



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: August 16, 2016.

A handwritten signature in black ink, appearing to read "H. Mott".

**H. CHRISTOPHER MOTT
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE:

**LENNAR BUFFINGTON STONE WALL
RANCH, L.P.,
Debtor in Possession**

**Case No. 15-11548-hcm
Chapter 11**

**ORDER AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S
ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND
ENCUMBRANCES AND ASSUMPTION AND ASSIGNMENT OF EXECUTORY
CONTRACTS**

This matter, coming before the Court on the motion dated July 15, 2016 [Doc. No. 70], and the supplemental motion dated July 28, 2016 [Doc. No. 76], (collectively, the "Sale Motion") filed by the above- captioned debtor in possession (the "Debtor") for entry of an order (the "Sale Order"), pursuant to sections 105, 363 and 365 of the United States Bankruptcy Code, 11 U.S.C.

§§ 101, *et seq.* (the "Bankruptcy Code"), Rules 2002, 6004, 6006, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 2002-1, 6004-1, 6006-1 and 9006-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Western District of Texas (i) authorizing and approving the entry into, performance under and terms and conditions of the Contract of Sale, executed on or about June 24, 2016 (collectively, with all related agreements, documents or instruments and all exhibits, schedules and addenda to any of the foregoing, and as amended, the "Contract of Sale"), substantially in the form attached hereto as Exhibit A (without its exhibits), between and among RSI Communities LLC (the "Purchaser"), a Delaware Limited Liability Company, PH SPMSL, LP, a Texas limited partnership ("PH SPMSL"), and the Debtor Lennar Buffington Stonewall Ranch, LP, whereby the Debtor has agreed to sell, and the Purchaser has agreed to purchase from Debtor, that certain real property and related development rights and other personal property owned by Debtor as described in the Contract of Sale and being more particularly described in Exhibit B (collectively the "Purchased Assets"); (ii) authorizing and approving the sale by the Debtor of the Purchased Assets, free and clear of liens, claims (as such term is defined by section 101(5) of the Bankruptcy Code), liabilities, encumbrances, rights, remedies, restrictions and interests and encumbrances of any kind or nature whatsoever whether arising before or after the October 16, 2015 (the "Petition Date"), whether at law or in equity, including all claims or rights based on any successor or transferee liability, all environmental claims, all change in control provisions, all rights to object or consent to the effectiveness of the transfer of the Purchased Assets to the Purchaser or to be excused from accepting performance by the Purchaser or performing for the benefit of the Purchaser under any Assumed Agreement and all rights at law or in equity (collectively, the "Claims") and (iii) granting other related relief including the assumption of

certain executory contracts and (a) establishing that all defaults under such executory contracts have been cured or will be cured by the payments stated in this Order; (b) authorizing assumption of such executory contracts; and (c) authorizing the assignment of such executory contracts to Purchaser (collectively, the foregoing are the "Sale Transaction"). The Court having conducted a hearing on the Sale Motion on August 1, 2016, (the "Sale Hearing") at which time all interested parties were offered an opportunity to be heard with respect to the Sale Motion; the Court having reviewed and considered, among other things, (i) the Sale Motion and the exhibits thereto, (ii) the Contract of Sale attached hereto as Exhibit A and the description of the Purchased Assets attached hereto as Exhibit B, (iii) all objections to the Sale Transaction filed or raised on the record at the Sale Hearing, (iv) the agreements announced on the record and (v) the arguments of counsel made, and the evidence proffered or adduced, at the Sale Hearing; and it appearing that due notice of the Sale Motion has been given and that the relief requested in the Sale Motion is in the best interests of the Debtor, its estate and creditors and other parties in interest; and upon the record of the Sale Hearing and this case; and after due deliberation thereon; and good and sufficient cause appearing; therefore, it is

HEREBY FOUND AND DETERMINED THAT:

JURISDICTION, FINAL ORDER AND STATUTORY PREDICATES

A. This Court has jurisdiction over the Sale Motion, the Sale Transaction and the Contract of Sale pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a), and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue of this case and the Sale Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), the Court expressly

finds that there is no just reason for delay in the implementation of this Sale Order, and expressly directs entry of judgment as set forth herein.

C. The statutory predicates for the relief sought in the Sale Motion and granted in this Sale Order include, without limitation, sections 105(a), 363(b), (e), (f) and (m) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006.

SOUND BUSINESS PURPOSE

D. The Debtor seeks to convey the Purchased Assets, all of which are subject to Claims, including those held by the Debtor's prepetition secured lenders.

E. The Debtor has demonstrated, and the Contract of Sale reflects, both (1) good, sufficient and sound business purposes and justifications for the immediate approval of the Contract of Sale and the Sale Transaction and compelling circumstances for the approval of the Contract of Sale and the Sale Transaction outside of the ordinary course of the Debtor's business pursuant to section 363(b) of the Bankruptcy Code prior to, and outside of, a plan of reorganization in that, among other things, the Debtor's estate will suffer immediate and irreparable harm if the relief requested in the Sale Motion is not granted on an expedited basis. In light of the exigent circumstances of this chapter 11 case and the risk of deterioration in the value of the Purchased Assets pending the proposed Sale Transaction, time is of the essence in (a) consummating the Sale Transaction, (b) preserving the value of the Debtor's assets and (c) minimizing the adverse economic consequences for the Debtor's estate and its creditors that would be threatened by protracted proceedings in these chapter 11 cases.

F. The consummation of the Sale Transaction outside of a plan of reorganization pursuant to the Contract of Sale neither impermissibly restructures the rights of the Debtor's creditors nor impermissibly dictates the terms of a liquidating plan of reorganization for the

Debtor. The Sale Transaction does not constitute a *sub rosa* plan of reorganization.

G. Entry of an order approving the Contract of Sale and all the provisions thereof is a necessary condition precedent to the Purchaser's consummation of the Sale Transaction, as set forth in the Contract of Sale.

H. The Contract of Sale was not entered into, and neither the Debtor nor PH SPMSL or the Purchaser have entered into the Contract of Sale or propose to consummate the Sale Transaction, for the purpose of hindering, delaying or defrauding the Debtor's present or future creditors. Neither the Debtor nor PH SPMSL or the Purchaser is entering into the Contract of Sale, or proposing to consummate the Sale Transaction, fraudulently for the purpose of statutory and common law fraudulent conveyance and fraudulent transfer claims whether under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia or any other applicable jurisdiction with laws substantially similar to the foregoing.

HIGHEST AND BEST OFFER

J. As demonstrated by the testimony and other evidence proffered or adduced prior to or at the Sale Hearing, and in light of the exigent circumstances presented and emergency nature of the relief requested, (1) the Debtor with the assistance of the United Development Funding, LP and United Development Funding III, LP (collectively the "UDF Entities") has adequately marketed the Purchased Assets; (2) the Purchased Assets are unique real property with a limited number of potential buyers and there are good business reasons to sell the Purchased Assets outside of a plan of reorganization; the Contract of Sale constitutes the highest or otherwise best offer for the Purchased Assets and provides fair and reasonable consideration for the Purchased Assets ; (3) the Sale Transaction, as a transfer of illiquid assets, is an

extraordinary, non-market transaction; (4) the Sale Transaction will provide a greater recovery for the Debtor's creditors than would be provided by any other practical available alternative, including, without limitation, liquidation whether under chapter 11 or chapter 7 of the Bankruptcy Code; (5) no other party or group of parties has offered to purchase the Purchased Assets for greater economic value to the Debtor or its estate; (6) the consideration to be paid by the Purchaser for the Purchased Assets under the Contract of Sale exceeds the liquidation value of the Purchased Assets; and (7) the consideration to be paid by the Purchaser for the Purchased Assets under the Contract of Sale constitutes reasonably equivalent value and fair consideration (as those terms may be defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act and section 548 of the Bankruptcy Code) under the Bankruptcy Code and under the laws of the United States, any state, territory or possession thereof.

K. The Debtor's determination that the Contract of Sale constitutes the highest and best offer for the Purchased Assets constitutes a valid and sound exercise of the Debtor's business judgment.

L. The Purchaser has furnished the Debtor with a good faith deposit in connection with the Contract of Sale.

BEST INTEREST OF CREDITORS

M. Approval of the Contract of Sale, insofar as the same covers the Purchased Assets, and the consummation of the Sale Transaction with the Purchaser at this time are in the best interests of the Debtor, its estate, creditors, employees, and other parties in interest.

DESCRIPTION OF THE PURCHASER AND THE PURCHASER'S GOOD FAITH

N. The Purchaser is a Delaware Limited Liability Company. The Purchaser is not an "insider" of the Debtor, as that term is defined by section 101(31) of the Bankruptcy Code.

O. The Contract of Sale and each of the transactions contemplated therein, insofar as the same cover the Purchased Assets, were negotiated, proposed and entered into by the Debtor, with the assistance of the UDF Entities, and the Purchaser in good faith, without collusion and from arms'-length bargaining positions. The Purchaser has proceeded in good faith in all respects in connection with this proceeding, is a "good faith purchaser" within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby. Neither the Debtor, PH SPMSL nor the Purchaser have engaged in any conduct that (1) would cause or permit the Contract of Sale or any of the transactions contemplated thereby to be avoided; (2) would in any respect hinder, delay or defraud creditors; or (3) impose costs and damages under section 363(n) of the Bankruptcy Code.

NOTICE OF THE SALE MOTION, AND THE CURE AMOUNTS

P. As evidenced by the certificates of service filed with the Court, in light of the exigent circumstances of this case and the illiquid nature of the Debtor's assets and based upon the representations of counsel at the Sale Hearing and the testimony adduced at the Sales Hearing, the Court finds that:

- (1) proper, timely, adequate and sufficient notice of the Sale and the Sale Hearing has been provided by the Debtor;
- (2) such notice, and the form and manner thereof, was good, sufficient, reasonable and appropriate under the exigent circumstances prevailing in this chapter 11 case;
- (3) no other or further notice of the Sale Motion, the Sale Transaction, or the Sale Hearing is or shall be required.
- (4) in light of the need to grant the relief requested in the Sale Motion on an

expedited basis to avoid any erosion in the going value of the Purchased Assets, a reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein has been afforded to all interested persons and entities, including, but not limited to, the following:

- (i) PNC Bank, a prepetition lender and outside counsel to the PNC;
- (ii) counsel to the Purchaser;
- (iii) counsel to the Lennar Entities;
- (iv) all parties who are known or reasonably believed to have asserted a lien, encumbrance, claim or other interest in the Purchased Assets or who are reflected as secured parties in lien searches conducted by the Debtor;
- (v) all applicable state and local taxing authorities;
- (vi) the Office of the United States Trustee for the Western District of Texas
- (vii) all entities that have requested notice in these chapter 11 cases under Bankruptcy Rule 2002;
- (viii) any other party identified on the creditor matrix in this case.

Q. The Debtor may sell the Purchased Assets free and clear of all Claims because, in each case where a Claim is secured one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.

R. The Debtor is the sole and lawful owner of the Purchased Assets and no other person or entity has any real or asserted ownership right title or interest therein.

S. The transfer of the Purchased Assets to the Purchaser under the Contract of Sale will be a legal, valid and effective transfer of all of the legal, equitable and beneficial right, title and interest in and to the Purchased Assets free and clear of all Claims, except as otherwise provided in this Sale Order. All holders of Claims are adequately protected — and

the Sale Transaction thus satisfies section 363(e) of the Bankruptcy Code — by having their Claims, if any, attach to the proceeds of the Sale Transaction ultimately attributable to the property against which they have a Claim or other specifically dedicated funds, in the same order of priority and with the same validity, force and effect that such Claim holder had prior to the Sale Transaction, subject to any rights, claims and defenses of the Debtor or its estate, as applicable, or as otherwise provided herein.

T. The Purchaser would not have entered into the Contract of Sale and would not consummate the Sale Transaction, thus adversely affecting the Debtor, its estate, creditors, employees, and other parties in interest if the sale of the Purchased Assets was not free and clear of all Claims, or if the Purchaser would, or in the future could, be liable for any such Claims. The Purchaser asserts that it will not consummate the Sale Transaction unless the Contract of Sale specifically provides and this Court specifically orders that the Purchaser will have no liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or in equity, whether by payment, setoff or otherwise, directly or indirectly, any Claim.

U. Without limiting the generality of the foregoing, the Contract of Sale provides the Debtor with reasonably equivalent value and fair consideration (as those terms are defined in the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and the Bankruptcy Code), and was not entered into for the purpose or, nor does it have the effect of, hindering, delaying or defrauding any of the creditors of the Debtor under any applicable laws.

V. The Sale Transaction shall not impose or result in the imposition of any liability or responsibility on Purchaser or any of its respective assets (including the Purchased Assets), and the transfer of the Purchased Assets to the Purchaser does not and will not subject

the Purchaser or its affiliates, successors or assigns or any of their respective assets (including the Purchased Assets), to any liability for any Claims, including, without limitation, for any successor liability.

W. The rights and claims between the City of Liberty Hill and the Debtor arise from an executory contract (the “Liberty Hill Contract”), more particularly described as that certain that certain Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement, dated effective September 14, 2004, by and between Lower Colorado River Authority (“LCRA”) and Lookout Partners, L.P., as previously assigned by Lookout Partners, L.P. to Debtor pursuant to that certain Assignment of Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement, dated effective August 26, 2005, as previously amended pursuant to that certain First Amendment to Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement, dated effective August 29, 2005 and that certain Second Amendment to Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement, dated effective May 14, 2008, and as previously assigned by LCRA to the City of Liberty Hill pursuant to that certain Bill of Sale and Assignment, dated effective May 1, 2012.

