein.

Notice

6.02 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 KB Home or County, as the case may be, at the address set forth opposite the signature of the party.

Texas Law to Apply

6.03 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

6.04 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

6.05 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

6.06 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

6.07 Time is of the essence in this Contract.

Gender

6.08 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.

Memorandum of Contract

6.9 Upon request of either party, the parties shall promptly execute a memorandum of this Contract suitable for filing of record.

Compliance

6.10 In accordance with the requirements of Section 20 of the Texas Real Estate License Act, County is hereby advised that it should be furnished with or obtain a policy of title insurance or County should have the abstract covering the Property examined by an attorney of County's own selection.

Effective Date

6.11 This Contract shall be effective as of the date it is approved by the Williamson County Commissioner's Court, which date is indicated beneath the Judge's signature below.

Counterparts

6.12 This Contract may be executed in any number of counterparts, which may together constitute the Contract. Signatures transmitted by facsimile or electronic mail may be considered effective as originals for purposes of this Contract.

KB Home Corporate Approval

6.13 Performance of this Contract by KB Home is expressly conditioned upon the approval of the terms and provisions of this Contract by the management of KB Home (the "Corporate Approval"). In the event that KB Home has not provided the County with written evidence of Corporate Approval on or before the date that is ten (10) days from the Effective Date, this Contract will terminate and be of no further force or effect, and neither party will have any further rights or obligations hereunder, except as expressly set forth herein.

KB HOME:

KB HOME LONE STAR INC., a Texas corporation

By: _____
Ken Langston, as Division President

Date: _____

COUNTY:

Williamson County, Texas

By: 
Dan A. Gattis, County Judge

Date: 02-12-2016

[KB HOME CORPORATE APPROVAL ON FOLLOWING PAGE]

KB HOME LONE STAR INC., a Texas corporation:

By: _____
_____, as

Date:_____

Exhibit “A”

Property Legal Description

FIELD NOTES

BEING ALL OF THAT CERTAIN TRACT OF LAND OUT OF THE GEORGE W. GLASSCOCK SURVEY, ABSTRACT NUMBER 267, SITUATED IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF A CALLED 48.136 ACRE TRACT CONVEYED TO BRADLEY FAMILY PARTNERSHIP, LTD., IN VOLUME 2370, PAGE 548, OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID 3.215 ACRE TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a capped iron rod found marked "BAKER AIKLEN", for the northeastern corner of said remainder of 48.136 acre tract, also being the northwestern corner of a 25.000 acre tract conveyed to Williamson County, in Document No. 2007004381, Official Public Records of Williamson County, Texas, also being in the southern right-of-way line of East Old Settlers Blvd. (120' R.O.W.), for the northeastern corner and **POINT OF BEGINNING** of the herein described tract,

THENCE, with the common boundary line of said remainder of 48.136 acre tract and said 25.000 acre tract, S00°00'10"W, a distance of 480.49 feet to a capped iron rod set marked "CBD/SETSTONE", for the southeastern corner of the herein described tract,

THENCE, crossing said remainder of 48.136 acre tract, the following fifteen (15) courses and distances, numbered 1 through 15,

1. N65°02'16"W, a distance of 333.40 feet to a capped iron rod set marked "CBD/SETSTONE",
2. S70°10'28"W, a distance of 48.43 feet to a capped iron rod set marked "CBD/SETSTONE",
3. S54°57'22"W, a distance of 101.42 feet to a capped iron rod set marked "CBD/SETSTONE",
4. S20°56'43"W, a distance of 3.19 feet to a capped iron rod set marked "CBD/SETSTONE",
5. N65°10'43"W, a distance of 33.63 feet to a capped iron rod set marked "CBD/SETSTONE",
6. N41°03'45"W, a distance of 19.06 feet to a capped iron rod set marked "CBD/SETSTONE",
7. N16°07'43"W, a distance of 51.56 feet to a capped iron rod set marked "CBD/SETSTONE",
8. N31°39'52"W, a distance of 32.44 feet to a capped iron rod set marked "CBD/SETSTONE",
9. N53°36'46"W, a distance of 23.03 feet to a capped iron rod set marked "CBD/SETSTONE",
10. N33°15'26"W, a distance of 95.43 feet to a capped iron rod set marked "CBD/SETSTONE",
11. N37°01'42"W, a distance of 47.64 feet to a capped iron rod set marked "CBD/SETSTONE",
12. N05°53'22"W, a distance of 51.48 feet to a capped iron rod set marked "CBD/SETSTONE",
13. N13°42'03"W, a distance of 33.22 feet to a capped iron rod set marked "CBD/SETSTONE",
14. N01°54'14"E, a distance of 42.02 feet to a capped iron rod set marked "CBD/SETSTONE",
15. N16°42'12"E, a distance of 82.53 feet to a capped iron rod set marked "CBD/SETSTONE", at a point of curvature to the left, in the northern line of said remainder of 48.136 acre tract, also being in the southern right-of-way line of said East Old Settlers Blvd. for the northwestern corner of the herein described tract,

THENCE, with the common boundary line of said remainder of 48.136 acre tract and said East Old Settlers Blvd., the following two (2) courses and distances, numbered 1 through 2,

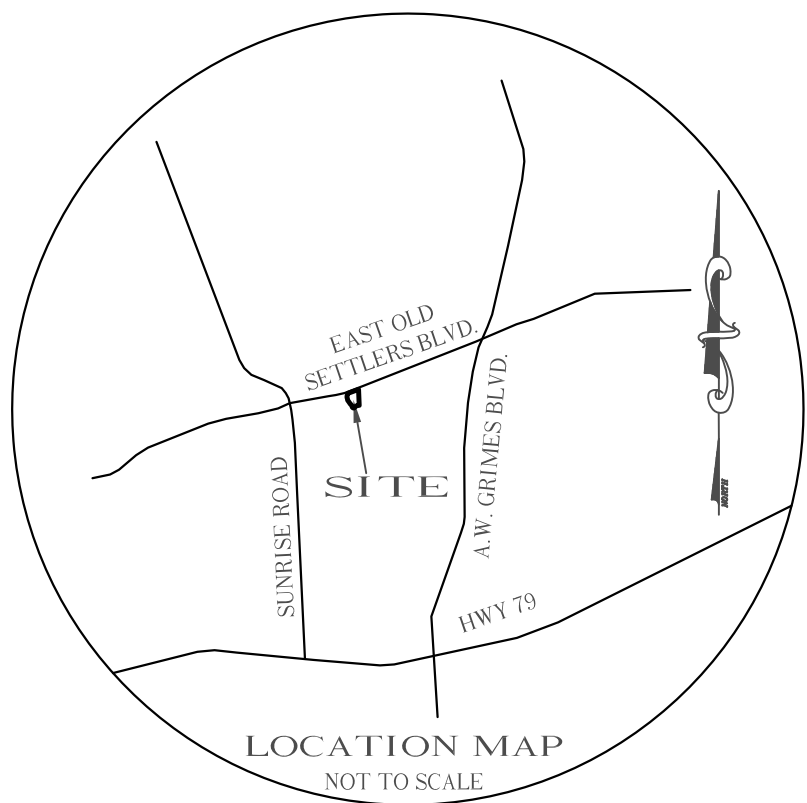
1. with said curve to the left having a radius of 2060.00 feet, an arc length of 68.70 feet and whose chord bears N72°01'37"E, a distance of 68.70 feet to a capped iron rod found marked "BAKER AIKLEN", and
1. N71°07'54"E, a distance of 275.21 feet to the **POINT OF BEGINNING** and containing 3.215 acres of land.

