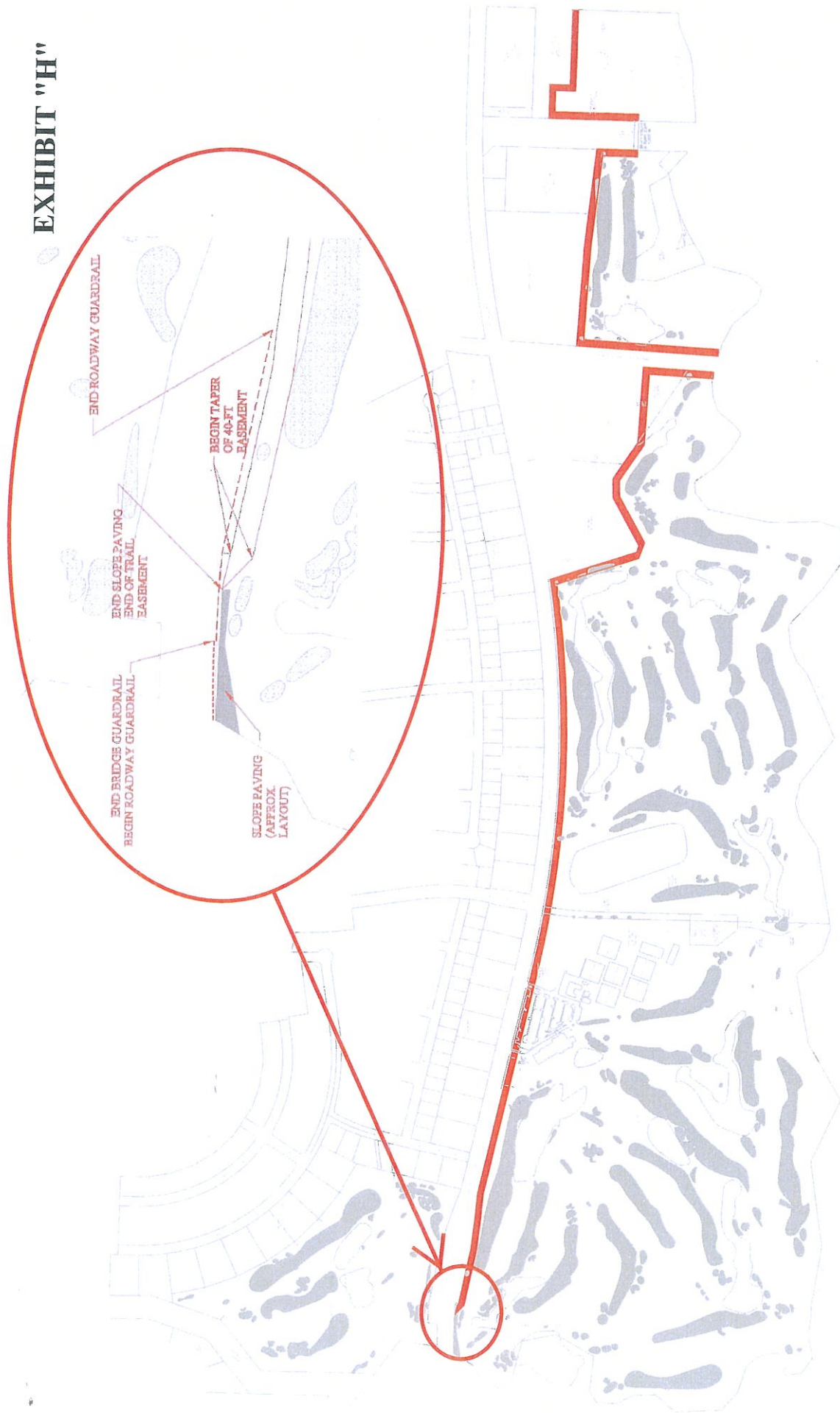


Exhibit "H"
(Map of Trail Property)

EXHIBIT "H"



CYPRESS FOREST PUD TRAIL EASEMENT WITHIN THE
RAVENEUX GOLF COURSE (40-FT BUFFER)
APPROX. 9.39 ACRES

Exhibit "I"
(Trail Easement)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM AN INSTRUMENT THAT CONVEYS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