X. The rights between the City of Georgetown and the Debtor arise from an executory contract (the “Georgetown Contract”) , more particularly described as that certain Amended and Restated Non-Standard Water Service Agreement, dated effective May 26, 2009, by and among Chisholm Trail Special Utility District, Stonewall Ranch Municipal Utility District and the Debtor, as previously assigned by Chisholm Trail Special Utility District to the City of Georgetown pursuant to that certain Asset Transfer and Utility System Consolidation Agreement, dated effective October 15, 2013.

Y. The Debtor is in default under the provisions of the Liberty Hill Contract.

Z. The Debtor is in default under the provisions of the Georgetown Contract.

AA. All defaults of the Debtor under the Liberty Hill Contract are cured by the payment of \$587,036.70 plus \$1,267.77 per diem for each day after August 15, 2016 to the City of Liberty Hill at the Closing. This payment fully compensates the City of Liberty Hill for all actual pecuniary loss suffered by the City of Liberty Hill as a result of any and all breaches by the Debtor of the Liberty Hill Contract.

BB. All defaults of the Debtor under the Georgetown Contract are cured by the payment of \$37,562.40 to the City of Georgetown at the Closing. This payment fully compensates the City of Georgetown for all actual pecuniary loss suffered by the City of Georgetown as a result of any and all breaches by the Debtor of the Georgetown Contract.

CC. The Debtor's assumption of the Liberty Hill Contract is approved and the Liberty Hill Contract is assumed.

DD. The Debtor's assumption of the Georgetown Contract is approved and the Georgetown Contract is assumed.

EE. Purchaser has provided adequate assurance of future performance of the Liberty Hill Contract.

FF. Purchaser has provided adequate assurance of future performance of the Georgetown Contract.

GG. Any and all rights of the Debtor related to the Liberty Hill Contract are assigned to Purchaser as part of the Purchased Assets.

HH. Any and all rights of the Debtor related to the Georgetown Contract are assigned to Purchaser as part of the Purchased Assets.

II. Any and all rights of the Debtor related to the reimbursement agreement with the Stonewall Ranch MUD (Reimbursement Agreement) are assigned to Purchaser as part of the Purchased Assets.

VALIDITY OF THE TRANSFER

JJ. As of the closing of the Sale Transaction (the "Closing"), the transfer of the Purchased Assets to the Purchaser will be a legal, valid and effective transfer of the Purchased Assets, and will vest the Purchaser with all right, title and interest of the Debtor in and to the Purchased Assets, free and clear of all Claims.

KK. The Closing of the Sale Transaction shall occur through Gracy Title Company or such other title company as is agreed upon by the Debtor and the Purchaser (the "Title Company").

LL. With the entry of this Sale Order, the Debtor (1) has full corporate power and authority to execute the Contract of Sale and all other documents contemplated thereby to be executed by the Debtor, and the Sale Transaction has been duly and validly authorized by all necessary partnership action of the Debtor; (2) has all of the power and authority necessary to consummate the transactions contemplated by the Contract of Sale, insofar as the same covers the Purchased Assets; (3) has taken all actions necessary to authorize and approve the Contract of Sale and the consummation by the Debtor of the transactions contemplated thereby, insofar as the same cover the Purchased Assets; and (4) upon entry of this Sale Order, need no consents or approvals of the Debtor, other than those expressly provided for in the Contract of Sale, which may be waived by the Purchaser, to consummate such transactions.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

GENERAL PROVISIONS

1. The Sale Motion is granted in its entirety and entry into and performance under and in respect of the Contract of Sale, insofar as the same covers the Purchased Assets and the Sale Transaction is approved, as set forth in this Sale Order.

2. The assumption and assignment of the Liberty Hill Contract to the Purchaser are approved and the Debtor and Purchaser have fully complied with the provisions of 11 U.S.C. §365(b) and (f) with respect to the assumption and assignment of the Liberty Hill Contract to the Purchaser.

3. The assumption and assignment of the Georgetown Contract to the Purchaser are approved and the Debtor and Purchaser have fully complied with the provisions of 11 U.S.C. §365(b) and (f) with respect to the assumption and assignment of the Georgetown Contract to the Purchaser.

4. The assumption and assignment of the Reimbursement Agreement to the Purchaser are approved and the Debtor and Purchaser have fully complied with the provisions of 11 U.S.C. §365(b) and (f) with respect to the assumption and assignment of the Reimbursement Agreement.

5. The findings of fact stated above and conclusions of law stated herein shall constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding of fact later shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law later shall be determined to be a finding of fact, it shall be so deemed.

6. All objections, if any, to the Sale Motion or the relief requested therein that have not been withdrawn, waived or settled as announced to the Court at the Sale Hearing or by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits with prejudice, except as expressly provided herein.

APPROVAL OF THE CONTRACT OF SALE

7. The Contract of Sale, all transactions contemplated therein and all of the terms and conditions thereof, insofar as the same cover the Purchased Assets, are hereby approved, subject to the terms and conditions of this Sale Order to the extent of any express conflict herewith. In the event of any direct conflict between the terms and conditions of the Contract of Sale and those of this Sale Order as in effect at the Closing Date, the terms and conditions of this Sale Order shall govern, provided that no change to this Sale Order made after the Closing Date without the consent of the Purchaser shall affect the rights or obligations of the Purchaser arising out of or relating to the Contract of Sale in any manner.

8. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtor is authorized and directed to perform its obligations under and comply with the terms of the Contract of Sale, insofar as the same covers the Purchased Assets, and consummate the Sale Transaction, pursuant to and in accordance with the terms and conditions of the Contract of Sale and this Sale Order.

9. If, prior to the Closing, Purchaser assigns its rights under the Contract of Sale or the ownership of the Purchaser or its members changes, then prior to any such assignment or membership change: (a) Purchaser shall notify PNC, in writing, prior to the Closing Date, that Purchaser intends to assign its rights under the Contract of Sale or that the members of the Purchaser (or members or owners of the Purchaser's members) will change, and include in the

such notice the identity of the proposed assignee or new members or owners; and (b) Purchaser shall provide to PNC prior to the Closing (i) a “Know Your Buyer” questionnaire for the proposed assignee or each new member or owner, as applicable, and their respective direct and indirect owners, which questionnaire shall be completed by Purchaser, the assignee or new members or owners, as applicable, and their respective shareholders, equity holders, partners, members or owners, as applicable, prior to the Closing and (ii) any other information regarding any direct or indirect owner of the proposed assignee or new members reasonably requested by PNC.

10. If, prior to the Closing, PNC determines that Purchaser or any equity security holder of Purchaser is: (a) a person with whom PNC is restricted from doing business under any anti-terrorism law or anti-money laundering statutes (collectively, “Anti-Money Laundering Statutes”); (b) engaged in any business involved in making or receiving any contribution of funds, goods or services to or for the benefit of such a person or in any transaction that evades or avoids, or has the purpose of evading or avoiding, the prohibitions set forth in any Anti-Money Laundering Statutes; or (c) otherwise in violation of any Anti-Money Laundering Statutes, PNC shall file into the record of this case a notice that the foregoing condition has not been satisfied and, upon such filing, this Sale Order shall be null and void and no further force or effect.

11. At the Closing, any ad valorem taxes owed by the Debtor for years prior to 2016 shall be paid in full.

12. At the Closing, the Debtor shall cause to be paid \$3,274,745.59 plus \$607.30 per diem for each day after August 15, 2016, plus \$175,000.00 as the undisputed amount for attorneys’ fees and costs incurred by PNC.

13. At the Closing, the Debtor shall cause to be paid \$587,036.70 plus \$1,267.77 per

diem for each day after August 15, 2016 to the City of Liberty Hill.

14. At the Closing, the Debtor shall cause to be paid \$37,562.40 to the City of Georgetown.

15. At the Closing the Debtor shall cause to be paid the UST fees as follows:

\$13,000.00 as an estimated payment for the third quarter of 2016.

16. At the Closing the Debtor shall retain \$200,000 (the "Retained Funds") for payment of administrative expense claims of professionals hired by the Debtor and any fees due under 28 U.S.C. §1930. Such funds shall be retained free and clear of liens, except that the liens of UDF shall attach to any funds which are not required for payment of administrative expense claims or fees under 28 U.S.C. §1930.

17. At the Closing, the Debtor shall retain \$3,300,000 (the "Disputed Funds") to which the liens of Lennar Homes of Texas Land and Construction, Ltd. and Lennar Texas Holding Company ("Lennar") and UDF shall attach in the same order, priority and validity that they applied to the Purchased Assets subject to further order of the Court.

18. At the Closing, the Debtor shall retain \$100,000.00 (the "Attorney's Fees Funds") to which the liens of PNC and UDF shall attach in the same order, priority and validity that they applied to the Purchased Assets subject to further order of the Court.

19. UDF and PNC will attempt to resolve the issue of whether PNC is entitled to all or a portion of the Attorney's Fees Funds as additional attorney's fees and costs as part of its allowable claim (the "Disputed Attorney's Fees"). If the parties are able to agree on a resolution of the Disputed Attorney's Fees issue, then the Debtor is authorized and directed to pay from the Attorney's Fees Funds the amount on which the parties' agree. However, if UDF and PNC are unable to agree on a resolution of the Disputed Attorney's Fees issue, then the issue will be

brought before the Court for resolution on a schedule mutually agreeable to the parties or as otherwise ordered by the Court.

20. At the Closing the Debtor shall cause to be paid all costs of Closing, including fees for a title policy and fees incurred by the title company shall be paid.

21. The funds remaining after the payment of all items listed in paragraphs 13 through 20 of this Order shall be the "Remaining Funds".

22. At the Closing, UDF shall deliver to the Title Company written instructions for disbursement of the Remaining Funds to UDF or entities designated by UDF and the Title Company shall make disbursements at the in accordance with such written instruction.

23. The Debtor, as well as its affiliates, managers, members, employees and agents, are authorized and directed to execute and deliver, and empowered to perform under, consummate and implement, the Contract of Sale, insofar as the same covers the Purchased Assets, in substantially the same form as the Contract of Sale attached hereto as Exhibit A, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Contract of Sale, insofar as the same covers the Purchased Assets, and to take all further actions and execute such other documents as may be (a) reasonably requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser, or reducing to possession, the Purchased Assets (including, but not limited to, all necessary transition services to be provided to the Purchaser by the Debtor), (b) necessary or appropriate to the performance of the obligations contemplated by the Contract of Sale, insofar as the same covers the Purchased Assets, and as may be reasonably requested by Purchaser to implement the Contract of Sale, insofar as the same covers the Purchased Assets, and consummate the Sale Transaction in accordance with the terms thereof, all without further

order of the Court.

24. This Sale Order and the Contract of Sale, insofar as the same covers the Purchased Assets, shall be binding in all respects upon the Purchaser, the Debtor, its affiliates, any trustees appointed in the Debtor's case (whether under chapter 11 or chapter 7 of the Bankruptcy Code), all creditors (whether known or unknown) of the Debtor, all interested parties and their successors and assigns, including, but not limited to, any party asserting a Claim. Nothing contained in any chapter 11 plan confirmed in these bankruptcy cases or the order confirming any such chapter 11 plan shall conflict with or derogate from the provisions of the Contract of Sale or this Sale Order, and to the extent of any conflict or derogation between this Sale Order or the Contract of Sale and such future plan or order, the terms of this Sale Order and the Contract of Sale shall control to the extent of such conflict or derogation.

TRANSFER OF PURCHASED ASSETS FREE AND CLEAR

25. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Debtor is authorized and directed to transfer the Purchased Assets in accordance with the terms of the Contract of Sale. The Purchased Assets shall be transferred to the Purchaser, and upon consummation of the Closing of the sale of the Purchased Assets in accordance with the terms of the Contract of Sale, such transfer (a) shall be a valid, legal, binding and effective transfer; (b) shall vest the Purchaser with all right, title and interest of the Debtor in the Purchased Assets; and (c) shall be free and clear of all Claims with all such Claims to attach to the proceeds of the Sale Transaction ultimately attributable to the Purchased Assets against or in which such Claims are asserted, or other specifically dedicated funds, in the order of their priority, with the same validity, force and effect which they now have as against the Purchased Assets, subject to any rights, claims and defenses the Debtor or its estate, as applicable, may possess with respect

thereto; provided, however, that the sale shall be made subject to the liens for 2016 ad valorem taxes for the Purchased Assets which are assumed by the Purchaser, with it being agreed under the terms of the Contract of Sale that the Purchaser will receive a proration credit at the Closing against the purchase price paid for the Purchased Assets in the amount of the estimated 2016 ad valorem taxes for the Purchased Assets attributable to the applicable period of the 2016 calendar year occurring prior to the date of Closing.

26. Except as otherwise provided in the Contract of Sale, all persons and entities (and their respective successors and assigns), including, but not limited to, all debt security holders, equity security holders, affiliates, governmental, tax and regulatory authorities, lenders, customers, dealers, employees, trade creditors, litigation claimants and other creditors, holding Claims (whether legal or equitable, secured or unsecured, known or unknown, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinated) arising under or out of, in connection with, or in any way relating to, the Debtor, the Purchased Assets, the operation of the Business prior to Closing or the transfer of the Purchased Assets to the Purchaser, are hereby forever barred, estopped and permanently enjoined from asserting such Claims against the Purchaser, its successors or assigns, its property or the Purchased Assets. No such persons or entities shall assert against the Purchaser or their successors in interest any Claim arising from, related to or in connection with the ownership, sale or operation of any Asset prior to the Closing.