**Preliminary, this
document shall not be
recorded for any purpose.**

Surveyed by: _____

ROBERT J. GERTSON, R.P.L.S. NO. 6367
Carlson, Brigrance and Doering, Inc.
5501 West William Cannon
Austin, TX 78749
Ph: 512-280-5160 Fax: 512-280-5165
rgertson@cbdeng.com

BEARING BASIS: TEXAS COORDINATE SYSTEM CENTRAL ZONE (4203)

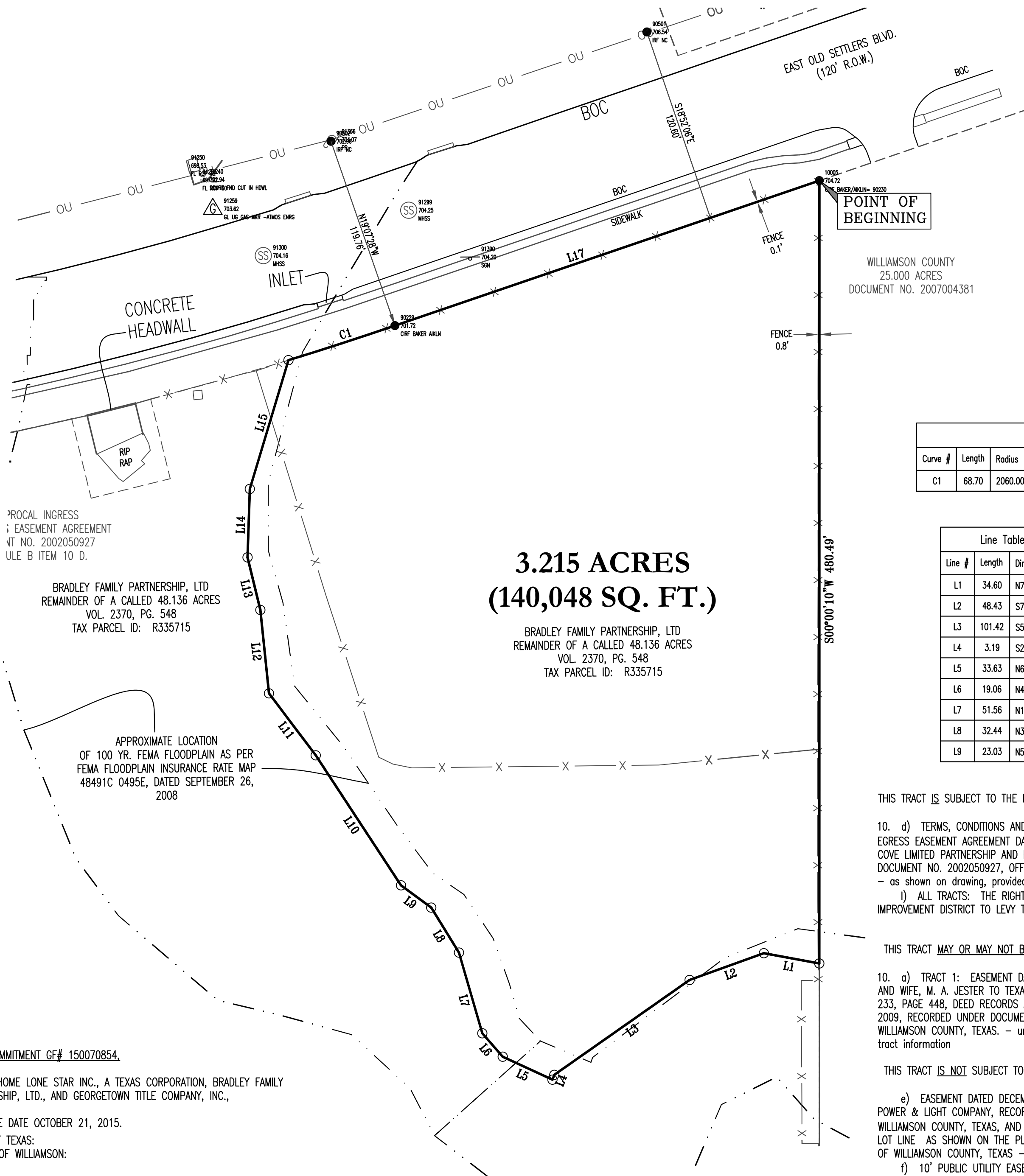


SURVEY OF 3.215 ACRES (140,048 SQUARE FEET) OF LAND OUT OF THE G.W. GLASSCOCK SURVEY, ABSTRACT NO. 267, SITUATED IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A REMAINDER OF A CALLED 48.136 ACRE TRACT CONVEYED TO BRADLEY FAMILY PARTNERSHIP IN VOLUME 2370, PAGE 548, OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS,

SCALE: 1" = 50'

LEGEND

- 1/2" IRON ROD FOUND (UNLESS OTHERWISE NOTED)
- 1/2" CAPPED IRON ROD SET
- IRON PIPE FOUND
- GUY POLE
- POWER POLE
- GAS LINE MARKER
- OVERHEAD ELECTRIC LINE
- WIRE FENCE
- SIGN
- BOC BACK OF CURB



3.215 ACRES
(140,048 SQ. FT.)

BRADLEY FAMILY PARTNERSHIP, LTD
REMAINDER OF A CALLED 48.136 ACRES
VOL. 2370, PG. 548
TAX PARCEL ID: R335715

| Curve Table | | | | | |
|-------------|--------|---------|-----------------|--------------|---------|
| Curve # | Length | Radius | Chord Direction | Chord Length | Tangent |
| C1 | 68.70 | 2060.00 | N72°01'37"E | 68.70 | 34.36 |

| Line Table | | |
|------------|--------|-------------|
| Line # | Length | Direction |
| L1 | 34.60 | N79°33'27"W |
| L2 | 48.43 | S70°10'28"W |
| L3 | 101.42 | S54°57'22"W |
| L4 | 3.19 | S20°56'43"W |
| L5 | 33.63 | N65°10'43"W |
| L6 | 19.06 | N41°03'45"W |
| L7 | 51.56 | N16°07'43"W |
| L8 | 32.44 | N31°39'52"W |
| L9 | 23.03 | N53°36'46"W |

| Line Table | | |
|------------|--------|-------------|
| Line # | Length | Direction |
| L10 | 95.43 | N33°15'26"W |
| L11 | 47.64 | N37°01'42"W |
| L12 | 51.48 | N05°53'22"W |
| L13 | 33.22 | N13°42'03"W |
| L14 | 42.02 | N01°54'14"E |
| L15 | 82.53 | N16°42'12"E |
| L17 | 275.21 | N71°07'54"E |

THIS TRACT IS SUBJECT TO THE FOLLOWING TITLE EXCEPTIONS:

- TERMS, CONDITIONS AND PROVISIONS CONTAINED IN RECIPROCAL INGRESS AND EGRESS EASEMENT AGREEMENT DATED JUNE 27, 2002, BY AND BETWEEN CHANDLER'S COVE LIMITED PARTNERSHIP AND BRADLEY FAMILY PARTNERSHIP, LTD., RECORDED UNDER DOCUMENT NO. 2002050927, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS - as shown on drawing, provided access to parent tract
- ALL TRACTS: THE RIGHTS OF UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT TO LEVY TAXES AND ISSUE BONDS.

THIS TRACT MAY OR MAY NOT BE SUBJECT TO THE FOLLOWING TITLE EXCEPTIONS:

- TRACT 1: EASEMENT DATED SEPTEMBER 7, 1927, GRANTED BY J. M. JESTER AND WIFE, M. A. JESTER TO TEXAS POWER & LIGHT COMPANY, RECORDED IN VOLUME 233, PAGE 448, DEED RECORDS AND MODIFIED BY INSTRUMENT DATED SEPTEMBER 4, 2009, RECORDED UNDER DOCUMENT NO. 2009093508, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. - unable to locate with description provided, no parent tract information

THIS TRACT IS NOT SUBJECT TO THE FOLLOWING TITLE EXCEPTIONS:

- EASEMENT DATED DECEMBER 4, 1986, GRANTED BY JESTER FARMS TO TEXAS POWER & LIGHT COMPANY, RECORDED IN VOLUME 1534, PAGE 65, OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING A 15' ELECTRIC EASEMENT ALONG THE NORTH LOT LINE AS SHOWN ON THE PLAT RECORDED IN CAB. W. SL. 112-114, PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS - west of subject tract
- 10' PUBLIC UTILITY EASEMENT ADJACENT TO ALL STREET SIDE PROPERTY LINES AS SET OUT ON PLAT RECORDED IN CAB. W. SL. 112-114, PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS - west of subject tract
- PORTION OF PROPERTY LIES WITHIN THE 100 YEAR ULTIMATE FLOOD PLAIN AS SHOWN ON THE PLAT RECORDED IN CAB. W. SL. 112-114, PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS - plat is west of subject tract, but a portion of subject tract is located in flood plain
- 25 YEAR DRAINAGE AND STORM WATER EASEMENT ALONG A PORTION OF THE SOUTH LOT LINE AS SHOWN ON PLAT RECORDED IN CAB. W. SL. 112-114, PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS. - west of subject tract

TITLE COMMITMENT GF# 150070854.