TRAIL EASEMENT

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This Trail Easement (this "Easement") is made and entered into effective as of the ____ day of _____, 20__ by _____, a _____ ("Grantor"), the address of which is _____, to and in favor of **CYPRESS FOREST PUBLIC UTILITY DISTRICT**, a political subdivision of the State of Texas (the "District"), the address of which is c/o Allen Boone Humphries Robinson, LLP, Attention: Joe B. Allen, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

Recitals

WHEREAS, the District has conditionally agreed to annex certain property in Harris County, Texas owned by Grantor in accordance with that certain Raveneaux Redevelopment Agreement between the District and JP Raveneaux Partners, LP and Kera Development, LP, collectively as the "Developer", dated August 26, 2008 (the "Development Agreement"); and

WHEREAS, as part of the consideration for the District's agreement to annex Grantor's property, Grantor has agreed to grant and convey certain fee property and easement rights to the District;

NOW, THEREFORE, for and in consideration of the premises, Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed, Grantor grants to and agrees with the District as follows:

Grant of Easement

Grantor has GRANTED and CONVEYED, and hereby does GRANT and CONVEY, unto the District a perpetual easement over, on, and across that certain tract or parcel of land located in Harris County, Texas, as more particularly described on Exhibit "A" attached hereto and made a part hereof ("Easement Property"), upon and subject to the provisions of this Easement.

The grant of the Easement is made and accepted subject to the matters referred to in Exhibit "B" attached hereto and made a part hereof, but only to the extent that the same are presently valid, existing, and enforceable and do, in fact, affect the Easement Property.

TO HAVE AND TO HOLD the Easement, together with all and singular the rights and appurtenances thereto in anywise belonging, subject to the matters set forth herein, unto the District, its successors and assigns, forever; and Grantor does hereby bind itself and its

successors and legal representatives to WARRANT AND FOREVER DEFEND, all and singular, title to the Easement unto the District, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or tinter Grantor, but not otherwise, and subject to the matters referred to in this Easement.

Other Agreements

1. Use of Easement Property. The Easement Property may be used for, and only for, one or more of the following uses:

- (a) Walking and jogging trail (the "Trail");
- (b) Landscaping, including without limitation berms, earthwork, trees, shrubs, and other plants, subject to Grantor's approval, not to be unreasonably withheld; and
- (c) Public utilities, drainage, and related facilities.

The District shall raise the Trail to street level and work with Harris County to allow pedestrian access to Cypresswood Drive on the westerly end of the Easement Property described on Exhibit "C"; provided, however, that the District may elect not to do so until after the termination right in Section 17 shall have lapsed.

2. Grantor's Reserved Rights. Grantor reserves the following rights with respect to the Property:

- (a) Golfer crossing, both pedestrian and golf carts, at the existing golf cart crossing located near the west end of the Easement Property, as more particularly described in Exhibit "C" attached hereto and made a part hereof;
- (b) Pedestrian and vehicular ingress and egress, utilizing not more than three (3) driveway or public street crossings that are substantially perpendicular to the north boundary of the Easement Property, across that portion of the Easement Property more particularly described in Exhibit "D" attached hereto and made a part hereof; and
- (c) Pedestrian and vehicular ingress and egress, utilizing not more than two (2) driveway or public street crossings that are substantially perpendicular to the north boundary of the Easement Property, across that portion of the Easement Property more particularly described in Exhibit "E" attached hereto and made a part hereof.

3. Term, Amendment, and Termination. This Easement is and shall be perpetual. This Easement, including without limitation the foregoing Sections 1 and 2, may be amended or terminated in whole or in part from time to time, and at any time, with respect to all or any portion of the Easement Property, by written instrument executed and acknowledged by both of (i) the District and its successors and assigns as the owners of the easement estate hereunder with respect to the portion of the Easement Property that is the subject of such amendment or termination and (ii) Grantor and its successors and assigns as the owners of the strip of land ten (10) feet wide south of and adjacent to the southerly boundary of the portion of the Easement Property that is the subject of such amendment or termination. Any such amendment or

termination will not be effective unless and until it is recorded in the real property records of Harris County, Texas. This Section 3 is subject to Section 17 below.

4. **Covenants Running with the Land.** Without limiting the provisions of Section 3 above, the parties agree that the provisions of this Easement will be deemed to be covenants running with the land that are for the benefit of, and create burdens on, the Easement Property and that are for the benefit of the District.

5. **Binding Effect.** This Easement binds, benefits, and may be enforced by the successors in interest to the parties. Subject to Section 17, this Easement is presently effective and shall continue in effect whether or not the annexation contemplated in the first Recital herein is completed.