27. This Sale Order shall be effective as a determination that, as of the Closing, (a) no Claims will be assertable against the Purchaser, its affiliates, successors or assigns or any of their respective assets (including the Purchased Assets), (b) the Purchased Assets shall have been transferred to the Purchaser free and clear of all Claims and (iii) the conveyances described

herein have been effected; (c) the Liberty Hill Contract shall be assumed by the Debtor and assigned to Purchaser as part of the Purchased Assets; (d) the Georgetown Contract shall be assumed by the Debtor and assigned to Purchaser as part of the Purchased Assets; and (e) is and shall be binding upon and govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of state, federal and local officials and all other persons and entities who may be required by operation of law, the duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Contract of Sale, insofar as the same covers the Purchased Assets.

28. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens* or other documents or agreements evidencing Claims against or in the Debtor or the Purchased Assets shall not have delivered to the Debtor prior to the Closing of the Sale Transaction, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all interests that the person or entity has with respect to the Debtor or the Purchased Assets or otherwise, then only with regard to Purchased Assets that are purchased by the Purchaser pursuant to the Contract of Sale and this Sale Order (a) the Debtor is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Purchased Assets; and (b) the Purchaser is hereby authorized to file, register or otherwise record a certified

copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Claims against the applicable Purchased Assets other than the Assumed Liabilities. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department or office.

29. All persons or entities in possession of some or all of the Purchased Assets are directed to surrender possession of such Purchased Assets to the Purchaser or its respective designees at the time of the Closing of the Sale Transaction.

30. Following the Closing of the Sale Transaction, no holder of any Claim shall interfere with the Purchaser's title to or use and enjoyment of the Purchased Assets based on or related to any such Claim, or based on any actions the Debtor may take in its chapter 11 cases.

31. All persons and entities are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of the Debtor to transfer the Purchased Assets to the Purchaser in accordance with the Contract of Sale and this Sale Order.

32. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Liberty Hill Contract, the Georgetown Contract, or the Purchased Assets sold, transferred or conveyed to the Purchaser on account of the filing or pendency of these chapter 11 cases or the consummation of the Sale Transaction contemplated by the Contract of Sale.

ADDITIONAL PROVISIONS

33. The Purchaser shall not be deemed, as a result of any action taken in connection with the Contract of Sale or any of the transactions or documents ancillary thereto or contemplated thereby or the acquisition of the Purchased Assets, to: (a) be a legal successor, or

otherwise be deemed a successor to the Debtor (b) have, *de facto* or otherwise, merged with or into the Debtor; or (c) be a mere continuation or substantial continuation of the Debtor or the enterprise of the Debtor. Without limiting the foregoing, the Purchaser shall not have any successor, derivative or vicarious liabilities of any kind or character for any Claims, including, but not limited to, on any theory of successor or transferee liability, *de facto* merger or continuity, environmental, labor and employment, products or antitrust liability, whether known or unknown as of the Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated.

34. Effective upon the Closing and except as otherwise set forth herein, all persons and entities are forever prohibited and enjoined from commencing or continuing in any matter any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral or other proceeding against the Purchaser, its successors and assigns, or the Purchased Assets, with respect to any (a) Claim or (b) successor liability of the Purchaser for the Debtor, including, without limitation, the following actions: (i) commencing or continuing any action or other proceeding pending or threatened against the Debtor as against the Purchaser, or its successors, assigns, affiliates or their respective assets, including the Purchased Assets; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor as against the Purchaser or its successors, assigns, affiliates or their respective assets, including the Purchased Assets; (iii) creating, perfecting or enforcing any lien, claim, interest or encumbrance against the Debtor as against the Purchaser or its successors, assigns, affiliates or their respective assets, including the Purchased Assets; (iv) asserting any setoff, right of subrogation or recoupment of any kind (in the case of recoupment only, except as a defense for payment of an obligation) for any obligation of any of the Debtor as against any obligation due

the Purchaser or its successors, assigns, affiliates or their respective assets, including the Purchased Assets; (v) commencing or continuing any action, in any manner or place, that does not comply, or is inconsistent with, the provisions of this Sale Order or other orders of this Court, or the agreements or actions contemplated or taken in respect thereof; or (vi) revoking, terminating or failing or refusing to renew any license, permit or authorization to operate any of the Purchased Assets or conduct any of the businesses operated with such assets.

35. The Purchaser shall not have any liability or other obligation of the Debtor or its affiliates arising under or related to the Purchased Assets, except future performance under the Liberty Hill Contract and the Georgetown Contract. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the Contract of Sale, the Purchaser shall not be liable for any claims against the Debtor, and the Purchaser shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, *de facto* merger or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, asserted or unasserted, liquidated or unliquidated, with respect to the Debtor or its affiliates or any obligations of the Debtor or its affiliates arising prior to the Closing, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Purchased Assets prior to the Closing of the Sale Transaction.

36. For the avoidance of doubt with respect to Purchased Assets, nothing in this Sale Order or the Contract of Sale affects any other defense or right of the non-Debtor obligor under applicable law, *provided that* a non-Debtor obligor may not assert any setoff, recoupment

or other right or defense to the extent (a) resulting from the financial condition or bankruptcy of a Debtor or arising out of or relating to a default or failure to perform under such Assumed Agreement at or prior to the time of assumption and assignment .

37. The Purchaser has given substantial consideration under the Contract of Sale for the benefit of the holders of Claims. The discrete consideration given by the Purchaser shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Purchaser, which releases shall be deemed to have been given in favor of the Purchaser by all holders of any Claims of any kind whatsoever.

38. While the Debtor's bankruptcy case is pending, this Court shall retain jurisdiction to, among other things, interpret, enforce and implement the terms and provisions of this Sale Order and the Contract of Sale, insofar as the same covers the Purchased Assets, all amendments thereto, any waivers and consents thereunder (and of each of the agreements executed in connection therewith in all respects), to adjudicate disputes related to this Sale Order or the Contract of Sale, insofar as the same covers the Purchased Assets, and to enter any orders under sections 105, 363 and/or 365 (or other relevant provisions) of the Bankruptcy Code with respect to the Liberty Hill Contract or the Georgetown Contract.

39. Nothing in this Sale Order shall be interpreted to deem the Purchaser as the successor to the Debtor under any state law successor liability doctrine with respect to any liabilities under environmental statutes or regulations for penalties for days of violation prior to entry of this Sale Order or for liabilities relating to off-site disposal of wastes by the Debtor prior to entry of this Sale Order. Nothing in this paragraph should be construed to create for any governmental unit any substantive right that does not already exist under law.

40. No bulk sales law, or similar law of any state or other jurisdiction shall apply in

any way to the transactions contemplated by the Contract of Sale, insofar as the same covers the Purchased Assets, the Sale Motion and this Sale Order.

41. The transactions contemplated by the Contract of Sale, insofar as the same covers the Purchased Assets, are undertaken by the Purchaser in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale Transaction shall not affect the validity of the Sale, unless such authorization is duly stayed pending such appeal.

42. The consideration provided by the Purchaser for the Purchased Assets constitutes reasonably equivalent value and fair consideration (as those terms may be defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act and section 548 of the Bankruptcy Code) under the Bankruptcy Code and under the laws of the United States, any state, territory or possession thereof or the District of Columbia or any other applicable jurisdiction with laws substantially similar to the foregoing.

43. The terms and provisions of the Contract of Sale, insofar as the same covers the Purchased Assets, and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, its estate, its creditors, the Purchaser, the respective affiliates, successors and assigns of each, and any affected third parties, including, but not limited to, all persons asserting claims in the Purchased Assets to be sold to the Purchaser pursuant to the Contract of Sale, notwithstanding any subsequent appointment of any trustee(s), examiner(s) or receiver(s) under any chapter of the Bankruptcy Code or any other law, and all such provisions and terms shall likewise be binding on such trustee(s), examiner(s) or receiver(s) and shall not be subject to rejection or avoidance by the Debtor, its estate, its creditors, their shareholders or any trustee(s), examiner(s), or receiver(s).

44. The failure specifically to include any particular provision of the Contract of Sale in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Contract of Sale and its exhibits and ancillary documents, insofar as the same cover the Purchased Assets, be authorized and approved in their entirety.

45. The Contract of Sale may be modified, amended or supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not materially change the terms of the Contract of Sale or modify the express terms of this Sale Order.

46. Each and every federal, state and local governmental agency, department or official is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Contract of Sale, insofar as the same covers the Purchased Assets.

47. As provided by Bankruptcy Rules 6004(h) and 6006(d), this Sale Order shall not be stayed after its entry and shall be effective immediately upon entry of this Sale Order, and the Debtor and the Purchaser are authorized to close the Sale Transaction immediately upon entry of this Sale Order. Any party objecting to this Sale Order must exercise due diligence in filing an appeal and pursuing a stay or risk its appeal being foreclosed as moot in the event Purchaser and the Debtor elects to close prior to this Sale Order becoming a Final Order.

48. This Court retains jurisdiction to interpret, implement and enforce the terms and provisions of this Sale Order including to compel delivery of the Purchased Assets, to protect the Purchaser against any Claims and to enter any orders under sections 105, 363 or 365 (or other applicable provisions) of the Bankruptcy Code to transfer the Purchased Assets and the Liberty

Hill Contract and the Georgetown Contract to the Purchaser.

49. Promptly upon Closing of the Sale Transaction, the Debtor shall file a notice with the Court advising creditors and parties in interest of the date of Closing.

END OF ORDER###

APPROVED AS TO FORM AND SUBSTANCE:

/s/Stephen W. Sather
Stephen W. Sather
Attorney for Debtor

/s/Richard W. Ward
Richard W. Ward
Attorney for UDF

/s/Rudy J. Cerrone
Rudy J. Cerrone
Attorney for PNC

/s/Thomas D. Berghman
Thomas D. Berghman
Attorney for Lennar

/s/Berry Spears
Berry Spears
Attorney for Purchaser

REVIEWED:

/s/Deborah Bynum
Deborah Bynum
Trial Attorney,
Office of Judy A. Robbins,
U.S. Trustee

EXHIBIT A
PURCHASE AGREEMENT

CONTRACT OF SALE

(Stonewall Ranch, Liberty Hill, Williamson County, Texas)

THIS CONTRACT OF SALE (this "*Contract*") is made and entered into as of the Effective Date (hereinafter defined) by and between **PH SPMSL, LP**, a Texas limited partnership ("*PHSPMSL*") and **Lennar Buffington Stonewall Ranch, LP**, a Texas limited partnership ("*Len-Buff*" and collectively with PHSPMSL, "*Seller*"), and **RSI Communities LLC** a Delaware limited liability company ("*Purchaser*"), collectively the "*Parties*".

Subject to the satisfaction of the Bankruptcy Contingency (as hereinafter defined), Seller hereby agrees to sell and convey unto Purchaser, and Purchaser agrees to purchase and take from Seller, the following-described real estate situated in the extra-territorial jurisdiction of Liberty Hill (the "*City*"), Williamson County (the "*County*"), Texas, to wit, being (i) seventeen (17) finished single-family residential lots owned by PHSPMSL and located in STONEWALL RANCH, PHASE 2 and STONEWALL RANCH, PHASE 3, as more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "*Finished Lots*"), and (ii) approximately 183 acres of land located in Williamson County, Texas, owned by Len-Buff, as more particularly described in Exhibit "B" attached hereto and made a part hereof for all purposes (the "*Paper Lot Land*"), which Paper Lot Land is to be developed into approximately seven hundred seventy-one (771) single-family residential lots (the "*Paper Lots*") in the proposed subdivisions known or to be known as STONEWALL RANCH, PHASES 4 THROUGH 10 (the "*Subdivision*"). The Paper Lots are as shown on Exhibit "B-1" attached hereto and incorporate herein by this reference for all purposes. Buyer acknowledges that the Paper Lots are not yet final platted or developed. The Finished Lots and Paper Lot Land, together with, all and singular, all improvements thereon and all rights and appurtenances pertaining to the Land, including, without limitation, any right, title, and interest of the applicable Seller in and to mineral interests, surface and subsurface water, adjacent streets, alleys, or rights-of-way, whether open or proposed, to the center line of said streets, alleys or rights-of-way, and any strips or gores between the Paper Lot Land and adjacent land, and any land lying in or under the bed of any creek, stream or waterway, in, or across, abutting or adjacent thereto, are hereinafter referred to collectively as the "*Property*".

The "*Property*" also includes all those open space, common area, rights-of-way, whether public or private, and other land owned by Seller which is intended to be developed as part of the Subdivision.

The "*Property*" also includes all right, title and interest of Seller, if any, in and to any and all development rights relating to, associated with and/or appurtenant to any of the Paper Lot Land and Finished Lots, including, but not limited to, all right, title and interest of Seller in and to: (a) utilities, sewage treatment capacity, water capacity, drainage and detention rights, if any, to serve or which will serve any of the Paper Lot Land and/or the Finished Lots and improvements now or hereafter constructed thereon; (b) surveys, engineering, soils, seismic, geological and environmental reports, studies, certificates and other technical descriptions applicable to any of the Paper Lot Land and/or the Finished Lots; (c) warranties, guaranties, indemnities, claims and causes of action, to the extent applicable to any of the Paper Lot Land

and/or the Finished Lots; (d) licenses, permits, governmental approvals, utility commitments, utility rights, reimbursement rights (including without limitation, all rights under the Reimbursement Agreement, as defined below), PID assessments, development rights or other similar rights; (e) rights to credits, refunds, and reimbursements, including without limitation, any credits against, or right to pay reduced, application fees, permit fees, inspection fees or impact fees applicable to any of the Paper Lot Land and the Finished Lots; (f) rights under zoning cases, preliminary plans, plats, and other development applications and approvals; (g) rights in and to engineering and architectural plans and specifications; (h) awards or proceeds relating to any of the Property that are unpaid as of the Closing Date (hereinafter defined); (i) rights under any declaration of covenants, conditions, and restrictions, including rights as declarant; (j) easements that benefit any of the Paper Lot Land and/or the Finished Lots; and (k) all other development rights, powers, privileges, options, or other benefits associated with, that pertain to, are attributable to, are appurtenant to, apply to, or which otherwise benefit any of the Paper Lot Land and/or the Finished Lots (but expressly excluding any liabilities or obligations arising prior to the Closing Date) (collectively, the "*Development Rights*").