TO: KB HOME LONE STAR INC., A TEXAS CORPORATION, BRADLEY FAMILY PARTNERSHIP, LTD., AND GEORGETOWN TITLE COMPANY, INC.,

EFFECTIVE DATE OCTOBER 21, 2015.

STATE OF TEXAS:
COUNTY OF WILLIAMSON:

I, the undersigned, do hereby certify that this survey was this day made on the ground of the property legally described hereon and is correct, and that there are no discrepancies, conflicts, shortages in area, boundary line conflicts, encroachments, overlapping of improvements, visible utility easements or roadways, except as shown hereon and that said property has access to and from a dedicated roadway except as shown hereon. The legally described property IS within a special flood hazard area (Zone A & AE, 1% annual chance flood hazard), as designated by the Department of Housing and Urban Development Federal Insurance Administration Flood Hazard Boundary Map Number 48491C 0495E, for Travis County, Texas, dated September 26, 2008.

Dated, this the 23rd day of November, 2015.

PRELIMINARY
FOR REVIEW ONLY

ROBERT J. GERTSON, RPLS# 6367
Carlson, Brigrance and Doering, Inc.
5501 West William Cannon
Austin, Texas 78749
(512)280-5160 (512)280-5165 (fax)
rgertson@cbdeng.com

ORIGINAL COPY VALID ONLY IF SEALED IN RED INK

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE (4203)

Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 REG. # 10024900
Civil Engineering Surveying
5501 West William Cannon Austin, Texas 78749
Phone No. (512) 280-5160 Fax No. (512) 280-5165

PATH-J: \4752-067\DWG\TITLE SURVEY 3.215 ACRES.DWG

Exhibit “B”

Sunrise Road Contract

[A copy of the Sunrise Road Contract follows this cover page.]

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY ("Agreement") is entered into by and between **BRADLEY FAMILY PARTNERSHIP, LTD.**, a Texas limited partnership ("Seller") and **KB HOME LONE STAR INC.**, a Texas corporation ("Purchaser"). Seller and Purchaser are sometimes collectively referred to herein as the "Parties."

RECITALS

A. Seller is the owner of certain real property located south of East Old Settler's Boulevard and east of Sunrise Road, in Round Rock, Williamson County, Texas consisting of approximately 24 acres of land and generally depicted on Exhibit A attached hereto (the "Land").

B. Purchaser desires to acquire the Land to develop detached condominium units for residential resale purposes.

C. The parties hereto desire to set forth in writing all of the terms, conditions, and agreements by and between the parties in accordance with the terms and conditions hereafter set forth.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the parties, Purchaser and Seller hereby agree as follows:

1. Agreement to Buy and Sell. Subject to the terms and conditions set forth herein, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to acquire and purchase from Seller:

- (a) The Land;
- (b) All improvements and fixtures, if any, located on the Land (the "Improvements");
- (c) All of Seller's rights, title and interests, if any, in and to any and all rights, privileges, easements, hereditaments, and appurtenances to the Land (the "Appurtenances"), including, without limitation, water and mineral rights and interests, and any right, title and interest of Seller in and to any creeks and streams, and any roads, easements, alleys, streets, and rights-of-way, bounding or existing for the benefit of the Land, existing, vacated or proposed, in front of, or adjoining the Land, together with all rights of ingress and egress unto the Land;

(d) All of Seller's right, title and interest, if any, in and to any development rights (the "**Development Rights**") benefiting or associated with the Land, including, but not limited to, any and all applications, permits, licenses, approvals, utility living or service unit equivalent allocations, utility service commitments, utility taps, letters of credit, prepaid utility capital recovery or impact fees, posted fiscal deposits and fees, reimbursement rights, credits, drainage discharge rights, entitlements, contracts, rights under traffic phasing agreements, access permits, or other development rights and benefits now or hereafter associated with the Land, together with all construction plans, surveys and engineering work product relating to the Land and proposed improvements thereon;

(e) Any and all past and existing claims, counterclaims, defenses, and causes of action related to the Land, including without limitation those that have resulted in or caused any past, existing, or future harm, damage, or diminution in value to the Land (the "**Claims**"); and

(f) All of Seller's right, title and interest, if any, in and to any personal property located on the Property (the "**Personal Property**").

The Land, Improvements, Appurtenances, Development Rights, Claims and Personal Property are collectively referred to herein as the "**Property**".

Seller and Purchaser acknowledge that, until such time as Exhibit A attached hereto is replaced with a final metes and bound legal description, the description of the Land set out in Exhibit A may be legally insufficient for the purposes of supporting an action for specific performance or for the enforcement of other remedies under this Agreement. Notwithstanding any such insufficiency, each Party desires that the rights and obligations of both Parties under this Agreement should be enforceable under the terms and provisions of this Agreement. Accordingly, each Party hereby: (i) agrees and acknowledges that it is experienced in transactions of the nature provided for in this Agreement; (ii) agrees and acknowledges that it is, in fact, specifically familiar with the configuration and location of the Land; and (iii) waives any and all claims that the description of the Land set out in Exhibit A is deficient as a legal description or insufficient to support a cause of action for specific performance or for the enforcement of any other remedies under this Agreement.

2. Purchase Price. The purchase price to be paid by Purchaser to Seller for the Property shall be [REDACTED] (the "**Purchase Price**").

3. Independent Consideration and Earnest Money.

(a) Independent Consideration. As independent consideration for the rights granted to Purchaser hereunder, Purchaser has paid to Seller the sum of \$100.00 ("**Independent Consideration**"), the receipt and sufficiency of which are hereby acknowledged. The Independent Consideration is non-refundable and shall not be applied against the Purchase Price.

(b) Earnest Money. Within ten (10) Business Days of the Effective Date (as defined in Paragraph 15(k)), Purchaser shall deposit by cash, check or wire transfer with Georgetown Title Company (the "Title Company"), in escrow, the sum of [REDACTED] as earnest money hereunder (the "Initial Earnest Money", together with any Extension Fees (defined in Paragraph 8(a)), collectively, the "Earnest Money"). The Earnest Money shall be deposited by Title Company in an interest-bearing account, with the interest earned thereon to be credited to Purchaser and to constitute a part of the Earnest Money for purposes hereof. Provided that Purchaser has delivered the Approval Notice (as defined in Paragraph 5(c)), the Earnest Money shall become non-refundable to Purchaser (except in the event of a Seller default hereunder) at the conclusion of the Feasibility Period (as defined in Paragraph 5(b)) and released to Seller upon execution by Seller and Purchaser and recordation by Title Company in the Official Public Records of Williamson County, Texas, of a Memorandum of Agreement in the form attached hereto as Exhibit C. The entire amount of the Earnest Money shall be applied towards the Purchase Price at the Closing (defined in Paragraph 8(a)). In the event this Agreement is not closed, the Title Company shall disburse the Earnest Money in the manner provided for elsewhere herein. In the event either party is entitled to the return of the Earnest Money as provided in this Agreement (including any amounts previously released to Seller), then the Earnest Money shall be returned immediately to Purchaser by the Title Company or Seller, as the case may be.