6. **Choice of Law.** This Easement will be construed under the laws of the state of Texas, without regard to choice-of-law rules in any jurisdiction. Venue is in Harris County, Texas.

7. **Attorney's Fees.** If either party retains an attorney to enforce this Easement, the party prevailing in litigation will be entitled to recover reasonable attorney's fees and court and other costs.

8. **Severability.** If any provision in this Easement is for any reason unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability will not affect any other provision of this Easement, and this Easement will be construed as if the unenforceable provision had never been a part of the agreement.

9. **Remedies Cumulative.** All rights, privileges, and remedies afforded the parties by this Easement will be deemed cumulative and not exclusive and the exercise of any remedy will not be deemed to be a waiver of any other right, remedy, or privilege provided for herein or available at law or in equity. It is expressly understood that a recovery in damages may not be an adequate remedy for a violation of the provisions of this Easement and that the granting of equitable remedies may, and probably will, be necessary.

10. **Number and Gender.** The use of the singular will be deemed to mean the plural, the plural to mean the singular, and each gender to mean the other genders wherever appropriate in the context.

11. **Captions.** Captions used in this Easement are for convenience only and will not be considered as a limitation on or an expansion of the terms of the agreement.

12. **Construction of Agreement.** The terms and provisions of this Easement are the result of negotiation between the parties, each of which has been represented by counsel of its selection, and neither of which has acted under duress or compulsion, legal, economic, or otherwise. Consequently, the terms and provisions of this Easement will be interpreted and construed in accordance with their usual and customary meanings, and the parties expressly waive and disclaim any rule of law or procedure interpreting or construing this Easement otherwise, including, without limitation, any rule of law to the effect that ambiguous or

conflicting terms or provisions in this Easement must be interpreted or construed against the party whose attorney prepared this Easement or any draft hereof.

13. Other Instruments. The parties to this Easement covenant and agree that they will execute any further instruments and agreements necessary or convenient to carry out the purposes of this Easement, as long as such other instruments and agreement do not materially and adversely affect the rights and obligations of Grantor and the District, and their respective successors and assigns, under this Easement.

14. Prior Agreements Superseded. This Easement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior understandings or oral or written agreements between the parties respecting the subject matter.

15. Notices. Any notice required or permitted under this Easement must be in writing. Any notice required by this Easement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Easement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

16. No Third-Party Beneficiaries. Nothing in this Easement, expressed or implied, is intended or may be construed to confer on any person or entity, other than Grantor and the District, and their respective successors and assigns, any right, remedy, or claim by reason of this Easement. This Easement is intended for the sole and exclusive benefit of Grantor and the District, and their respective successors and assigns as the owners of, or as a political subdivision having within its boundaries, the Property or portions thereof.

17. Termination Right. In the event that either (a) the Annexation Tract, as defined in the Development Agreement, is not annexed into the District by December 31, 2009 or (b) the Development Agreement is terminated by the District or the Developer prior to such annexation occurring, then in either such event, Grantor, without the need for the joinder or consent of the District, may terminate this Easement by recording notice thereof in the real property records of Harris County, Texas, which notice must affirmatively state the non-occurrence of annexation or the termination of the Development Agreement, as applicable. Upon the occurrence of such annexation, this termination right shall automatically lapse and either Grantor or the District may, and upon the request of the other shall, record written notice thereof in the real property records of Harris County, Texas.

WITNESS the execution hereof, effective as of the date first set forth hereinabove.

Grantor: _____

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me this _____ day of _____, 20____, by
_____, the _____ of _____, [the general
partner of _____,] a _____, on behalf of said
_____.

[NOTARY SEAL]

Notary Public in and for the State of Texas

Typed Name: _____

My Commission Expires: _____

WITNESS the execution hereof, effective as of the date first set forth hereinabove.

The District:

CYPRESS FOREST PUBLIC UTILITY
DISTRICT, a political subdivision of the State of
Texas

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me this _____ day of _____, 20____, by
_____, the _____ of CYPRESS FOREST PUBLIC UTILITY
DISTRICT, a political subdivision of the State of Texas, on behalf of said political subdivision.