In the event that Seller has not supplied to Purchaser a legally-sufficient metes and bounds description of the Paper Lot Land at the time of execution of this Contract, the metes and bounds description of the Paper Lot Land as reflected in the New Survey (as defined below) shall be deemed incorporated herein upon approval of the New Survey by Purchaser, Seller, and the Title Company (with such approvals by Seller and Purchaser to not be unreasonably withheld, conditioned or delayed), and the Deed (as defined below) to be delivered by Seller to Purchaser at Closing shall contain the metes and bounds description of the Paper Lot Land reflected in the New Survey.

Seller has informed Purchaser that Len-Buff is a debtor in a bankruptcy case filed in the United States Bankruptcy Court for the Western District of Texas (the "*Bankruptcy Case*"). The sale of the Property from Seller to Purchaser is subject to approval by the United States Bankruptcy Court for the Western District of Texas, Austin Division (the "*Court*") of the terms and conditions detailed in this Contract and a final order from the Court reasonably acceptable to Purchaser (the "*Sale Order*") which, among other things (i) ratifies and approves execution of this Contract and sale of the Property on the terms and conditions detailed in this Contract, (ii) determines that Purchaser is a good faith purchaser under Section 363(m) of the Bankruptcy Code and that the provisions of Section 363(n) of the Bankruptcy Code have not been violated; (iii) authorizes the Debtor in Possession or Trustee to sell and convey the Property to Purchaser pursuant to the Sale Order and this Contract, free and clear of all claims, interests, liabilities, debts, liens and encumbrances, except the Permitted Exceptions, (iv) authorizes and directs the Debtor in Possession or Trustee to execute, deliver, perform under, consummate, and implement the terms and provisions of, this Contract; (v) deems properly assumed and assigned to Purchaser any executory contracts designated by Purchaser, and (vi) waives the stay of the Sale Order pursuant to Rules 6004(g) and 6006 of the Federal Rules of Bankruptcy Procedure. If all of the foregoing requirements (collectively referred to herein as the "*Bankruptcy Contingency*") are not satisfied prior to expiration of the Feasibility Period, then this Contract shall be null and void and of no further force and effect and the Earnest Money shall be refunded to Purchaser. Notwithstanding anything in this Agreement to the contrary, in the event of a conflict between

the terms and conditions of this Contract and the Sale Order, the Sale Order shall control in all respects.

This Contract is executed upon the following terms and conditions:

1. **PURCHASE PRICE.** The Purchase Price (herein so called) for the Property is SIXTEEN MILLION AND NO/100 DOLLARS (\$16,000,000.00) payable in cash as set forth in Section 10 below.

2. **INDEPENDENT CONSIDERATION; EARNEST MONEY.**

(a) Within five (5) business days after the full execution of this Contract by Seller and Purchaser, Purchaser will deliver the sum of One Hundred and No/100 Dollars (\$100.00) to Gracy Title Company, 901 South Mopac Expressway, Building III, Suite 100, Austin, Texas 78746, Attn: Mandy Dean-Knotts, Telephone: (512) 322-8701, Fax: (512) 472-3101, Email: mandy.dean@gracytitle.com (the "*Title Company*"), as Independent Consideration (herein so called) pursuant to the terms of this Contract. The Independent Consideration will be in the form of cash or other immediately available funds to be held in escrow and disposed of by the Title Company pursuant to the terms of this Contract. The Independent Consideration will be non-refundable to Purchaser for any reason but will apply to the Purchase Price and will be delivered in the amount of FIFTY AND NO/100 DOLLARS (\$50.00) to PHSPMSL and FIFTY AND NO/100 DOLLARS (\$50.00) to Len-Buff upon any termination of this Contract.

(b) Within five (5) business days after the full execution of this Contract by Seller and Purchaser, Purchaser will deposit with the Title Company the sum of TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) (the "*Earnest Money*") in the form of cash or other immediately available funds. At the Closing, the Earnest Money will be credited against the Purchase Price. If this Contract is terminated prior to the Closing, the Earnest Money then on deposit will be delivered one-half (1/2) to PHSPMSL and one-half (1/2) to Len-Buff or returned to Purchaser, as elsewhere provided herein.

(c) Notwithstanding any conflicting provisions in this Contract (including Section 12(d) below), the following sentence controls the notice and cure period for the deposit of the Earnest Money. If Purchaser fails to deposit the Earnest Money as required herein then either party may terminate this Contract by written notice to the other at any time prior to the deposit of the Earnest Money. If this Contract is so terminated, this Contract will be deemed to have terminated as of the date that the Earnest Money was originally to have been deposited by Purchaser, and there will be no remedy hereunder to either Seller or Purchaser other than the termination of this Contract.

3. **SURVEY AND TITLE COMMITMENT.**

(a) On or before ten (10) days after the Effective Date, Seller will, at Seller's expense, deliver or cause to be delivered to Purchaser a copy of Seller's most recent survey of the Paper Lot Land (the "*Existing Survey*"). Within ten (10) days after the Effective Date, Purchaser may order an update of the Existing Survey or order from a duly-licensed surveyor

reasonably acceptable to Purchaser a new land title survey of the Paper Lot Land (such update of the Existing Survey or such new survey, as applicable, shall herein be referred to as the “*New Survey*”) to include such information and certifications as Purchaser may elect, provided that the New Survey will be certified to Purchaser, the Title Company, Seller, and any lender(s) designated by Purchaser. At Closing, Seller will reimburse Purchaser for the cost of the New Survey, up to \$5,000.00, and Purchaser will provide Seller with a copy of the invoice for the New Survey.

(b) On or before ten (10) days after the Effective Date, Seller will cause to be delivered, and does hereby request that the Title Company prepare and deliver, to Purchaser and Seller: (i) a title commitment (“*Title Commitment*”) covering the Property, binding the Title Company to issue a Texas Owner’s Policy of Title Insurance on the standard form of policy prescribed by the Texas Department of Insurance at the Closing (hereinafter defined) in the full amount of the Purchase Price; and (ii) legible copies of any and all instruments referred to in the Title Commitment as constituting exceptions or restrictions upon the title of Seller (the “*Exception Documents*”). Prior to Closing, Seller will obtain and deliver to Purchaser and Seller an updated Title Commitment with a current effective date, showing no new title exceptions therein and containing the correct metes and bounds description of the Property. At Closing, Purchaser may obtain, at Seller’s sole expense (for the base owner’s title policy), a title insurance policy (Texas Owner’s Policy of Title Insurance on the standard form of policy prescribed by the Texas Department of Insurance) for the Property purchased, in the amount of the Purchase Price, insuring fee simple title to the Property as being vested in Purchaser subject only to the Permitted Exceptions (hereinafter defined) and otherwise meeting the requirements hereof (the “*Title Policy*”).

4. APPROVAL PERIOD AND TITLE.

(a) Purchaser shall have ten (10) days (the “*Review Period*”) after the later of (i) the Effective Date, or (ii) receipt of the New Survey, the Title Commitment, and the Exception Documents to review them and to deliver in writing to Seller such objections as Purchaser may have to anything contained therein (“*Title Objections*”). Any such item to which Purchaser does not object will be deemed a “*Permitted Exception*”. Purchaser will not be required to object to any matter shown on Schedule C of the Title Commitment, and Seller will satisfy all Schedule C matters except those relating to the status or authority of Purchaser or to the payment of the Purchase Price.

(b) If Purchaser gives Seller notice of Title Objections, then Seller may, but is not obligated to, undertake to eliminate or modify such objectionable items to the reasonable satisfaction of Purchaser within ten (10) days (the “*Cure Period*”) after receipt of such notice of objections and to request the Title Company to revise the Title Commitment to reflect such satisfaction or to provide Purchaser and the Title Company with satisfactory evidence that Seller can and will cure such Title Objections prior to Closing (such matters, “*Committed Cure Exceptions*”). With respect to any liens or security interests which are not Permitted Exceptions, Seller shall be obligated to cause such liens and security interests to be released of record; Purchaser is not and shall not be obligated to agree to “insuring around” any lien. If Seller delivers written notice to Purchaser on or before the expiration of the Cure Period that Seller is

unable or unwilling to satisfy such objections, or if, for any reason other than Seller's willful actions or inactions, Seller is unable to convey title in accordance with Section 10(b) below, Purchaser may, on or prior to the Closing Date, either (i) waive such objections and accept title subject to such uncured objections (and in which case, those waived objections will be Permitted Exceptions); or (ii) terminate this Contract by written notice to Seller. Upon the termination of this Contract pursuant to this Section 4, the Title Company will return the Earnest Money to Purchaser and deliver the Independent Consideration to Seller, and the Parties will have no further rights or obligations hereunder except for any obligations under this Contract which expressly survive the termination of this Contract (the "*Surviving Obligations*").

(c) Seller represents and warrants to Purchaser that, at the Closing, Seller will have, and will convey to Purchaser, good and indefeasible fee simple title to the Property free and clear of any and all encumbrances except the Permitted Exceptions.

5. FEASIBILITY PERIOD.

(a) Engineering and Feasibility Study. Purchaser, at its expense, may conduct a feasibility study of the Property (including, without limitation, architectural, geotechnical, environmental, marketing, engineering and financial feasibility studies) to determine whether or not the Property is suitable to Purchaser, provided that such operations are conducted in such a manner as to not permanently damage the Property, and if damage is done, Purchaser will repair and restore the same to its former condition at Purchaser's expense, and indemnify, defend and hold Seller harmless from any liability Seller may incur as a result of such damage; provided further, however, Purchaser will not be liable for any real or alleged diminution in value of the Property resulting from facts obtained or discovered about the Property by Purchaser in its inspections or for any loss, damage, cost or expense that is not the result of acts by or on behalf of Purchaser. Purchaser shall be entitled to perform invasive testing to the Property, and Seller consents to such invasive testing. Purchaser's restoration and indemnity obligations in the preceding sentence will survive the termination of this Contract or the Closing for a period of twelve (12) months. Purchaser shall have until 5:00 pm, Central Time, on August 10, 2016 (the "*Feasibility Period*") to terminate this Contract for any reason by providing Seller and Title Company with written notice of such termination prior to the expiration of the Feasibility Period (the "*Notice of Termination*"), and promptly after timely delivery of a Notice of Termination, the Title Company will return the Earnest Money to Purchaser and deliver the Independent Consideration to Seller, and the Parties will have no further rights or obligations hereunder except for any Surviving Obligations. At 5:01 pm, Central Time, on August 10, 2016, Purchaser shall have no further termination rights under this subparagraph, and the Earnest Money shall become non-refundable to Purchaser for any reason except a Default by Seller.

(b) Purchaser's Right to Enter Property. Seller grants to Purchaser, and Purchaser's employees and agents the right and permission from and after the date hereof to enter upon the Property or any part thereof, at all reasonable times and from time to time, for the purpose of completing its feasibility review of the Property which review may include, without limitation, making all soil, drainage, utilities, traffic, environmental and other tests required for the completion of the engineering and feasibility study described in (a) above.

(c) Property Information. Within three (3) days after the execution of this Contract by Seller, at its sole cost and expense, Seller will deliver to Purchaser true, correct and legible copies of the following information and materials that are in the possession or control of Seller (the “*Property Information*”):

(i) All soil and geotechnical studies and reports related to any of the Property;

(ii) All reports, studies, and other materials pertaining to the environmental condition of any of the Property and any property in the vicinity of any of the Property;

(iii) A copy of Seller’s existing owner’s title insurance policy or commitment, as applicable, covering any portion of the Property, and any existing survey of any portion of the Property;

(iv) The most recent versions of all plats, concept plans, site plans, engineering plans and studies, grading plans, permits and approvals, and cost estimates relating to the development of any of the Property, including any construction plans previously submitted to and/or approved by the City;

(v) A copy of all leases (including, but not limited to, any ag leases and/or mineral leases), licenses and other agreements granting any third party any rights to possess or use any portion of the Property (collectively, the “*Leases*”), and any other agreements of any kind affecting any of the Property (including, but not limited to, any lot contracts, any rights of first refusal, or rights of first offer) that would survive Closing;

(vi) All documentation relating to water, sanitary sewer, storm drainage, detention and other utility capacity for any of the Property, including but not limited to (A) all capacity commitments and reservations from any utility district and/or any provider of utility capacity (herein called “*Capacity Providers*”), (B) any reimbursement agreements and annexation agreements, (C) a schedule of any impact fees, tap fees, assessments and other fees and charges currently established by any utility district and/or any Capacity Provider, and (D) all documentation relating to any proposed imposition of any impact fees, tap fees, assessments or other fees not currently in effect, or any increase in any impact fees, tap fees, assessments or other fees currently in effect by any utility district or any Capacity Provider;

(vii) Copies of any written notices previously delivered to Seller claiming any non-compliance with any requirements of applicable law and/or the City, the County, the State of Texas, the Federal Emergency Management Agency, the United States Army Corps of Engineers, or by any other governmental or quasi-governmental agency or authority having jurisdiction over the Land (collectively, the “*Governmental Authorities*”);

(viii) Copies of the most recent tax bills relating to all of the Property;