4. Due Diligence Documents. The following documents shall be delivered to Purchaser within the time periods specified:

(a) Title Commitment. Within fifteen (15) days after the Effective Date, Seller shall, at Seller's expense, deliver or arrange to have delivered to Purchaser a current commitment by the Title Company (the "Title Commitment") for the issuance of an owner's policy of title insurance to Purchaser on the Land, in the amount of the Purchase Price, together with good and legible copies of all documents constituting exceptions to Seller's title as reflected in the Title Commitment. After the issuance of said Title Commitment, Seller shall not further encumber the Property without Purchaser's written consent. The provisions of the preceding sentence shall survive the Closing.

(b) Documents. Within fifteen (15) days after the Effective Date, Seller shall deliver to Purchaser copies of all documents in Seller's possession or control, if any, pertaining to the development, ownership, or operation of the Property, including but not limited to, any surveys and plats; master development plans and amendments; soils or geotechnical reports; feasibility studies; grading plans; engineering studies and plans; environmental or endangered species reports, studies, assessments, and notices; any documentation or easements regarding water, sanitary sewer, gas and other utilities to serve the Property, whether on-site or off-site; any documentation or easements regarding water quality filtration, storm water detention and drainage to serve the Property, whether on-site or off-site; all utility acceptance or availability contracts or letters evidencing service, capacity or reimbursement rights from the applicable utility providers; zoning and land use ordinances, applications and approvals; tree surveys and permits; traffic impact analyses; access permits; construction plans and permits; deed restrictions or similar covenants; and any other written studies, reports, permits, or approvals regarding the Property (collectively, the "Documents").

(c) Survey. Within fifteen (15) days of the Effective Date, Seller will provide Purchaser a copy of any existing surveys of the Land that are in Seller's possession or control (the "**Survey**"). Within forty-five (45) days after the Effective Date, Purchaser, at its sole cost and expense, shall cause to be prepared an updated survey (the "**Updated Survey**") of the Land. The Updated Survey shall include a surveyor's certification in the form attached hereto as **Exhibit B**. Upon completion of the Updated Survey, the description of the Land set forth therein shall be replaced as **Exhibit A** hereto. Where the context requires, references herein to the Updated Survey shall include the Survey and vice versa.

(d) Title Review Period. Purchaser shall have until twenty (20) days after the Purchaser's receipt of the Title Commitment, all the Documents, and the Updated Survey, whichever is later, to review and approve (or disapprove) the matters reflected in the Title Commitment, the Documents, and the Updated Survey (the "**Objection Period**"). The Feasibility Period shall be automatically extended by one (1) day for each day in which the Title Commitment and/or the Documents are not timely received by Purchaser. If Purchaser determines that the Title Commitment, the Documents and/or the Updated Survey reflect or disclose any defect, exception or other matter affecting the Property that is unacceptable to Purchaser, in Purchaser's sole discretion, then Purchaser shall notify Seller of Purchaser's objections prior to the expiration of the Objection Period (the "**Objection Notice**"). Within ten (10) days of its receipt of the Objection Notice, Seller shall respond to the Objection Notice, in writing, indicating which objected-to items Seller is unwilling or unable to remove at the Closing (the "**Title Response Notice**"). Seller's failure to deliver a Title Response Notice shall be deemed to be Seller's election to remove all of the items objected-to by Purchaser in its Objection Notice. Seller shall be obligated to cause all liens, security interests and other encumbrances that Seller has agreed to remove to be released of record at or prior to the Closing, and Seller's failure to cause the removal of any items objected to by Purchaser that Seller has agreed to remove shall constitute a Seller default under this Agreement and entitle Purchaser to exercise its remedies hereunder. Following Purchaser's receipt of the Title Response Notice (or, as the case may be, following the expiration of the aforementioned 5-day period without having received a Title Response Notice from Seller), Purchaser shall be entitled, as its sole and exclusive remedy, to terminate this Agreement by providing written notice of termination to Seller prior to the expiration of the Feasibility Period, whereupon this Agreement shall be terminated, the Earnest Money shall be refunded to Purchaser, and neither party shall have any further rights or liabilities hereunder. Purchaser shall have the same right to object to any new matters appearing in an updated or revised Title Commitment that did not appear in an earlier version (collectively, the "**New Encumbrances**"); provided that the presence of any New Encumbrances that Seller fails or is unable to cure prior to Closing shall be a Seller default hereunder, which shall entitle Purchaser to exercise its remedies under Paragraph 14 hereof. As used here, the "**Permitted Exceptions**" shall consist of all matters (i) shown under Schedule B of the Title Commitment to which Purchaser has not objected or (ii) which were objected-to by Purchaser in its Objection Notice but Seller, in its Title Response Notice, has indicated it is unwilling or unable to cure or Seller is deemed to be unwilling or unable to cure by failing to deliver a Title Response Notice. Notwithstanding the foregoing, under no circumstances shall Purchaser be required to object to any existing liens reflected in the Title Commitment or other matters shown on Schedule C thereto, none of which shall be included as Permitted Exceptions.

5. Feasibility Period and Access; Feasibility Approvals.

(a) Project Approval. Purchaser will use commercially reasonable efforts during the Feasibility Period to prepare a Planned Unit Development ("PUD") zoning district plan as necessary for Purchaser to develop and construct approximately one hundred (100) detached condominium units for residential purposes on the Property, submit application for PUD approval to the City of Round Rock Planning and Zoning Commission, and obtain approval of same (collectively, "**Project Approvals**").

(b) Feasibility Period. Purchaser shall have until the date that is the earlier to occur of: (i) the date that is one hundred and eighty (180) days after the Effective Date; or (ii) five (5) days following the date Purchaser obtains the Project Approvals (the "**Feasibility Period**") within which to inspect the condition of the Property, obtain the Project Approvals, and to perform such other investigations as Purchaser may desire in its sole discretion, including but not limited to physical property inspections, the condition of the Property, economic feasibility studies, and any type of environmental assessment, geotechnical report or engineering study. In the event Purchaser fails to obtain the Project Approvals prior to the expiration of the Feasibility Period, Purchaser may elect to either (i) terminate this Agreement and receive a refund of the Earnest Money, or (ii) waive the condition precedent to Closing and issue the Approval Notice pursuant to Paragraph 5(c) of this Agreement. Purchaser and its duly authorized agents or representatives shall be entitled to enter upon the Property at all reasonable times during the term of this Agreement in order to conduct engineering studies, environmental studies, soil tests, and any other inspections and/or tests that Purchaser may deem necessary or advisable.

(c) Approval Notice. At any time prior to the expiration of the Feasibility Period, Purchaser may, in its sole discretion, terminate this Agreement by written notice to Seller; provided that, notwithstanding anything herein to the contrary, if Purchaser fails to deliver a written notice to Seller at any time prior to the expiration of the Feasibility Period indicating Purchaser's desire to purchase the Property pursuant to this Agreement (an "**Approval Notice**"), then this Agreement will terminate upon the expiration of the Feasibility Period, Purchaser shall promptly receive the Earnest Money, Seller shall retain the Independent Consideration as consideration for this Agreement, and thereafter neither Seller nor Purchaser shall have any continuing rights or obligations hereunder. Purchaser may elect to not send the Approval Notice for any reason whatsoever. If the Title Company has not received a copy of the Approval Notice prior to the expiration of the Feasibility Period, then the Title Company is hereby authorized and directed to immediately release the Earnest Money and any interest thereon to Purchaser without the requirement of any additional written consent from either Purchaser or Seller, this Agreement being deemed to constitute such written consent.

6. Representations and Covenants of Seller. Seller hereby represents, warrants and covenants to Purchaser as of the Effective Date and as of the Closing as follows:

(a) Title. Seller represents and warrants to Purchaser that Seller currently has and will have at Closing record title to the Property, and that at Closing, such title shall be free and clear of all liens, encumbrances, covenants, restrictions, rights-of-way, easements, leases, conditions and other matters affecting title except for the Permitted Exceptions. Seller further

represents and warrants to Purchaser that the Property will be transferred to Purchaser free and clear of any management, service or other contractual obligations.