[NOTARY SEAL]

Notary Public in and for the State of Texas

Typed Name: _____

My Commission Expires: _____

Consent and Subordination by Lienholder

The undersigned, as the holder of one or more liens on the Easement Property (as defined in the foregoing Trail Easement), or a portion thereof, consents to the above Trail Easement and subordinates its lien to said Trail Easement and the rights and interests of District, its successors and assigns, so that a foreclosure of any of the undersigned's liens will not extinguish such Trail Easement or rights and interests.

Lienholder: _____

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me this _____ day of _____, 20____, by _____, the _____ of _____, [the general partner of _____,] a _____, on behalf of said _____.

[NOTARY SEAL]

Notary Public in and for the State of Texas

Typed Name: _____

My Commission Expires: _____

EXHIBIT "A"

Legal Description of the "Easement Property"

EXHIBIT "B"

Permitted Encumbrances

EXHIBIT "C"

Legal Description of Golf Crossing

EXHIBIT "D"

Legal Description of Ingress and Egress [26.88 Acres]

EXHIBIT "E"

Legal Description of Ingress and Egress [13+/- Acres]

Exhibit "J"
(Map of Park Property)

EXHIBIT "J"



CYPRESS FOREST PUD PARK LAND WITHIN
THE RAVENEAUX GOLF COURSE
(APPROX. 257.52 ACRES)

Exhibit "K"
(Purchase Contract of Park Property)

**UNIMPROVED PROPERTY CONTRACT**

NOTICE: Not For Use For Condominium Transactions

1. **PARTIES:** The parties to this contract are _____ (Seller) and Cypress Forest Public Utility District, a political subdivision of the State of Texas (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. **PROPERTY:** Lot _____, Block _____, described on Exhibit A hereto _____ Addition, City of Houston _____, County of Harris _____, Texas, known as _____ (address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property).

3. SALES PRICE:

- A. Cash portion of Sales Price payable by Buyer at closing..... \$ 5,500,000.00
B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ 0.00
C. Sales Price (Sum of A and B) \$ 5,500,000.00

4. **FINANCING:** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

☐ A. **THIRD PARTY FINANCING:** One or more third party mortgage loans in the total amount of \$ _____ (excluding any loan funding fee or mortgage insurance premium).

(1) Property Approval: If the Property does not satisfy the lenders' underwriting requirements for the loan(s), this contract will terminate and the earnest money will be refunded to Buyer.

(2) Financing Approval: (Check one box only)

☐ (a) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Condition Addendum.

☐ (b) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

☐ B. **ASSUMPTION:** The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.

☐ C. **SELLER FINANCING:** A promissory note from Buyer to Seller of \$ _____, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. **EARNEST MONEY:** Upon execution of this contract by all parties, Buyer shall deposit \$ 5,500.00 as earnest money with [to be selected by Buyer] _____ as escrow agent, at _____ (address). Buyer shall deposit additional earnest money of \$ N/A with escrow agent within _____ days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY AND SURVEY:

A. **TITLE POLICY:** Seller shall furnish to Buyer at ☐ Seller's ☒ Buyer's expense an owner policy of title insurance (Title Policy) issued by [to be selected by Buyer] _____

(Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

- (1) Restrictive covenants common to the platted subdivision in which the Property is located.
- (2) The standard printed exception for standby fees, taxes and assessments.
- (3) Liens created as part of the financing described in Paragraph 4.
- (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
- (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (6) The standard printed exception as to marital rights.
- (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have the exception amended to read, "shortages in area".

B. **COMMITMENT:** Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the

Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or the Closing Date, whichever is earlier.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)

- ☐ (1) Within _____ days after the effective date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (Affidavit). If the existing survey or Affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at ☐ Seller's ☐ Buyer's expense no later than 3 days prior to Closing Date. **If Seller fails to furnish the existing survey or Affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.**

- ☐ (2) Within _____ days after the effective date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.

- ☒ (3) Within 20 days after the effective date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.

D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; or disclosed in the Commitment other than items 6A(1) through (8) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity: golf course

Buyer must object the earlier of (i) the Closing Date or (ii) 20 days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller may cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections ~~and the Closing Date will be extended as necessary.~~ If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.

E. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

- (2) PROPERTY OWNERS' ASSOCIATION MANDATORY MEMBERSHIP: The Property ☐ is ☒ is not subject to mandatory membership in a property owners' association. If the Property is subject to mandatory membership in a property owners' association, Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners' association. Restrictive covenants governing the use and occupancy of the Property and a dedicatory instrument governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instrument may be obtained from the county clerk. You are obligated to pay assessments to the property owners' association. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of the Property. **If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners' Association should be used.**

- (3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.