(ix) Copies of all documents creating or relating to the homeowners' association that will maintain the common areas of the Subdivision (the "*HOA*"), including without limitation, the Declaration of Covenants, Conditions and Restrictions applicable to the Subdivision (the "*Restrictive Covenants*"), Articles of Incorporation, Bylaws, Management Certificate and any management agreements therefore (collectively, including the Restrictive Covenants, the "*HOA Documents*");

(x) A summary of any deficit funding of the HOA by Seller or its affiliate or by the declarant under the Restrictive Covenants for the two (2) calendar years prior to the Closing;

(xi) A letter of authorization in a form acceptable to Purchaser allowing Purchaser to obtain, at Purchaser's expense, from the management company (the "*Management Company*") for the HOA: (i) copies of the budgets of the HOA for the current year and, to the extent currently prepared, for future years, (ii) a statement of the most current operating deficit amount for the HOA, and (iii) such other information reasonably requested by Purchaser. Additionally, during the Feasibility Period and prior to the Closing, Purchaser will have the right to examine the books and records of the HOA, and Seller will promptly cooperate with Purchaser in connection therewith;

(xii) Copies of any District (as defined below) documents related to any of the Property, including without limitation, those set forth in Section 6 below (collectively, the "*District Documents*");

(xiii) Copies of any engineering contracts and budgets regarding any of the Property (the "*Engineering Contracts*") and copies of any outstanding invoices under the Engineering Contracts;

(xiv) Copies of any architectural plans (including for any amenities for any of the Property that are not substantially complete) regarding any of the Property (the "*Architectural Contracts*") and copies of any outstanding invoices under the Architectural Contracts;

(xv) Copies of any consulting agreements regarding any of the Property (collectively, the "*Consulting Agreements*");

(xvi) Copies of any Storm Water Pollution Prevention Plan, any Notice of Intent filed with the U.S. Environmental Protection Agency and/or any federal or state agency or authority exercising a similar function (as applicable, the "*EPA*"), and any EPA's Storm Water Baseline Contraction General Permit Coverage Notice of Permit (or the equivalent thereof) for any of the Property;

(xvii) Copies of any development agreements (whether with the City, County or private parties) that affect any of the Property (the "*Development Agreements*");

(xviii) Copies of any contracts or other agreements executed by Seller or any of its affiliates in connection with or relating to the use, operation, construction, or development of any of the Property (or any portion thereof), including without limitation contracts for the construction or installation of utilities or other subdivision infrastructure, whether on the Land or offsite ("*Construction Contracts*");

(xix) copies of any written default notices previously delivered to Seller or any of its affiliates related to any of the Property Information listed in subsections v, vi, ix, xii, xiii, xiv, xv, xvi, xvii, and xviii above; and

(xx) All of the materials required for Substantial Completion (hereinafter defined) as set forth on Exhibit G attached hereto and incorporated herein. As used herein, "*Substantial Completion*" means that all of the requirements set forth on Exhibit G have been met with respect to each of the Finished Lots and the section(s) of Stonewall Ranch in which such Finished Lots are located.

(d) **NO WARRANTY AS TO THE PROPERTY INFORMATION.** PURCHASER ACKNOWLEDGES THAT THE COPIES OF THE PROPERTY INFORMATION AND ANY OTHER DOCUMENTS PROVIDED BY SELLER TO PURCHASER ARE BEING PROVIDED AS AN ACCOMMODATION TO PURCHASER TO ASSIST IN ITS DUE DILIGENCE OF THE PROPERTY AND THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT OR IN ANY CLOSING DOCUMENT EXECUTED BY OR DELIVERED BY OR ON BEHALF OF SELLER AT OR PRIOR TO THE CLOSING, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE CONTENTS OF THE PROPERTY INFORMATION AND ANY OTHER DOCUMENTS PROVIDED BY SELLER TO PURCHASER; PROVIDED, HOWEVER THAT SELLER REPRESENTS AND WARRANTS THAT SELLER HAS NO CURRENT ACTUAL KNOWLEDGE OF ANY MATERIAL INACCURACIES, ERRORS OR OMISSIONS IN ANY SUCH PROPERTY INFORMATION AND AGREES TO PROMPTLY DISCLOSE TO PURCHASER IN WRITING OF ANY MATERIAL INACCURACIES, ERRORS OR OMISSIONS IN ANY SUCH PROPERTY INFORMATION WHICH SELLER OBTAINS ACTUAL KNOWLEDGE THEREOF PRIOR TO CLOSING. SELLER HEREBY EXPRESSLY DISCLAIMS ANY RESPONSIBILITY OR LIABILITY FOR THE CONTENTS OR FINDINGS OF THE PROPERTY INFORMATION AND ADVISES PURCHASER THAT PURCHASER MAY NOT BE ABLE TO RELY ON THE PROPERTY INFORMATION AND ANY OTHER DOCUMENTS PROVIDED BY SELLER TO PURCHASER PURSUANT TO ANY RESTRICTIONS SET FORTH THEREIN. PURCHASER HEREBY EXPRESSLY ACKNOWLEDGES THE FOREGOING IN ITS ACCEPTANCE OF THE PROPERTY INFORMATION AND ANY OTHER DOCUMENTS PROVIDED BY SELLER TO PURCHASER. PURCHASER UNDERSTANDS AND AGREES, UPON RECEIPT OF THE PROPERTY INFORMATION FROM SELLER, THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS CONTRACT OR IN ANY CLOSING DOCUMENT EXECUTED BY OR DELIVERED BY OR ON BEHALF OF SELLER AT OR PRIOR TO CLOSING, SELLER DOES NOT WARRANT THE ACCURACY OF SUCH MATERIALS, EXPRESS OR IMPLIED, BUT INTENDS ONLY TO SUPPLY PURCHASER WITH

MATERIALS WHICH ARE IN SELLER'S POSSESSION OR CONTROL OR ARE REASONABLY AVAILABLE TO SELLER, TO BE REVIEWED AND EVALUATED AT PURCHASER'S DISCRETION, INCLUDING, WITHOUT LIMITATION WITH RESPECT TO: (I) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF THE PROPERTY; (II) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF THE SOILS, GEOLOGY, AND ANY GROUNDWATER; (III) THE DEVELOPMENT POTENTIAL OF THE PROPERTY AND THE PROPERTY'S USE, MERCHANTABILITY, OR FITNESS OR THE SUITABILITY, VALUE, OR ADEQUACY OF THE PROPERTY AND/OR LOTS FOR ANY PARTICULAR PURPOSE; (IV) THE COMPLIANCE OF THE PROPERTY OR THEIR OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS, AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY; (V) THE PRESENCE OF HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY; AND (VI) THE CONDITION OF TITLE TO THE PROPERTY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS CONTRACT OR IN THE CLOSING DOCUMENTS, PURCHASER WILL RELY ON PURCHASER'S OWN DUE DILIGENCE FOR THE PROPERTY PRIOR TO CLOSING THEREON. IT IS PURCHASER'S SOLE RESPONSIBILITY TO VERIFY THE ACCURACY OR VERACITY OF THE DOCUMENTS, MATERIALS, AND INFORMATION PROVIDED AND CONFIRM THE CONDITION OF THE PROPERTY AND ANY IMPROVEMENTS THEREON. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS CONTRACT OR IN THE CLOSING DOCUMENTS, PURCHASER EXPRESSLY WAIVES ANY AND ALL CLAIMS AGAINST SELLER FOR ANY CAUSE OF ACTION ARISING FROM PURCHASER'S RELIANCE ON THE PROPERTY INFORMATION PROVIDED BY SELLER TO PURCHASER.

6. **MUNICIPAL UTILITY DISTRICT.**

(a) Seller discloses to Purchaser that the Paper Lot Land and the Finished Lots are located within the boundaries of Stonewall Ranch MUD, a political subdivision of the State of Texas (the "*District*") and that Seller has expended monies to create and operate the District and has entered into a reimbursement agreement with the District (the "*Reimbursement Agreement*") in order to be reimbursed for such costs. Further, Seller has conveyed five (5) tracts (each tract, a "*Director Lot*") in order to qualify for service each of the persons currently sitting on the Board of Directors of the District (the "*Board of Directors*"). The conveyance of each Director Lot was made in consideration of the execution of a separate Promissory Note made payable to Len-Buf (collectively, the "*Director Lot Promissory Notes*") with a deed of trust lien placed on each Director Lot securing payment of each such Director Lot Promissory Note.

(b) Within three (3) days after the execution of this Contract by Seller, Seller will deliver true and complete copies of the Reimbursement Agreement, the Director Lot Promissory Notes, the recorded deeds of trust security the Director Lot Promissory Notes (the "*Director Lot Deeds of Trust*"), and all invoices, cancelled checks and any other back up

information required under the rules of the TCEQ as a condition for reimbursement by the District under the Reimbursement Agreement, if any. Seller will promptly deliver copies of any notices from the District pertaining to any of the Property to Purchaser, whether such notices are received by Seller prior to or after the Closing. After the Closing, Seller will continue to cooperate in all reasonable respects in assisting Purchaser in obtaining any back-up information requested by the District regarding reimbursements to be paid to Purchaser.

(c) Prior to the expiration of the Feasibility Period as conditions to Closing: (i) Seller will cooperate with Purchaser in all reasonable respects to secure an assignment of Seller's existing capacity commitment for water and wastewater from the District to Purchaser in sufficient amounts for the contemplated development of the Property; and (ii) Seller will cooperate with Purchaser in all reasonable respects to secure an assignment of Seller's Reimbursement Agreement with the District to Purchaser that has received the valid and binding consent of the District in accordance with the requirements of the Reimbursement Agreement. Such capacity commitment (the "*Assignment of Capacity Commitment*") and such assignment of the Reimbursement Agreement (the "*Assignment of Reimbursement Agreement*") will be executed and delivered at Closing.

(d) Prior to Closing, Seller will (i) use good faith efforts to cause each of the currently sitting members of the Board of Directors for the District to attend a meeting of the Board of Directors, and (ii) at such meeting, use best efforts to cause each member of the Board of Directors to convey his/her interest in the Director Lots to a nominee of Purchaser ("*Purchaser's Nominee*") so that such sitting member of the Board of Directors is disqualified and Purchaser's Nominee is qualified and appointed to sit on the Board of Directors. In the event any portion of any Director Lot is owned by a person not currently sitting on the Board of Directors, then prior to Closing, Seller will use good faith efforts to cause such party to convey his/her interest in the applicable Director Lot to Purchaser or Purchaser's Nominee (the documents conveying the Director Lots are called the "*Director Lot Conveyance Documents*"). Purchaser agrees to submit its nominees not less than seven (7) days prior to the Closing (or earlier, if required for the scheduled Board of Directors meeting). In the event the Director Lot Conveyance Documents are executed but the Closing does not occur, Purchaser will be required to (i) cause each Purchaser's Nominee then sitting on the Board of Directors for the District to convene a meeting, and (ii) at such meeting, cause each Purchaser's Nominee then sitting on the Board of Directors to convey his/her undivided interest in the Director Lot to a nominee of Seller so that each Purchaser's Nominee then sitting on the Board of Directors is disqualified and each nominee of Seller is qualified and appointed to sit on the Board of Directors. Notwithstanding any provision to contrary contained herein, if prior to Closing Seller fails (x) to cause each of the currently sitting members of the Board of Directors for the District to attend the above-described meeting of the Board of Directors, and (y) at such meeting, cause each member of the Board of Directors to execute and deliver all requisite Director Lot Conveyance Documents, then Purchaser shall be entitled to terminate this Contract any time prior to Seller satisfying such conditions by providing Seller and Title Company with written notice of such termination of this Contract, and the Title Company will thereafter promptly return the Earnest Money to Purchaser and deliver the Independent Consideration to Seller, and

the Parties will have no further rights or obligations hereunder except for any Surviving Obligations.

(e) In the event the District reimburses Seller directly for any reimbursable expenses under the Reimbursement Agreement before the Closing, Seller covenants and agrees that it will cause the full amount of all such reimbursement payments to be paid to Purchaser at the Closing. In the event the District reimburses Seller directly for any reimbursable expenses under the Reimbursement Agreement after the Closing, Seller covenants and agrees that upon receipt of any such funds from the District, Seller will immediately forward to Purchaser the full amount of such reimbursement payment.

(f) At the Closing, Seller will (i) deliver to Purchaser the originals of the Director Lot Promissory Notes, each endorsed to Purchaser pursuant to an Allonge in a form acceptable to Purchaser (the "*Allonges*"), and (ii) assign to Purchaser the Director Lot Deeds of Trust pursuant to an assignment in recordable form acceptable to Purchaser (the "*Assignments of Deeds of Trust*").

(g) Because the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Section 49.452, of the Texas Water Code requires Seller to deliver and Purchaser 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. Such notice is attached hereto as Exhibit E and incorporated herein (the "*MUD Notice*").