(b) No Further Encumbrances. From the Effective Date until the Closing, Seller shall not sell, assign or convey any right, title or interest whatsoever in or to the Property, or create or permit to exist any lien, security interest, easement, encumbrance, charge or condition affecting the Property (other than the Permitted Exceptions) without promptly discharging the same prior to Closing.

(c) No Actions. Seller has not received any written notice that there are any actions, suits or proceedings pending or threatened against Seller or otherwise affecting any portion of the Property, at law or in equity, or before or by any federal, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(d) Authority. The execution by Seller of this Agreement and the consummation by Seller of the sale contemplated hereby have been duly authorized, and will not, at or after Closing, result in a breach of any of the terms or provisions of, or constitute a default under any indenture, agreement, instrument or obligation to which Seller is a party or by which the Property or any portion thereof is bound.

(e) Continued Maintenance. From the Effective Date through the date of the Closing, Seller shall continue to maintain the Property in its present condition.

(f) Leases. From the Effective Date through the date of the Closing, Seller will not enter into any lease of any portion of the Property, and no leases affect the Property as of the date of this Agreement and none will affect the Property at Closing.

(g) No Agreements. From the Effective Date through the date of the Closing, Seller will not enter into any oral or written agreements affecting the Property which might become binding on Purchaser or the Property at or after Closing.

(h) Compliance with Laws. The Property complies with all applicable laws and ordinances, and the present maintenance, operation and use of the Property does not violate any environmental, zoning, subdivision, building or similar law, ordinance, code, regulation or governmental permit affecting the Property.

(i) Environmental.

(i) Seller has not and, to Seller's knowledge after due inquiry, no third party has used, generated, transported, discharged, released, manufactured, stored or disposed any Hazardous Material (as defined below) from, into, at, on, under or about the Property in violation of any Environmental Law (as defined below). To Seller's knowledge after due inquiry, (i) the Property is not in violation, nor has been or is currently under investigation for violation of any Environmental Law; (ii) there has been no migration of any Hazardous Material from, into, at, on, under or about the Property in violation of any Environmental Law; (iii) there is not

now, nor has there ever been on or in the Property underground storage tanks or surface or below-grade impoundments used to store, treat or handle Hazardous Materials or debris or refuse buried in, on or under the Property; (iv) no topsoil or other fill material has been removed from, or placed upon, the Property, or, if any soil or other fill material has been placed upon the Property, the topsoil or other fill material is free from hazardous or toxic waste or material; and (v) there are no oil, gas or water wells on the Property, or if any such wells are present they have been permanently plugged in accordance with the applicable laws and regulations.

(ii) The term "**Hazardous Material**" as used herein shall mean any hazardous or toxic substances, materials, chemicals, or wastes in any form and in any concentration that is or becomes, prior to Closing, regulated by the United States or any state or local government authority having jurisdiction over the Property (including any present order or agreement imposing liability or standards concerning any such substances, materials, chemicals, or wastes and any future such order or agreement that becomes effective prior to Closing), and includes without limitation: any "**hazardous substance**," as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code sections 9601-9675); any "**hazardous waste**," as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code sections 6901-6992k); petroleum products; volatile organic compounds; radioactive materials; asbestos and lead paint, in any form or condition; and substances or compounds containing PCBs; or other substances harmful to persons or the environment. The term "**Environmental Law**" as used herein shall mean any federal, state or local law, ordinance or regulation, or any order, demand or guidance document of any governmental agency, relating to Hazardous Materials.

(iii) SELLER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS PURCHASER AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SHAREHOLDERS, ATTORNEYS AND THEIR RESPECTIVE REPRESENTATIVES AND SUCCESSORS-IN-INTEREST (COLLECTIVELY, THE "**INDEMNITEE**") FROM ANY LIABILITY, LOSS, COST, DAMAGE OR EXPENSE, INCLUDING, WITHOUT LIMITATION, COURT COSTS, EXPERT WITNESS FEES AND ATTORNEYS' FEES, THAT INDEMNITEE MAY SUFFER OR INCUR AS A RESULT OF ANY CLAIM, DEMAND, ACTION, COST OR JUDGMENT MADE OR OBTAINED BY ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, ENTITY, GOVERNMENTAL AGENCY OR PERSON WHICH ARISES OUT OF OR RESULTS FROM THE PRESENCE OR EXISTENCE OF HAZARDOUS MATERIALS ABOVE, BELOW OR ON THE PROPERTY FOR WHICH INDEMNITEE HAD ACTUAL OR CONSTRUCTIVE KNOWLEDGE.

(j) Condemnation. There are no pending or threatened condemnation or similar proceedings affecting the Property.

(k) Patriot Act. Seller is not a "foreign person" within the meaning of Section 1445(f) of the Internal Revenue Code and Seller is not, and, after making due inquiry, no person who owns a controlling interest in or otherwise controls Seller is, (a) listed on the Specially Designated Nationals and Blocked Persons List (the "**SDN List**") maintained by the Office of Foreign Assets Control ("**OFAC**"), Department of the Treasury, and/or on any other similar list maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation

(collectively, "**OFAC Laws and Regulations**"); or (b) a person either (i) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (ii) designated under Sections 1(a), 1(b), 1(c) or 1(d) of Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "**Executive Orders**"). Neither Seller nor any of its principals or affiliates (x) is a person or entity with which Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law or (y) is a person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Orders or (z) is affiliated or associated with a person or entity listed in the preceding clause (x) or clause (y). To the best knowledge of Seller, neither Seller nor any of its principals or affiliates, nor any brokers or other agents acting in any capacity in connection with the transactions contemplated herein (I) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Orders or (II) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. As used herein, "**Anti-Terrorism Law**" means the OFAC Laws and Regulations, the Executive Orders and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended.

(l) Gravesite; Previous Uses. To Seller's knowledge after due inquiry, no portion of the Property is or has been used as a gravesite, nor has any portion of the Property been used as a gravel pit, quarry or other industrial use that would impair or inhibit Purchaser's ability to construct structurally sound homes on the Property.

(m) Endangered Species; Property Features; Wetlands. To Seller's knowledge after due inquiry, there are no endangered or threatened species; karst, cave or fault line features; archaeologically or culturally significant sites; protected natural habitat, flora or fauna; located on the Property, nor is any portion of the Property located in what is or may be designated as a wetland.

(n) Seller Commitments. Except as set forth in the Title Commitment, Seller has not made any commitment or representation to any government authority, or any adjoining or surrounding property owner, which would in any way be binding on Purchaser or the Property or would interfere with Purchaser's ability to develop and improve the Property as a residential or commercial development, and will not make any such commitment or representation which would affect the Property or any portion thereof prior to Closing without Purchaser's written consent.

(o) Seller Defaults. Seller is not in default under the provisions of any contract, agreement, deed of trust or other encumbrance, lien or restriction on the Property. During the term of this Agreement, Seller shall pay all amounts and perform all obligations required to be paid or performed by Seller under any such deed of trust or other encumbrance, lien or restriction. Seller shall notify Purchaser in writing of any notices received, including any notices of default, from any lien holder who claims an interest in the Property.

(p) No Residential Prohibitions. Other than zoning entitlements, to Seller's knowledge, after due inquiry, there are no other facts or circumstances that would preclude, prevent or impair residential or commercial development of the Property. In that connection, there is publicly-maintained, legal access to the Property.

(q) Bankruptcy. Neither Seller nor any entity or person that owns or controls Seller is bankrupt or insolvent under any applicable Federal or state standard, has filed for protection or relief under any applicable bankruptcy or creditor protection statute, or has been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute. Seller is not entering into the transactions described in this Agreement with an intent to defraud any creditor or to prefer the rights of one creditor over any other. Seller and Purchaser have negotiated this Agreement at arms-length and the consideration paid represents fair value for the assets to be transferred.