- (4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.

- (5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to

(but Seller must
remove all encumb-
rances imposed
after August _____,
2008 and all liens)

annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (8) **TEXAS AGRICULTURAL DEVELOPMENT DISTRICT:** The Property ☐ is ☒ is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.

7. PROPERTY CONDITION:

- A. **ACCESS, INSPECTIONS AND UTILITIES:** Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Seller at Seller's expense shall turn on existing utilities for inspections.

NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

- B. **ACCEPTANCE OF PROPERTY CONDITION:** (Check one box only)

- ☒ (1) Buyer accepts the Property in its present condition.
☐ (2) Buyer accepts the Property in its present condition provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: _____

- C. **COMPLETION OF REPAIRS:** Unless otherwise agreed in writing, Seller shall complete all agreed repairs prior to the Closing Date. All required permits must be obtained, and repairs must be performed by persons who are licensed or otherwise permitted by law to provide such repairs. At Buyer's election, any transferable warranties received by Seller with respect to the repairs will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs prior to the Closing Date, Buyer may do so and receive reimbursement from Seller at closing. The Closing Date will be extended up to 15 days, if necessary, to complete repairs.

- D. **ENVIRONMENTAL MATTERS:** Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

- E. **SELLER'S DISCLOSURES:** Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;
- (3) any environmental hazards or conditions affecting the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements. At and conditioned upon closing, Seller will pay a commission equal to 3% of the Sales Price to

Brenda Pennington Commercial Real Estate, Inc. Buyer has no obligation to pay any commission.

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 9-7

(Address of Property) _____

Buyer's receipt of proceeds from the issuance of its bonds to acquire the Property

9. CLOSING:

A. The closing of the sale will be on or before the earlier of (i) December 31, 2009 or (ii) forty-five (45) days after ~~after objections made under Paragraph 6D have been cured or waived, whichever date is later~~ (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a ~~general~~ ^{special} warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.
- (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.

10. POSSESSION: Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)

A. It is a condition precedent to Buyer's obligation to buy the Property that this transaction be approved by the Texas Commission on Environmental Quality (the "Commission") and that Buyer obtain a satisfactory appraisal as required under Commission rules. If such conditions have not been fulfilled, then Buyer may terminate this contract, and receive a refund of the earnest money, by giving written notice thereof to Seller not later than 60 days after the effective date of this contract. If the closing occurs and such appraisal shows the Property to be worth more than the Sales Price, then Buyer agrees to reasonably cooperate with Seller for Seller to obtain any federal tax benefits from the donation of property to a political subdivision.

B. Seller shall pay all ad valorem taxes for the period of time through the closing. After closing, Buyer shall report the purchase to applicable taxing authorities to cease accrual of taxes on the Property after the closing.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed \$ N/A to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses):

(a) Loan origination, discount, buy-down, and commitment fees (Loan Fees).

(b) Appraisal fees; loan application fees; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; mortgagee title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; ~~all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments,~~ final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; and other expenses payable by Buyer under this contract.

B. Buyer shall pay Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender.

C. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

- A. ~~PRORATIONS:~~ Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.
- B. ~~ROLLBACK TAXES:~~ If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. ~~Obligations imposed by this paragraph will survive closing.~~

- 14. CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

as its sole remedy

- 15. DEFAULT:** If Buyer fails to comply with this contract, ^{as its only remedies} Buyer will be in default, and Seller may (a) ~~enforce specific performance, seek such other relief as may be provided by law, or both, or (b)~~ terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If, due to factors beyond Seller's control, Seller fails within the time allowed to make any non-casualty repairs or deliver the Commitment, or survey, if required of Seller, Buyer may (a) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (b) terminate this contract as the sole remedy and receive the earnest money. If Seller fails to comply with this contract for any other reason, Seller will be in default and Buyer may (a) enforce specific performance, ~~seek such other relief as may be provided by law, or both, or (b)~~ terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

- 16. MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion ☒ will ☐ will not be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.

18. ESCROW:

- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
- B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.
- C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursal of the earnest money.

(Address of Property) _____

D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.