7. REPRESENTATIONS AND WARRANTIES.

(a) Seller represents and warrants to Purchaser, as of the date hereof and as of the Closing Date, that to Seller's actual knowledge:

(i) except for any Leases, there are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers, and no party has been granted any license, lease, or other right relating to use or possession of any of the Property except as may be disclosed by the Title Commitment;

(ii) except as disclosed in Schedule 7(a)(ii), Seller has not received written notice of any default (nor, to the best of its actual knowledge, is there any default or anything that would become a default given the passage of time) under any note, deed of trust, Restrictive Covenants, District Documents (including without limitation, the Reimbursement Agreement), or any other agreements with any Capacity Provider or any Governmental Authority related to any of the Property as of the Effective Date, and Seller covenants not to grant any liens, leases, easements, options, rights of refusal or contracts with respect to any of the Property;

(iii) the Property has full and free access to and from public streets and/or roads, there is no pending condemnation proceeding or similar proceeding or assessment or pending or, to Seller's knowledge, threatened federal forfeiture action

affecting any part of the Property or its access, nor, to the best knowledge and belief of Seller, is any such proceeding or assessment threatened or contemplated by any Governmental Authority;

(iv) Seller has not received any written notice of any violation of (nor, to its actual knowledge, is there any violation of) any ordinance, regulation, law, or statute of any Governmental Authority or agency pertaining to the Property;

(v) the execution and delivery of this Contract, the consummation of the transaction herein contemplated, and compliance with the terms of this Contract will not conflict with or, with or without notice or the passage of time or both, result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, loan agreement, contract for deed or instrument to which Seller is a party or by which Seller or Seller's property is bound, or any applicable regulation or any judgment, order, or decree of any court having jurisdiction over Seller or Seller's properties;

(vi) to the best knowledge and belief of Seller, none of the Property contains any threatened or endangered species or endangered or protected habitats or items of archaeological significance as defined by applicable state and federal laws;

(vii) except for Seller, there are no parties with any interest in the Property (marital, homestead, or otherwise), and no other signatures (in addition to approval of this Contract by the Court pursuant to the Sale Order) are required to make this Contract fully enforceable by Purchaser;

(viii) Seller has not previously assigned or pledged (except as collateral for any lien to be released at the Closing) the Development Rights, Reimbursement Agreement, Director Lot Promissory Notes, Director Lot Deeds of Trust, the Property Contracts (hereinafter defined) and/or utility capacity from the Capacity Providers for any of the Property;

(ix) there are no lot contracts, rights of first refusal or rights of first offer pertaining to any of the Property except for any delivered by Seller to Purchaser as part of the Property Information or lot contracts which will be terminated prior to Closing; and

(x) Substantial Completion has occurred for the Finished Lots prior to the date hereof.

(b) Seller hereby represents and warrants to Purchaser that:

(i) neither Seller nor, to Seller's actual knowledge, any previous owner of the Property or any other person or entity has ever used, generated, processed, stored, disposed of, released, or discharged any Hazardous Substance on, under, about or in the vicinity of any of the Property or transported it to or from any of the Property, nor,

to the best of Seller's actual knowledge, has any party ever alleged that any such activities have occurred;

(ii) to Seller's actual knowledge, no use by Seller, any prior owner of the Property, or any other person has occurred which violates or has been alleged by any party to violate any applicable Environmental Law, and none of the Property is on any "Superfund" list under any applicable Environmental Law, nor is it subject to any lien related to any environmental matter, and

(iii) to Seller's actual knowledge, none of the Property is contaminated by any Hazardous Substance.

As used in this Contract, "*Hazardous Substance*" means and includes all hazardous or toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, asbestos and raw materials which include hazardous constituents, radon and urea formaldehyde), and any other similar substances, or materials which are included or regulated by any local, state, or Federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, and the Federal Insecticide, Fungicide and Rodenticide Act, as amended (collectively, "*Environmental Laws*"). In the event Seller has breached any of the representations and warranties in this paragraph, Seller will indemnify, defend and hold Purchaser, its successors and assigns harmless from and against all fines and penalties and liabilities, including all foreseeable and unforeseeable consequential damages, any other damages, costs and losses, including reasonable attorneys' fees, directly or indirectly and in whole or in part arising out of or attributable to Hazardous Substances existing beneath or on the surface of any of the Property, on or prior to the Closing or the migration thereof within or from any of the Property at any time, whether before or after the Closing, including without limitation the cost of any remedial, removal, response, abatement, clean-up, investigative and monitoring costs, and any other related costs and expenses.

(c) If any of the representations or warranties contained in this Contract are untrue or incorrect, Seller will at all times before the Closing use good faith efforts to take such necessary action to make such representations or warranties true and correct, but with no obligation to incur any expenses in connection with any such actions by Seller. The representations or warranties of Seller contained in this Contract shall survive Closing for a period of two (2) years.

(d) As used in this Contract, the phrase "to Seller's actual knowledge", "Seller's knowledge", or words of like effect (i) will refer only to those matters within the actual personal knowledge (as opposed to constructive, deemed or imputed knowledge) of Chris Fields and James Dorney, each a representative of Seller, without such individuals having a duty to undertake and without undertaking any independent verification of, or making any inquiry with respect to, the facts relating to such matters and (ii) will not refer to the knowledge of Seller generally (whether or not constructive, deemed or imputed) or to the knowledge of any other

individual, partner, employee, affiliate or representative of Seller. In no event will such individual have any personal liability or obligation under this Contract, such individual is only acting as a representative of Seller. As used in this Contract, the phrase "Purchaser's knows", "Purchaser's knowledge", or words of like effect (i) will refer only to those matters within the actual personal knowledge (as opposed to constructive, deemed or imputed knowledge) of John Bohnen, a representative of Purchaser, without such individual having a duty to undertake and without undertaking any independent verification of, or making any inquiry with respect to, the facts related to such matters and (ii) will not refer to the knowledge of Purchaser generally (whether or not constructive, deemed or imputed) or to the knowledge of any other individual, partner, employee, affiliate or representative of Purchaser. In no event will such individual have any personal liability or obligation under this Contract, such individual is only acting as a representative of Purchaser.

(e) NO OTHER WARRANTIES AND DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT, IN SELLER'S SPECIAL WARRANTY OF TITLE SET FORTH IN THE DEED, AND IN ANY OTHER CLOSING DOCUMENTS, PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS, AND PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, (H) THE ACCURACY OF ANY SURVEY, OR (I) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS MATERIALS. EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT, IN SELLER'S SPECIAL WARRANTY OF TITLE SET FORTH IN THE DEED, AND IN ANY OTHER CLOSING DOCUMENTS, PURCHASER UNCONDITIONALLY AND IRREVOCABLY WAIVES AND RELEASES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS PURCHASER MIGHT HAVE (INCLUDING CONTRACTUAL AND/OR STATUTORY ACTIONS FOR CONTRIBUTION OR INDEMNITY) AGAINST

SELLER REGARDING THE NATURE, CONDITION OR SUITABILITY OF THE PROPERTY OR ANY FORM OF WARRANTY WITH RESPECT TO THE PROPERTY, EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW. THE FOREGOING RELEASE INCLUDES A RELEASE OF SELLER FROM CLAIMS BASED ON SELLER'S NEGLIGENCE IN WHOLE OR IN PART (EXCLUDING, HOWEVER, ANY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER) AND CLAIMS BASED ON STRICT LIABILITY. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, AND EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN SELLER'S SPECIAL WARRANTY OF TITLE SET FORTH IN THE DEED, AND IN ANY OTHER CLOSING DOCUMENTS, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER UNLESS SUCH INFORMATION IS EXPRESSLY INCORPORATED INTO THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN THIS CONTRACT, IN THE DEED OR IN ANY OTHER CLOSING DOCUMENTS. PURCHASER AND ITS SUCCESSORS AND ASSIGNS ACKNOWLEDGE THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PREPARED BY THIRD PARTIES PROVIDED WITH RESPECT TO THE PROPERTY WAS PROVIDED OR MADE AVAILABLE AS A COURTESY ONLY AND WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT, IN SELLER'S SPECIAL WARRANTY OF TITLE SET FORTH IN THE DEED, AND IN ANY OTHER CLOSING DOCUMENTS, SELLER WILL NOT BE LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, PREPARED OR FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, CONTRACTOR OR THIRD PARTY. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT, IN SELLER'S SPECIAL WARRANTY OF TITLE SET FORTH IN THE DEED, AND IN ANY OTHER CLOSING DOCUMENTS, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. THE PROVISIONS OF THIS PARAGRAPH WILL SURVIVE THE CLOSING, WILL NOT MERGE INTO THE INSTRUMENTS OF CLOSING, AND WILL BE INCORPORATED IN THE DEED.

8. **ADDITIONAL OBLIGATIONS OF SELLER AND PURCHASER.**

(a) Contracts to be Assigned to Purchaser. Purchaser will have the right, in its sole and absolute discretion at any time prior to the expiration of the Feasibility Period, to designate in writing to Seller any engineering contracts, architectural contracts, development agreements, leases, consulting agreements, construction contracts, or other contracts delivered as part of the Property Information (such other contracts may be referred to as the “*Third-Party Contracts*”) that Purchaser elects to assume (each, an “*Assumed Contract*”), and Seller hereby agrees to execute and deliver to Purchaser at Closing an assignment and assumption agreement, in form reasonably acceptable to both Seller and Purchaser, whereby all of Seller’s right, title and interests in, to and under each Assumed Contract is assigned by Seller to Purchaser (the “*Assignment of Assumed Contracts*”). The engineering contracts, architectural contracts, development agreements, leases, consulting agreements, construction contracts, and Third-Party Contracts may be collectively referred to as the “*Property Contracts*”.

(b) Declarant Status and Common Area Deeds.

(i) At the Closing, Seller will assign (or will cause its affiliate that is declarant under the HOA Documents to assign), and Purchaser will assume, the declarant status under the HOA Documents by executing that certain Assignment of Declarant Status attached hereto as Exhibit F and incorporated herein (the “*Assignment of Declarant Status*”).

(ii) To the extent the HOA Documents encumber more land than the Property, at or prior to the Closing, Seller will cause each of the platted common areas located in earlier phases of the community of which the Subdivision is a part to be conveyed, at Purchaser’s election, either to the HOA and/or to Purchaser (at no cost to the HOA or Purchaser other than the cost to prepare and/or review the deed and related exhibits) by a special warranty deed (each a “*Common Area Deed*” and collectively, the “*Common Area Deeds*”). Purchaser will notify Seller prior to the expiration of the Feasibility Period which common areas are to be conveyed to Purchaser at the Closing and which common areas are to be conveyed to the HOA with it being the intent of the Parties that (A) common areas with completed improvements or that are to remain as green or open space (without any improvements) as shown on any concept plan, preliminary plat or final plat be conveyed to the HOA and (B) common areas that are shown on any concept plan, preliminary plat or final plat as intended to have improvements (including, but not limited to, park equipment, trails, amenity center) or required under any development agreement to have improvements be conveyed to Purchaser (since Purchaser, as successor declarant, will be looked to for the completion of any such improvements). The obligations in this paragraph will survive the Closing.

9. **MORATORIUM.** If any state, county, city, or governmental agency declares or effects any moratorium on the approval of subdivision plats or plans, which moratorium is applicable to the Property or any portion thereof, and, as a result of such moratorium, the state, county, city, or any other applicable governmental agency or authority will not approve subdivision plats or plans, then, in such event, Purchaser’s obligation to close hereunder will abate. Upon the discontinuation of any such moratorium, Purchaser’s obligation to close hereunder will resume as of that date and continue as per the provisions of this Contract. If,

however, such moratorium lasts longer than 90 days, Seller and Purchaser will each have the right, but not the obligation, to terminate this Contract. In the event of such termination by either Seller or Purchaser, the Earnest Money will be returned to Purchaser, the Independent Consideration will be delivered to Seller, and the Parties hereto will have no further obligation to each other, except for the Surviving Obligations.

10. **CLOSING.**

(a) The closing (“*Closing*”) of this Contract will be held on or before August 15, 2016 (the “*Closing Date*”). The Closing shall take place at the offices of the Title Company at its address stated herein.

(b) At the Closing, Seller will, at Seller’s expense, deliver to Purchaser:

(i) a special warranty deed in the form of Exhibit C attached hereto (the “*Deed*”) executed and acknowledged by Seller conveying the Property according to the legal description prepared by the surveyor as shown on the New Survey of the Paper Lot Land (or on the Existing Survey, if no New Survey is prepared) and according to the recorded plat(s) for the Finished Lots, subject only to the Permitted Exceptions;

(ii) possession of the Property;

(iii) a non-foreign affidavit as contemplated herein;

(iv) a general assignment in the form attached hereto as Exhibit D and incorporated herein (the “*General Assignment*”), duly executed and acknowledged by Seller, assigning to Purchaser the Development Rights regarding the Paper Lot Land and the Finished Lots;

(v) an affidavit as to debts, liens and possession in a form reasonably required by the Title Company;

(vi) the MUD Notice duly approved and acknowledged by Seller;

(vii) the Assignment of Capacity Commitment executed by the District;

(viii) the originals of the Director Lot Promissory Notes with the Allonges for each executed by Seller;

(ix) the Assignment of Deeds of Trust executed and acknowledged by Seller;

(x) the Director Lot Conveyance Documents executed and acknowledged by the applicable members of the Board of Directors;

(xi) the Assignment of Reimbursement Agreement executed and acknowledged by Seller and consented to by the District in accordance with the requirements of the Reimbursement Agreement;

(xii) the Assignment of Declarant Status executed and acknowledged by Seller (or its affiliated entity that is declarant under the HOA documents);

(xiii) if applicable, an assignment and assumption of any Leases that survive Closing executed by Seller in a form reasonably acceptable to Seller and Purchaser (the "*Assignment of Leases*");

(xiv) if applicable, the Common Area Deeds;

(xv) if applicable, the Assignment of Assumed Contracts executed and acknowledged by Seller and consented to by the applicable third-parties;

(xvi) any other documents required of Seller by this Contract.

(c) At the Closing, Purchaser will deliver to Seller:

(i) the Purchase Price (with the Earnest Money being applied thereto as provided in this Contract);

(ii) the MUD Notice executed and acknowledged by Purchaser;

(iii) the Assignment of Reimbursement Agreement executed and acknowledged by Purchaser;

(iv) the Assignment of Declarant Status executed and acknowledged by Purchaser;

(v) if applicable, the Assignment of Assumed Contracts executed and acknowledged by Purchaser;

(vi) if applicable, the Assignment of Leases executed by Purchaser;

(vii) any other documents required of Purchaser by this Contract.