(r) Taxes. All taxes on the Property have been paid or will have been paid up to and including the year prior to the Closing.

(s) Liens. There are no unpaid charges, debts, liabilities, claims or other obligations arising out of Seller's ownership or use of the Property which could give rise to any contractual lien, mechanic's and materialman's lien or other statutory lien against the Property for which Purchaser shall be responsible.

(t) No Back-Up Contracts. In consideration of the substantial expenses incurred by Purchaser in connection with this Agreement and its inspections and due diligence, Seller shall not enter into any contracts with third parties relating to the sale of the Property during the effectiveness of this Agreement.

(u) Seller's Cooperation. Seller shall use commercially reasonable efforts to assist Purchaser in obtaining the Project Approvals and/or any other item necessary for Purchaser to develop the Property for Purchaser's intended use. In furtherance of the foregoing, Seller shall execute applications which are required to be executed by the owner of the Property to aid in Purchaser obtaining such approvals or permits.

If, on or prior to Closing, Purchaser determines that one or more of the representations or warranties contained in this Paragraph 6 is untrue or misleading as to all or any portion of the Property, then at Purchaser's option, (i) Purchaser may exclude from the Property any portion thereof for which one or more of the representations of this Paragraph 6 is untrue or misleading, and the Purchase Price shall be reduced by the amount of the Purchase Price attributable to the excluded portion; (ii) Purchaser may enforce any of its remedies set forth in Paragraph 14 below; or (iii) Purchaser may waive the representation. If after Closing, Purchaser determines that one or more of the representations of this Paragraph 6 is untrue or misleading as to all or any portion of the Property, then in addition to any other remedies it may have at law or in equity, at Purchaser's option, (i) Seller shall promptly cure and correct the condition causing Seller's representation to be untrue or misleading at Seller's expense, or (ii) in the event the breach affects only a portion of the Property, Purchaser may rescind its purchase of that portion of the Property, in which event the rescission shall be exercised by Purchaser deeding such portion of

the Property to Seller and Seller shall immediately pay Purchaser, in cash, the Purchase Price (plus other costs paid by Purchaser at the Closing) attributable to such excluded portion. All of the representations and warranties contained in this Paragraph 6 are made by Seller both as of the date hereof and as of the date of Closing.

The provisions of this Paragraph 6 shall survive Closing.

7. Closing Conditions. In addition to any other rights and conditions contained herein, Seller hereby agrees and acknowledges that Purchaser's obligation to consummate the transaction contemplated by this Agreement is contingent upon the satisfaction or occurrence of the conditions and events set forth below (the "**Conditions Precedent**") on or prior to the date of the Closing. In the event that all of the Conditions Precedent have not occurred or been satisfied on or prior to such date, Purchaser, in Purchaser's sole and absolute discretion, may (i) terminate this Agreement by written notice to Seller, in which event neither party shall have any further rights, duties or obligations hereunder and the Earnest Money shall be immediately returned to Purchaser, (ii) extend the date of the Closing for such period of time as Purchaser deems necessary, or (iii) exercise any rights or remedies set forth elsewhere herein. The Conditions Precedent are as follows:

(a) Seller Representations. All representations and warranties of Seller pursuant to Paragraph 6 herein shall be true and correct in all material respects as of the date of Closing.

(b) Due Performance. Seller shall have performed and complied in all material respects, at the appropriate times for such performance and compliance, with its obligations, covenants and agreements under this Agreement.

8. Closing.

(a) Closing Date. Subject to any conditions precedent set forth herein, and provided Purchaser has timely delivered the Approval Notice, Purchaser shall acquire the Property on the date that is two hundred and ten (210) days after the Effective Date (as extended pursuant to the terms of this Paragraph, the "**Closing**" or the "**Closing Date**"). Purchaser shall be entitled to extend the Closing Date for two (2) periods of thirty (30) days each (each an "**Extension Option**") by (i) tendering written notice to Seller not later than (2) Business Days prior to the then scheduled Closing Date and (ii) delivering the Extension Fee then applicable to the Title Company. The fee associated with the exercise of the first Extension Option shall be equal to \$15,000.00 (the "**First Extension Fee**") and the fee associated with the exercise of the second Extension Option shall be equal to \$15,000.00 (the "**Second Extension Fee**"). The First Extension Fee and the Second Extension Fee are each an "**Extension Fee**" and collectively, the "**Extension Fees**". Each Extension Fee shall be treated as Earnest Money for all purposes hereunder (meaning that same shall be non-refundable to Purchaser except for Purchaser's termination under this Agreement when Purchaser shall be entitled to the Earnest Money, and that same shall be applicable to the Purchase Price at Closing). Seller agrees that Purchaser shall have the right to elect more than one Extension Period at one time if Purchaser submits the Extension Fees for both Extension Options that Purchaser is electing at the time (for example, if

Purchaser elects to exercise both Extension Options, then Purchaser shall provide written notice of same two (2) Business Days prior to the initial Closing Date and tender \$30,000.00 to Title Company). Upon receipt, Purchaser will direct the Title Company to release the Extension Fee(s) to the Seller so long as the Memorandum of Agreement is recorded in the Official Public Records of Williamson County, Texas.

(b) Updated Title Commitment. Fifteen (15) days prior to Closing, Purchaser shall request the Title Company to prepare and deliver to Purchaser an updated Title Commitment ("**Updated Title Commitment**") covering the Property. Upon Purchaser's receipt of the Updated Title Commitment, Purchaser shall have the right, in addition to any other rights set forth herein, to object to any New Encumbrance and delay or cancel the Closing of such Property based on Seller's failure or inability to satisfactorily resolve, as determined in Purchaser's sole discretion, any New Encumbrances.

9. Seller's Obligations at Closing. At Closing, Seller shall furnish or deliver to Purchaser the following:

(a) Deed. A special warranty deed ("**Deed**") covering the Property duly signed and acknowledged by Seller, which Deed shall convey to Purchaser good and indefeasible fee simple title to the Property free and clear of all liens, rights-of-way, easements, leases, and other matters affecting title to the Property except for the Permitted Exceptions.

(b) Bill of Sale and Assignment. A bill of sale and assignment agreement ("**Bill of Sale**") duly signed by Seller, which Bill of Sale shall convey and assign to Purchaser all of Seller's right, title and interest in and to the Appurtenances, Development Rights and Personal Property.

(c) Evidence of Authority. Such evidence or other documents as may be reasonably required by the Title Company evidencing the status and capacity of Seller and the authority of the person or persons who are executing the various documents on behalf of Seller in connection with the sale of the Property.

(d) Non-Foreign Affidavit. A non-withholding statement that will satisfy the requirements of Section 1445 of the Internal Revenue Code so that Purchaser is not required to withhold any portion of the Purchase Price for payment to the Internal Revenue Service.

(e) Tax Statement. Tax statements showing no delinquent taxes on the Property.

(f) Other Documents. Such other documents as the Title Company may reasonably require to consummate this transaction, or are in the mutual opinion of Purchaser's counsel and Seller's counsel, reasonably necessary to properly consummate this transaction.

10. Purchaser's Obligations at Closing. At Closing, Purchaser shall deliver to Seller, at Purchaser's sole cost and expense, the following:

(a) Purchase Price. The Purchase Price for the Property.

(b) Evidence of Authority. Such evidence or other documents that may be reasonably required by the Title Company evidencing the status and capacity of Purchaser and the authority of the person or persons who are executing the various documents on behalf of Purchaser in connection with the purchase of the Property.

(c) Other Documents. Such other documents as the Title Company may reasonably require to consummate this transaction, or are in the mutual opinion of Purchaser's counsel and Seller's counsel, reasonably necessary to properly consummate this transaction.