E. NOTICES: Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. REPRESENTATIONS: All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

20. FEDERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

21. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Buyer at:

c/o Allen Boone Humphries Robinson LLP
Attn: Joe B. Allen

3200 Southwest Freeway, Suite 2600

Houston, Texas 77027

Telephone: (713) 860-6402

Facsimile: (713) 860-6602

E-mail: jballen@abhr.com

To Seller at:

Telephone: ()

Facsimile: ()

E-mail: _____

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

☐ Third Party Financing Condition Addendum

☐ Seller Financing Addendum

☐ Addendum for Property Subject to Mandatory Membership in a Property Owners' Association

☐ Buyer's Temporary Residential Lease

☐ Seller's Temporary Residential Lease

☒ Other (list): Exhibit A - Legal Description

☐ Addendum for "Back-Up" Contract

☐ Addendum for Coastal Area Property

☒ Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum

☐ Addendum for Property Located Seaward of the Gulf Intracoastal Waterway

☐ Addendum for Sale of Other Property by Buyer

(Address of Property)

23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$100.00 (Option Fee) within 2 days after the effective date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 60 days after the effective date of this contract. If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee ☐ will ☐ will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

24. CONSULT AN ATTORNEY: Real estate licensees cannot give legal advice. READ THIS CONTRACT CAREFULLY. If you do not understand the effect of this contract, consult an attorney BEFORE signing.

Buyer's
Attorney is: August E. Shouse
2001 Kirby Drive, Suite 906
Houston, Texas 77019

Seller's
Attorney is: _____

Telephone: (713) 523-9351

Telephone: ()

Facsimile: (713) 523-1953

Facsimile: ()

E-mail: aes@aeshouse.com

E-mail: _____

EXECUTED the _____ day of _____, 20____ (EFFECTIVE DATE).
(~~BROKER:~~ FILL IN THE DATE OF FINAL ACCEPTANCE.)

Cypress Forest Public Utility District

Buyer Name: _____
Title: _____

Seller _____

Buyer _____

Seller _____

The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (<http://www.trec.state.tx.us>) TREC NO. 9-7. This form replaces TREC NO. 9-6.

BROKER INFORMATION AND RATIFICATION OF FEE

Listing Broker has agreed to pay Other Broker _____ of the total sales price when Listing Broker's fee is received. Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.

N/A

Other Broker

License No.

represents

☐ Buyer only as Buyer's agent☐ Seller as Listing Broker's subagent

Brenda Pennington Commercial Real Estate, I

Listing Broker

License No.

represents

☐ Seller and Buyer as an intermediary☒ Seller only as Seller's agent

Associate

Telephone

Broker's Address

City

State

Zip

Facsimile

Email Address

Brenda Pennington

713-621-5050

Listing Associate

Telephone

9720 Cypresswood Drive, Suite 206

281-807-2649

Listing Associate's Office Address

Facsimile

Houston

Texas

77070

City

State

Zip

Email Address

Selling Associate

Telephone

Selling Associate's Office Address

Facsimile

City

State

Zip

Email Address

OPTION FEE RECEIPT

Receipt of \$ _____ (Option Fee) in the form of _____ is acknowledged.

Seller or Listing Broker

Date

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of ☐ Contract and ☐ \$ _____ Earnest Money in the form of _____ is acknowledged.

Escrow Agent: _____ Date: _____

By: _____

Email Address

Address

Telephone (_____) _____

City

State

Zip

Facsimile: (_____) _____

**ENVIRONMENTAL ASSESSMENT, THREATENED OR
ENDANGERED SPECIES, AND WETLANDS ADDENDUM****TO CONTRACT CONCERNING THE PROPERTY AT**

(Address of Property)

- ☒ A. ENVIRONMENTAL ASSESSMENT: Buyer, at Buyer's expense, may obtain an environmental assessment report prepared by an environmental specialist.
- ☒ B. THREATENED OR ENDANGERED SPECIES: Buyer, at Buyer's expense, may obtain a report from a natural resources professional to determine if there are any threatened or endangered species or their habitats as defined by the Texas Parks and Wildlife Department or the U.S. Fish and Wildlife Service.
- ☒ C. WETLANDS: Buyer, at Buyer's expense, may obtain a report from an environmental specialist to determine if there are wetlands, as defined by federal or state law or regulation.

Within 60 days after the effective date of the contract, Buyer may terminate the contract by furnishing Seller a copy of any report noted above that adversely affects the use of the Property and a notice of termination of the contract. Upon termination, the earnest money will be refunded to Buyer.

Cypress Forest Public Utility District

Buyer Name: _____
Title: _____

Seller

Buyer

Seller

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