(d) Seller will pay the basic premium for the owner's policy. Seller will reimburse Purchaser for the cost of the New Survey, up to \$5,000.00. Purchaser will pay the cost of any endorsements to the owner's policy requested by Purchaser. Purchaser will pay all document recording fees for the Deed and any title premiums for any mortgagee's title policy to be issued with the owner's title policy. With respect to all other costs, each party hereto will pay its share of the Closing costs which are normally assessed by the Title Company against a seller or purchaser in a transaction of this character in the county where the Property is located.

(e) Rents (if any) and ad valorem taxes for the then-current year will be prorated at the Closing, effective as of the Closing Date. Any security deposits (if any) held by Seller will be delivered to Purchaser. If the Closing will occur before the tax rate is fixed for the then-current year, the apportionment of the taxes will be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation without giving effect to any exemption, but any difference in actual ad valorem taxes for the year of sale actually paid by Purchaser will be adjusted between the Parties upon receipt of written evidence of the payment thereof. Seller will be responsible for paying all rollback, open space, "Green Acres", or similar taxes attributable to agricultural, open space or special use valuation and any other deferred taxes or assessments attributable to the Property (herein called "*Rollback Taxes*") that are assessed and payable for any period prior to the Closing Date (whether such Rollback Taxes are assessed prior to or after Closing). Purchaser will be responsible for paying any Rollback Taxes that are assessed and payable with respect to any period after the Closing Date. Any assessments (including Rollback Taxes) assessed prior to Closing will be paid by Seller at or prior to Closing, and Seller will deliver evidence of payment satisfactory to the Title Company. This paragraph will survive the Closing of this transaction.

11. **TERMINATION.** If this Contract is terminated by Purchaser or is automatically terminated in accordance with Section 4 or 5 above or any other provision of this Contract providing the right to terminate, the Earnest Money will be returned to Purchaser, the Independent Consideration will be delivered to Seller, and, except as otherwise provided herein, the Parties will have no further obligations or liabilities one to the other.

12. **DEFAULT.**

(a) **Seller's Remedies.** If Purchaser fails to perform its obligations under this Contract for any reason other than Seller's default, Seller will be entitled, as Seller's sole and exclusive remedy (except as provided in Section 12(c) below), to (i) waive the contractual obligations of Purchaser in writing; (ii) extend the time for performance by such period of time as may be mutually agreed upon in writing by the Parties hereto; or (iii) terminate this Contract and receive the Earnest Money then on deposit as liquidated damages for such default and not as a penalty, in which event the Parties will be released herefrom and have no further rights, obligations, or responsibilities hereunder, except for the Surviving Obligations. Seller's extension of the time for Purchaser's performance pursuant to clause (ii) above will not constitute an election of remedies and will not prohibit Seller's exercise of Seller's other remedies set forth above in the event Purchaser fails to cure such breach prior to the expiration of such extension period.

(b) **Purchaser's Remedies.** If Seller fails to perform its obligations under this Contract for any reason other than Purchaser's default, Purchaser will be entitled, as Purchaser's sole and exclusive remedy (except as provided in Section 12(c) below), to (i) waive the contractual obligations of Seller in writing; (ii) extend the time for performance by such period of time as may be mutually agreed upon in writing by the Parties hereto; (iii) terminate this Contract and receive a return of the Earnest Money then on deposit; or (iv) enforce specific performance of this Contract as Purchaser's sole remedy at law to the exclusion of (i), (ii) and (iii). Purchaser's extension of the time for Seller's performance pursuant to clause (ii) above will

not constitute an election of remedies and will not prohibit Purchaser's exercise of Purchaser's other remedies set forth above in the event Seller fails to cure such breach prior to the expiration of such extension period.

(c) Post-Closing Remedies. It is the intent of Seller and Purchaser 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 Sections 12(a) and 12(b) above, except however, that from and after Closing, each party will 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 this Contract), and (ii) for a breach of any representation or warranty made by the other party in this Contract subject to the applicable survival period. If no Closing occurs, each party will have its respective rights and remedies under Sections 12(a) and 12(b), as applicable. In addition, each party will have all available remedies against the other party (including the right to enforce specific performance of this Contract) for a breach of the other party's obligations contained in this Contract that are expressly provided herein as surviving the closing and/or termination of this Contract subject to the applicable survival period. However, in no event will either party be liable for (and the Parties hereby waive all rights to) any speculative, consequential or punitive damages. In no event will this paragraph apply to the obligation to close the Property, it being the Parties' intent that only Sections 12(a) and 12(b) apply to the failure to close the Property.

(d) Notice and Cure. Each party will be entitled to written notice of any default and will have 15 business days after receipt of such notice to cure such default prior to the exercise of any remedy provided herein. Seller agrees to cooperate with Purchaser in any and all attempts by Purchaser to cure any default within the default cure period; **provided, however, only two business days' notice and cure period will be required in the event that either party fails to close on the Closing Date.**

13. COMMISSION. Seller and Purchaser each hereby warrant and represent to the other that no brokers', agents', finders' fees, commissions, or other similar fees are due or arising in connection with the entering into of this Contract, the sale and purchase of the Property, or the consummation of transactions contemplated herein, and Seller and Purchaser each hereby agree to indemnify and hold the other harmless from and against all liability, loss, cost, damage, or expense (including, but not limited to, attorneys' fees and costs of litigation) which the other party suffers or incurs because of any claim by a broker, agent, or finder claiming by, through, or under such indemnifying party, whether or not such claim is meritorious, for any compensation with respect to the entering into of this Contract, the sale and purchase of the Property, or the consummation of the transactions contemplated herein.

14. MISCELLANEOUS PROVISIONS.

(a) Date of Contract/Effective Date. The term "*Effective Date*" or "*date hereof*" as used herein means the date this Contract is executed by the last of Seller or Purchaser. Upon its receipt of this Contract fully executed, the Title Company will sign and date the Receipt of Contract attached hereto.

(b) Notices. Except as provided below with respect to the Notice of Termination, any notice or communication required or permitted hereunder will be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, addressed to the intended recipient at the address set forth below or when received if delivered by messenger, personal delivery or overnight courier. Notices and communications delivered by facsimile will be deemed to be delivered upon actual receipt at the specified facsimile number, as evidenced by machine-generated proof of transmission.

If to Seller: PH SPMSL, LP
8601 Ranch Road 2222
Building 1, Suite 150
Austin, Texas 78730
Attn: James Dorney
Telephone: (512) 570-4800
Facsimile: (512) 579-4801
Email: jdorney@mybuffington.com

With a copy to: Jeff Gilpatrick
United Development Funding
13809 Research Boulevard, Suite 655
Austin, Texas 78750
Phone: (512) 826-7134
Email: jgilpatrick@umth.com

With a copy to: Edward McHorse
Graves, Dougherty, Hearon & Moody, PC
401 Congress, Suite 2200
Austin, Texas 78701
Telephone: (512) 480-5750
Facsimile: (512) 480-5850
Email: emchorse@gdhm.com

If to Purchaser: RSI Communities LLC
810 Hesters Crossing Road, Suite 235
Round Rock, TX 78681
Attn: John Bohnen
Telephone: (512) 953-4111
Facsimile: (512) 391-4807
Email: jbohn@rsi-communities.com

With a copy to: L. Jeffrey Hubenak
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Telephone: (512) 305-4807
Facsimile: (512) 391-4807
Email: jhubenak@lockelord.com

Any address for notice may be changed by ten days' prior written notice so given. No notice or communication will be deemed given to or received by Purchaser unless a copy is simultaneously sent to the persons named above in the same manner as given to Purchaser. The Parties expressly acknowledge and agree that the Notice of Termination may be transmitted by

Purchaser to Seller by electronic scanning and email or by facsimile. Delivery of the Notice of Termination by any methods described above will also be valid.

(c) Interpretation. The Parties hereto acknowledge and agree that each has been given the opportunity to independently review this Contract with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. The Parties have equal bargaining power, and intend the plain meaning of the provisions herein. In the event of an ambiguity in, or dispute regarding, the interpretation of same, the interpretation of this Contract will not be resolved by any rule of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the draftsman.

(d) Forms. In case of a dispute as to the form of any document required hereunder, the current form prepared by the State Bar of Texas will be conclusively deemed reasonable.

(e) Attorneys' Fees. If either party is required to employ an attorney to enforce or defend the rights of such party hereunder, the prevailing party will be entitled to recover reasonable attorneys' fees and costs. The "*prevailing party*" is the party who receives substantially the relief sought, whether by judgment, summary judgment, dismissal, settlement or otherwise.

(f) Integration; Counterparts. This Contract contains the entire agreement between the Parties relating to the Property, and neither party will be bound by any verbal statement or agreement made heretofore. Except as otherwise expressly provided in this paragraph, this Contract may only be amended, modified or changed by a traditional written document properly executed by Seller and Purchaser (including Purchaser's Authorized Officer (hereinafter defined)). Such amendment may be transmitted by e-mail, facsimile, or other method permitted by the provisions for giving notice in this Contract. Except as otherwise expressly set forth in this paragraph with respect to execution by an Authorized Officer, (1) Purchaser does not assent or agree to and will not be bound by any electronic signature or other electronic record, and (2) Purchaser and Seller agree that the Electronic Signatures in Global and National Commerce Act, any version of the Uniform Electronic Transactions Act, including without limitation Chapter 322 of the Texas Business and Commerce Code, or any other laws applicable to contracting electronically do not and will not apply to the execution of this Contract, any amendment hereto, or the Notice of Suitability. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Contract may be combined to form multiple fully-executed counterparts; and (ii) a facsimile signature or an electronically-scanned signature will be deemed to be an original signature for all purposes.

(g) Survival. All portions of this Contract which relate to a period after Closing will survive the Closing of this transaction, and Seller's representations and warranties, will survive the Closing of this transaction for the periods set forth in this Contract.

(h) Binding Effect; Assignment. This Contract will inure to the benefit of and bind the Parties hereto and their respective heirs, representatives, successors, and assigns.

Purchaser will have the right to assign this Contract without Seller's prior written approval to an affiliate.

(i) Impairment of Property. From and after the date of Seller's execution of this Contract, Seller will not do or permit others to do any of the following on or to the Property without Purchaser's prior written consent: (i) hunting; (ii) logging; (iii) grubbing or clearing; (iv) grading; (v) removal of gravel, rock, sand, dirt, minerals or vegetation; or (vi) waste of the Property.

(j) TREC Disclosure. The Texas Real Estate License Act requires written notice to Purchaser that Purchaser should have an attorney examine an abstract of title to the Property or, in the alternative, obtain a title insurance policy. Notice to that effect is, therefore, hereby given to Purchaser.

(k) Non-Foreign Affidavit. Seller will deliver to Purchaser at Closing a Non-Foreign Affidavit stating under the penalty of perjury that none of Seller's beneficiaries is a foreign person within the meaning of Section 1445 of the Internal Revenue Code, setting forth each such beneficiary's taxpayer identification number and address or, in the alternative, an instruction letter addressed to the Title Company and Purchaser authorizing the withholding of ten percent (10%) of the Purchase Price of the Property by Purchaser.

(l) Dates and Time Periods. Should the date for the giving of any notice, the performance of any act, or the end of any period provided for herein fall on a Saturday, Sunday or other legal holiday, such date will be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

(m) Non-waiver. No delay or failure by either party to exercise any right hereunder and no partial or single exercise of such right will constitute a waiver of that or any other right, except by written agreement executed by the Parties or unless expressly provided otherwise herein.

(n) Cooperation. The Parties will each reasonably cooperate with the other, and their respective employees and agents, to facilitate the purchase of the Property by Purchaser and the sale of the Property by Seller pursuant to the terms and conditions set forth herein.

(o) Governing Law. This Contract will be governed and interpreted under the laws of the State of Texas.

(p) Captions. The paragraph headings used in this Contract are for convenience purposes only and will not be used in the interpretation of this Contract.

(q) Exhibits. All Exhibits attached hereto are incorporated herein by reference and made a part of this Contract.

(r) No Partnership. Nothing contained herein is intended to create, nor will it ever be construed to make, Seller and Purchaser partners or joint venturers.

(s) Severability. The provisions of this Contract are severable, and if any provision of part hereof or the application thereof to any person or circumstance will ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provisions or part hereof to other persons or circumstances will not be affected thereby.

(t) Escrow Instructions. This Contract will constitute escrow instructions to the Title Company, together with such modifications thereto as may be made by supplemental escrow instructions.

(u) Time of the Essence. Time is of the essence with respect to the performance of all obligations provided herein and the consummation of all transactions contemplated hereby.

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IN WITNESS WHEREOF, the Parties hereto have executed this Contract in multiple copies, each of which will be deemed to be an original, on the dates set forth below.

SELLER:

PH SPMSL, LP

(a Texas limited partnership)

By: PH SPMSL Management, LLC
(a Texas limited liability company)
Its General Partner

By: T.B. Buffington, Sr.
Thomas B. Buffington, Sr.
~~Manager~~ Vice-President

Date of Execution: _____, 2016

Lennar Buffington Stonewall Ranch, LP

(a Texas limited partnership)

By: Buffington Land Management, LLC
(a Texas limited liability company)
Its General Partner

By: T.B. Buffington, Sr.
Thomas B. Buffington, Sr.
~~President~~ Vice-President


Date of Execution: _____, 2016

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

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PURCHASER:

RSI COMMUNITIES, LLC
(a Delaware limited liability company)

By: 
John Bohner
Chief Operating Officer

Date of Execution: 6/24, 2016

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RECEIPT OF CONTRACT

The undersigned, being the Title Company named in this Contract, hereby acknowledges receipt of this Contract fully executed by Seller and Purchaser on _____, 2016.