11. Costs and Adjustments.

(a) Proration of Taxes. All ordinary real property taxes levied or assessed against the Property for the year of the Closing by the city, county, state or other taxing authority shall be prorated at Closing between Purchaser and Seller on the basis of the latest available tax assessments. Seller shall be responsible for and pay at Closing all real property taxes levied or assessed against the Property for any year(s) prior to the year of the Closing. The apportionment of taxes shall be upon the basis of the tax rate for the last preceding year (if the current year's statements are not available) applied to the latest assessed valuation, and adjustments in the prorations shall be made if necessary upon receipt of the tax statements for the year of the Closing, and both parties agree that payment of the amount of such adjustments shall be made within thirty (30) days of receipt of such tax statements for the year of the Closing. If the Property is included in a larger tax parcel, Seller will escrow the estimated taxes for the year of the Closing for the entire tax parcel for payment when due pursuant to an escrow agreement mutually acceptable to Seller and Purchaser. Seller shall pay all special assessments and taxes, interest and penalties levied against the Property on or before the date of Closing.

(b) Rollback Taxes. Purchaser shall be responsible for and shall indemnify Seller against any and all "rollback" or agricultural exemption taxes and other taxes assessed from and after the Closing which are attributable to the period prior to Closing due to a change in land use, ownership or otherwise. Purchaser and Seller acknowledge that the foregoing provision constitutes the express provision for the payment of any additional ad valorem taxes and interest that become due as a penalty because of (i) the transfer of land; or (ii) a subsequent change in the use of land, as specified in Section 5.010(d) of the Texas Property Code.

(c) Closing Costs. Seller shall pay for the premium(s) (standard coverage) for the Title Policy to be delivered to Purchaser at Closing, the cost of any tax certificates, one-half of the escrow fees charged by Title Company, and any other cost stipulated to be paid by Seller pursuant to this Agreement. Purchaser shall pay for the premium for the "Shortages in Area" deletion (if desired by Purchaser), one-half of the escrow fees charged by Title Company, other endorsements or modifications to the Title Policy requested by Purchaser, and any other fees stipulated to be paid by Purchaser pursuant to this Agreement. Seller and Purchaser shall each be responsible for the fees and expenses of their respective attorneys.

(d) Other Income and Expenses. All other income and ordinary operating expenses for or pertaining to the Property, including, but not limited to, public utility charges,

maintenance and service charges and all other normal operating charges of the Property shall be prorated as of Closing.

(e) Post-Closing Adjustments. In the event any adjustments pursuant to this Paragraph are determined to be erroneous, then either party hereto who is entitled to additional monies shall invoice the other party for such additional amounts as may be owing, and such amounts shall be paid within thirty (30) days from the receipt of any such invoice. Nothing contained in this subparagraph shall prevent either party from disputing any claim made by the other party that an adjustment made at Closing was erroneous.

(f) Mutual Indemnities.

(i) Except for any matters, circumstances or conditions which are a breach by Purchaser of a representation or warranty of Purchaser under this Agreement for which Purchaser has indemnified Seller under this Agreement, or for Purchaser's responsibility with respect to non-delinquent ad valorem taxes set forth elsewhere in this Paragraph 11, Seller agrees to indemnify and hold Purchaser harmless of and from any and all liabilities, claims, demands and expenses, of any kind or nature arising or attributable to the period prior to Closing and which are in any way related to the ownership, maintenance or operation of the Property, and all expenses related thereto, including, but not limited to, court costs and attorneys' fees.

(ii) Except for any matters, circumstances or conditions which are a breach by Seller of a representation or warranty of Seller under this Agreement for which Seller has indemnified Purchaser under this Agreement, Purchaser agrees to indemnify and hold Seller harmless of and from any and all liabilities, claims, demands and expenses, of any kind or nature, arising or attributable to the period on or subsequent to Closing and which are in any way related to the ownership, maintenance or operation of the Property, and all expenses related thereto, including, but not limited to, court costs and attorneys' fees.

This Paragraph 11 shall survive Closing.

12. Condemnation. If all or any part of the Property is condemned, or if prior to Closing, condemnation proceedings are threatened or commenced against all or any part of the Property, or if for any other reason (other than Purchaser's default) Seller is unable to deliver any portion of the Property to Purchaser as required by this Agreement, then this Agreement will remain in full force except that Purchaser will not be required to acquire any of the Property taken or otherwise subject to the condemnation proceedings or which cannot otherwise be delivered as required by this Agreement. Notwithstanding the foregoing, if such condemnation proceedings affect ten percent (10%) or more of the Property, Purchaser will have the option to terminate this Agreement by delivering written notice of such termination to Seller, whereupon the Earnest Money will be returned to Purchaser, and neither Seller or Purchaser will have any further liability or obligation hereunder. If Purchaser elects to close the acquisition provided herein despite said taking, condemnation, or transfer, Seller will assign to Purchaser Seller's right, title, and interest in and to any compensation award resulting from said taking, condemnation or transfer.

13. Notices. All notices, demands or other communications of any type given by the Seller to the Purchaser, or by the Purchaser to the Seller, whether required by this Agreement or in any way related to the transaction contracted for herein, shall be void and of no effect unless given in accordance with the provisions of this Paragraph. All notices shall be in writing and delivered to the person to whom the notice is directed, either in person, by overnight delivery service, facsimile or email with confirmed receipt, or by mail as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given upon the date when deposited in a post office or other depository under the care or custody of the United States Postal Service, enclosed in a wrapper with proper postage affixed, and notices delivered by other means shall be effective when received by the party to whom the same is addressed, and such notices shall be addressed as follows:

Seller:

Bradley Family Partnership, Ltd.
Attn: Butch Bradley
500 County Road 202
Llano, Texas 78643
Telephone: (325) 247-5719
Fax: _____
Email: vsbradley@ctsec.net

With copy to:

Summit Commercial
Attn: Russ Boles
20 Chisholm Trail
Round Rock, Texas 78681
Telephone: (512) 244-9707
Fax: (512) 244-9519
Email: russ@summit-commercial.com
Email: terri@summit-commercial.com

With copy to:

D. Scott Heselmeyer P.C.
Attn: Scott Heselmeyer
211 Round Rock Ave.
Round Rock, Texas 78681
Telephone: (512) 310-1199
Fax: (512) 3696965
Email: scott@dshlegal.net

Purchaser:

KB Home Lone Star Inc.
Attn: Patrick Murphy
10800 Pecan Park Boulevard, Suite 200
Austin, Texas 78750
Telephone: (512) 651-8071
Fax: (512) 795-6291
Email: pmmurphy@kbhome.com

With copy to:

KB Home Lone Star Inc.
Attn: Mathew Thompson – Senior Regional Counsel
10800 Pecan Park Blvd., Suite 200
Austin, Texas 78750
Phone: (512) 651-8072
Fax: (512) 795-6291
Email: mthompson@kbhome.com

With copy to:

Winstead PC
Attn: Robert D. Burton
401 Congress Avenue, Suite 2100
Austin, Texas 78701
Phone: (512) 370-2869
Fax: (512) 370-2850
Email: rburton@winstead.com

Title Company:

Georgetown Title Company
Attn: David Hays

Round Rock, Texas 78664
Telephone: (512) 818-1241
Fax: _____
Email: david@georgetowntitle.net

14. Remedies.

(a) Seller Default. In the event that (i) Seller fails to timely comply with all conditions, covenants and obligations hereunder, (ii) fails to close the sale of the Property for any reason other than Purchaser's default, the conditions to Seller's obligations hereunder having been satisfied, or (iii) any of the representations and warranties of Seller contained herein are untrue, such failure or misrepresentation shall be an event of default by Seller, then Purchaser may (y) cancel this Agreement by providing written notice thereof to Seller, in which event the Earnest Money (including any amounts previously released to Seller) shall be returned immediately to Purchaser by the Title Company or Seller, as the case may be, or (z) pursue any remedies available to Purchaser at law or equity, including without limitation enforcing the specific performance of this Agreement. The remedies set forth in this Paragraph are cumulative and shall not affect Purchaser's ability to exercise specific remedies that may be otherwise set forth in this Agreement.

(b) Purchaser Default. In the event that Purchaser fails to timely comply with all conditions, covenants and obligations it has hereunder, except due to a default by Seller, such failure shall be an event of default by Purchaser, and Seller's sole and exclusive remedy shall be to terminate this Agreement and receive from the Title Company the balance of the Earnest Money deposited with the Title Company. The Earnest Money is agreed upon by and between the Seller and Purchaser as liquidated damages due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof, and no other damages,

rights or remedies shall in any case be collectible, enforceable or available to the Seller against Purchaser, and the Seller shall accept the Earnest Money as the Seller's total damages and relief, Seller hereby waiving any other rights or remedies to which it may otherwise be entitled.

(c) Notice and Cure Period. Notwithstanding anything herein to the contrary, prior to the exercise of any remedy set forth in this Agreement by Seller or Purchaser due to a default by the other party, (i) the non-defaulting party shall deliver a written notice to the defaulting party formally notifying the defaulting party of its default, and (ii) the default(s) identified in the default notice shall remain uncured for a period of ten (10) days following the defaulting party's receipt of such default notice.

(d) WAIVER OF JURY TRIAL. SELLER AND PURCHASER WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT. ANY SUCH DISPUTES SHALL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

(e) Remedies after Closing. Except as otherwise expressly provided in this Agreement, Purchaser and Seller intend that no suit for damages may be brought with respect to any aspect of the transaction contemplated herein and the sole remedies of Seller and Purchaser are set out in Paragraph 14(a) and Paragraph 14(b) above, except however, that from and after Closing, each Party shall have the right to pursue its actual damages against the other Party (i) for a breach of any covenant or agreement contained herein that is performable after or that survives Closing (including the indemnification obligations of the Parties contained in this Agreement, but excluding any obligation to purchase Property), and (ii) subject to the survival provisions set forth herein, for a breach of any representation or warranty made by the other party in this Agreement. If the Closing does not occur, (iii) each party shall have its respective rights and remedies under Paragraph 14(a) and Paragraph 14(b), as applicable, and (iv) each party shall have all available remedies against the other party for a breach of the other party's obligations contained in this Agreement that are expressly provided herein as surviving the termination of this Agreement. In no event shall either party be liable for any speculative, consequential or punitive damages.

15. Miscellaneous.

(a) Interpretation and Applicable Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas, and venue shall be in Williamson County, Texas. Where required for proper interpretation, words in the singular shall include the plural; the masculine gender shall include the neuter and the feminine, and vice versa. The terms "successors and assigns" shall include the heirs, administrators, executors, successors and assigns, as applicable, of any party hereto. Time is of the essence in this Agreement in all respects.

(b) Amendment. This Agreement may not be modified or amended, except by an agreement in writing signed by the Seller and the Purchaser. The parties may waive any of the conditions contained herein or any of the obligations of the other party hereunder, but any such waiver shall be effective only if in writing and signed by the party waiving such conditions and obligations.

(c) Attorneys' Fees. If either party named herein brings an action to enforce the terms of this Agreement or to declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorneys' fees to be paid by losing party as fixed by the court. The parties agree that "prevailing party" means the party who successfully prosecutes the action or successfully defends against it, prevailing on the main issue, even though not necessarily receiving an award of damages or other form of recovery.

(d) Descriptive Headings. The descriptive headings of the several paragraphs contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

(e) Entire Agreement. This Agreement (and the items to be furnished in accordance herewith) constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. No representation, warranty, covenant, agreement or condition not expressed in this Agreement shall be binding upon the parties hereto or shall affect or be effective to interpret, change or restrict the provisions of this Agreement.

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

(g) Multiple Originals and Counterparts. Numerous copies of this Agreement may be executed by the handwritten signatures of the parties hereto, either together or in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Handwritten signatures on counterparts of this Agreement that are transmitted by fax or scanned email shall be deemed original effective for all purposes.

(h) Real Estate Commission. Seller and Purchaser each warrant and represent to the other that neither of them has dealt with any agent or broker in connection with the sale and purchase of the Property other than Seller's agreement to pay a brokerage fee to Summit Commercial (Russ Boles). Each party hereto agrees to indemnify, defend and save harmless the other party from and against any and all claims, losses, damages, costs, or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by such party or on its behalf with any broker or finder in connection with this Agreement or transactions contemplated hereby. The provisions of this Paragraph shall survive the Closing.

(i) No Publicity. Seller (including all representatives, attorneys, and agents of each) shall not make any media release, public announcement, press release, public disclosure, or any other form of publicity in any manner or medium (including, without limitation, newspaper, newsletter, magazine, or electronic communication) (collectively, "**Publicity**") relating in any way to this Agreement, including, without limitation, regarding (i) the execution or existence of this Agreement, (ii) the transaction evidenced by this Agreement, (iii) the status of the transaction evidenced by this Agreement (including, without limitation, any termination of this Agreement or closing of the transaction, or portion thereof, evidenced by this Agreement), (iv) any matter related to or arising out of this Agreement, (v) any of the terms, provisions or conditions contained in this Agreement, and/or (vi) any other matter related to or arising from any of the foregoing, without the prior written consent of Purchaser, which consent may be granted or denied in Purchaser's sole and absolute discretion. Notwithstanding the foregoing, if and to the extent Seller is advised by Seller's counsel that Seller is legally required or compelled (including by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process or by request of any stock exchange or other administrative body to which Seller may be subject) to disclose any of the Publicity, Seller may disclose such Publicity provided that (vii) prior to disclosing any Publicity in accordance with legal requirements, Seller shall to the extent legally permissible notify Purchaser and give Purchaser the opportunity to seek appropriate protections in connection with such disclosure, and (viii) Seller shall disclose only that portion of the Publicity that Seller's counsel advises Seller is legally required to be disclosed, and shall continue to maintain the confidentiality of the balance of the Publicity. Notwithstanding the foregoing, nothing herein prohibits or limits Seller from disclosing the information described in clauses (i) - (vi) of this Paragraph to its partners, lenders, accountants or attorneys. The provisions of this Paragraph shall survive Closing under this Agreement and any earlier termination of this Agreement.

(j) Assignment. Purchaser may, at its option and at any time during this Agreement, assign this Agreement, in whole or in part, without the consent of Seller; provided, however that any such assignee shall assume all obligations under this Agreement as to the Property covered by such assignment. Upon such assignment and assumption, Purchaser shall be relieved of all liabilities and obligations from and after such assignment and assumption.

(k) Effective Date. All references in this Agreement to the "Effective Date", the "date hereof", or the "date of this Agreement" shall mean the date upon which the Title Company acknowledges receipt of this Agreement executed by Seller and Purchaser as set forth below.

(l) Time Periods. Notwithstanding anything herein to the contrary, if the final date of any period, any date of performance or any deadline date which is set forth in this Agreement falls on a Saturday, Sunday, legal holiday, or other day in which most banks are closed in Williamson County, Texas, then such date shall be extended to the next following date which is not a Saturday, Sunday or legal holiday (any such date being a "**Business Day**"). All time periods shall expire at 7:00 p.m., Round Rock, Texas time on the applicable date.

(m) Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns.

(n) Jester Name. When naming the development, Purchaser will include the name "Jester" in the development name.

(o) 1031. At no cost or expense to the Purchaser and at no delay to the Closing, Purchaser will cooperate with Seller on completing a 1031 tax-free exchange.

[Signatures on following page]

EXECUTED on this the ~~8th~~ day of August, 2015.

12th

SELLER:


BRADLEY FAMILY PARTNERSHIP, LTD.,
a Texas limited partnership

By: Charles M. Bradley
Name: Charles M. Bradley
Title: Managing Partner

EXECUTED on this the _____ day of _____, 2015.

PURCHASER:

KB HOME LONE STAR INC.,
a Texas corporation

By: 
Name: Ken Langston
Title: Division President

Receipt of one (1) complete, executed counterpart of this Agreement is hereby acknowledged by the Title Company of the date below.

GEORGETOWN

AUSTIN TITLE COMPANY

By:

[Signature]

Name:

DAVID S HAYS

Title:

ESCROW OFFICER

Date:

8/13/15