Gracy Title Company

By: _____
Name: _____
Title: _____

Index of Exhibits and Schedules:

Exhibit A - Description of the Finished Lots
Exhibit B – Description of the Paper Lot Land
Exhibit B-1 – Depiction of Paper Lots
Exhibit C - Form of Special Warranty Deed
Exhibit D - Form of General Assignment
Exhibit E - Form of MUD Notice
Exhibit F – Form of Assignment of Declarant Status
Exhibit G – Substantial Completion Materials

EXHIBIT A

Description of the Finished Lots*

Being all of the following lots, tracts or parcels of land located in STONEWALL RANCH SECTION TWO, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet BB, Slides 273-278 of the Plat Records of Williamson County, Texas, and as Document No. 2006027068 of the Official Public Records of Williamson County, Texas:

Lots 7, 9, 10, 15, 16, 17, and 18 Block A,
Lots 4 and 5, Block L;
Lot 15, Block O; and
Lot 1, Block P.

Being all of the following lots, tracts or parcels of land located in STONEWALL RANCH, SECTION III FINAL PLAT, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet CC, Slides 279-284 of the Plat Records of Williamson County, Texas, and as Document No. 2006103722 of the Official Public Records of Williamson County, Texas:

Lot 7, Block J;
Lots 1, 3, and 11, Block M;
Lot 12, Block T; and
Lots 2 and 3, Block EE.

* Seller and Purchaser acknowledge that the above description of the Finished Lots includes eighteen (18) platted lots, but that the Finished Lots included within the Property for purposes of this Contract should only be seventeen (17) platted lots total. Prior to the expiration of the Feasibility Period, Seller and Purchaser shall mutually agree in writing as to which one (1) of the above-described platted lots shall be excluded from inclusion within the within the Property for purposes of this Contract, and this Exhibit A shall then be deemed to be revised to exclude such platted lot from the Property to be sold and conveyed to Seller under this Contract.

EXHIBIT B

Description of the Paper Lot Land

Being all of the following tracts of land located in Williamson County, Texas:

1. that certain 137.69 acre tract of land described in deed dated August 26, 2005 from LOG/HGM Bastrop, L.P. to Lennar Buffington Stonewall Ranch, L.P., recorded in Document No. 2005070121 of the Official Public Records of Williamson County, Texas; and

2. that certain 145.84 acre tract of land described in Special Warranty Deed with Vendor's Lien dated August 26, 2005 from LOG/HGM Bastrop, L.P. to Lennar Buffington Stonewall Ranch, L.P., recorded in Document No. 2005070122 of the Official Public Records of Williamson County, Texas,

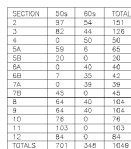
SAVE AND EXCEPT the following tracts of land:

1. that certain 59.837 acre tract of land platted as STONEWALL RANCH SECTION TWO, pursuant to the map or plat thereof recorded in Document No. 2006027068 of the Official Public Records of Williamson County, Texas, and

2. that certain 40.436 acre tract of land platted as STONEWALL RANCH SECTION III, pursuant to the map or plat thereof recorded in Document No. 2006103722 of the Official Public Records of Williamson County, Texas.

PAPER LOTS
SECTIONS 5B, 6B, 7B, 9, 10, 11 and 12

PAPER LOTS
SECTIONS 4, 5A, 6A, 7A and 8



**PAPER LOTS
SECTIONS 4-12**

EXHIBIT C

Form of Special Warranty Deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS 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.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS:
COUNTY OF WILLIAMSON §

THAT, **PH SPMSL, LP**, a Texas limited partnership, and **Lennar Buffington Stonewall Ranch, LP**, a Texas limited partnership ("*Grantor*"), for and in consideration of the sum of \$10.00 cash in hand paid by **RSI Communities LLC**, a Delaware limited liability company ("*Grantee*"), whose address is _____, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does GRANT, BARGAIN, SELL and CONVEY unto Grantee, that certain real property situated in Williamson County, Texas, and described in Exhibit A attached hereto and made a part hereof for all purposes (the "*Land*"), and all buildings, fixtures and other improvements located on the Land, if any, together with all and singular the rights, privileges, hereditaments, and appurtenances pertaining to such real property, including, but not limited to, any right, title and interest of Grantor in and to (1) mineral interests, (2) any strips and gores, if any, between the Land and any abutting properties, whether owned or claimed by deed, limitations or otherwise; and (3) any land lying within any highway, avenue, street, road, alley, easement or right of way, open or proposed, in, or across, abutting or adjacent to the Land, to the center line of said highway, avenue, street, road, alley or right-of-way (collectively, the "*Property*").

This conveyance is made by Grantor and accepted by Grantee subject to any easements, restrictions and other matters described in Exhibit B attached hereto and incorporated herein by reference (collectively, the "*Permitted Exceptions*").

TO HAVE AND TO HOLD the Property, together with, all and singular, the rights and appurtenances thereto in anywise belonging, to Grantee and Grantee's successors and assigns forever; and subject only to the Permitted Exceptions, Grantor does hereby bind Grantor and Grantor's successors and assigns to warrant and forever defend, all and singular, the Property unto the Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through or under Grantor, but not otherwise.

EXCEPT AS EXPRESSLY SET FORTH IN THAT CERTAIN CONTRACT OF SALE DATED _____, 2016, BETWEEN GRANTOR AND GRANTEE PERTAINING TO THE PROPERTY (THE "*CONTRACT*"), IN GRANTOR'S SPECIAL WARRANTY OF TITLE SET FORTH IN THIS DEED, AND ANY OTHER CLOSING DOCUMENTS FOR THE PROPERTY, GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS, AND GRANTEE IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, (H) THE ACCURACY OF ANY SURVEY, OR (I) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT GRANTOR HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS MATERIALS. EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, IN GRANTOR'S SPECIAL WARRANTY OF TITLE SET FORTH IN THIS DEED, AND ANY OTHER CLOSING DOCUMENTS FOR THE PROPERTY, GRANTEE UNCONDITIONALLY AND IRREVOCABLY WAIVES AND RELEASES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS GRANTEE MIGHT HAVE (INCLUDING CONTRACTUAL AND/OR STATUTORY ACTIONS FOR CONTRIBUTION OR INDEMNITY) AGAINST GRANTOR REGARDING THE NATURE, CONDITION OR SUITABILITY OF THE PROPERTY OR ANY FORM OF WARRANTY WITH RESPECT TO THE PROPERTY, EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW. THE FOREGOING RELEASE INCLUDES A RELEASE OF GRANTOR FROM CLAIMS BASED ON GRANTOR'S NEGLIGENCE IN WHOLE OR IN PART (EXCLUDING, HOWEVER, ANY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF GRANTOR) AND CLAIMS BASED ON STRICT LIABILITY. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, AND EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, IN GRANTOR'S

SPECIAL WARRANTY OF TITLE SET FORTH IN THIS DEED, AND ANY OTHER CLOSING DOCUMENTS FOR THE PROPERTY, GRANTEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR UNLESS SUCH INFORMATION IS EXPRESSLY INCORPORATED INTO THE REPRESENTATIONS AND WARRANTIES OF GRANTOR SET FORTH IN THE CONTRACT, THIS DEED OR OTHER CLOSING DOCUMENTS FOR THE PROPERTY. GRANTEE AND ITS SUCCESSORS AND ASSIGNS ACKNOWLEDGE THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY GRANTEE'S INSPECTIONS AND INVESTIGATIONS. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PREPARED BY THIRD PARTIES PROVIDED WITH RESPECT TO THE PROPERTY WAS PROVIDED OR MADE AVAILABLE AS A COURTESY ONLY AND WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT GRANTOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, IN GRANTOR'S SPECIAL WARRANTY OF TITLE SET FORTH IN THIS DEED, AND ANY OTHER CLOSING DOCUMENTS FOR THE PROPERTY, GRANTOR WILL NOT BE LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, PREPARED OR FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, CONTRACTOR OR THIRD PARTY. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, IN GRANTOR'S SPECIAL WARRANTY OF TITLE SET FORTH IN THIS DEED, AND ANY OTHER CLOSING DOCUMENTS FOR THE PROPERTY, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY GRANTOR AND PURCHASED BY GRANTEE SUBJECT TO THE FOREGOING.

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EXECUTED to be effective the ____ day of _____, 20__.

GRANTOR:

PH SPMSL, LP

(a Texas limited partnership)

By; PH SPMSL Management, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Thomas B. Buffington, Sr.
Manager

Lennar Buffington Stonewall Ranch, LP

(a Texas limited partnership)

By: Buffington Land Management, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Thomas B. Buffington, Sr.
President

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by Thomas B. Buffington, Sr., Manager of PH SPMSL Management, LLC, a Texas limited liability company, as general manager of PH SPMSL, LP, a Texas limited partnership, on behalf of said company and partnership.

[SEAL]

Notary Public ★ State of Texas

STATE OF TEXAS

§§§

COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by Thomas B. Buffington, Sr., Manager of Buffington Land Management, LLC, a Texas limited liability company, as general partner of Lennar Buffington Stonewall Ranch, LP, a Texas limited partnership, on behalf of said company and partnership.

[SEAL]

Notary Public ★ State of Texas

After Recording, Please Return To:

2007年12月31日 星期三 12:00:00 AM

EXHIBIT A TO DEED

Description of Property

[Insert description of Property per this Contract]

EXHIBIT B TO DEED

Permitted Exceptions

[Insert Permitted Exceptions per this Contract]

EXHIBIT D

Form of General Assignment

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (this "*Assignment*") is made as of the ____ day of _____, 2016, by **PH SPMSL, LP**, a Texas limited partnership, and **Lennar Buffington Stonewall Ranch, LP**, a Texas limited partnership (collectively, "*Seller*"), to **RSI Communities LLC**, a Delaware limited liability company ("*Purchaser*").

WHEREAS, of even date herewith, Seller has conveyed to Purchaser the real property described in Exhibit A attached hereto ("*Land*"), together with all improvements (the "*Improvements*") located thereon (the Land and Improvements are referred to herein collectively as the "*Property*"); and

WHEREAS, Seller and Purchaser intend that Seller also convey to Purchaser all of the Conveyed Development Rights (as hereinafter defined).

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

1. Seller has GRANTED, BARGAINED, SOLD, CONVEYED and ASSIGNED, and by these present does hereby GRANT, BARGAIN, SELL, CONVEY and ASSIGN to Purchaser all of Seller's right, title and interest in and to the following, but only to the extent same pertain to the Property ("*Conveyed Development Rights*"):

(a) all surveys, engineering, soils, seismic, geological and environmental reports, studies and certificates and other technical descriptions;

(b) all warranties, guaranties and indemnities received from third parties, and all claims, demands and causes of action against third parties, but only to the extent they are for the benefit of, and applicable to, the Property or the owner thereof, including, without limitation, any warranties, guaranties, indemnities, contractual rights, claims, demands and causes of action pertaining to the development, construction, design or completion of the Property and/or the common areas, streets, utilities or other subdivision infrastructure;

(c) all licenses, permits, governmental approvals, utility commitments, utility rights (including rights to capacity or service), drainage and detention rights, or right to pay reduced application fees, permit fees, inspection fees, impact fees, development rights or other similar rights;

(d) rights to credits, refunds and reimbursements including, without limitation, any credits against, or right to pay reduced, application fees, permit fees, inspection fees, impact fees, or other similar development credits

(e) all rights under any zoning cases, preliminary plans, plats (preliminary or final) of any portion of the Property or any rights-of-way abutting the Property or any portion thereof, including any boundary plats and any right-of-way plats, submitted, approved or recorded;

(f) all unpaid awards or proceeds, including awards in connection with insurance and any eminent domain taking;

(g) rights in and to engineering and architectural plans and specifications to the extent not specifically assigned by Seller in that certain Assignment and Assumption of Engineering Contracts between Seller and Purchaser dated on or about the date of this Assignment;

(h) utilities, sewage treatment capacity, water capacity, drainage and detention rights, if any, to serve or which will serve the land and improvements now or hereafter constructed thereon;

(i) easements that benefit the Land; and

(j) all other development rights, powers, privileges, options, or other benefits associated with, that pertain to, are attributable to, are appurtenant to, apply to, or which otherwise benefit the Property (but expressly excluding any liabilities or obligations arising prior to the Closing Date).

(k) all other development rights, powers, privileges, options, or other benefits associated with, that pertain to, are attributable to, are appurtenant to, apply to, or which otherwise benefit the Property.

TO HAVE AND TO HOLD the Conveyed Development Rights unto Purchaser and Purchaser's successors and assigns forever.

2. This Assignment will be binding on Seller, its successors and assigns, and will inure to the benefit of Purchaser, its successors and assigns.

3. This Assignment does not constitute an assumption of any liability or obligation by Purchaser, nor will it be deemed to impose on Purchaser any liability or obligation.

4. Seller and Purchaser will each cooperate with each other, their employees, and agents to facilitate the purpose and intent of this Assignment including, without limitation, the providing of information and documentation that may be reasonably required for the enforcement of the rights and interests assigned hereby.

5. This Assignment may be executed in several counterparts, each of which will be fully effective as an original and all of which together will constitute one and the same instrument.

EXECUTED as of the date first written above.

SELLER:

PH SPMSL, LP
(a Texas limited partnership)

By: PH SPMSL Management, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Thomas B. Buffington, Sr.
Manager

Lennar Buffington Stonewall Ranch, LP
(a Texas limited partnership)

By: Buffington Land Management, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Thomas B. Buffington, Sr.
President

EXHIBIT A TO GENERAL ASSIGNMENT

Legal Description of Property

[Insert land description]

EXHIBIT E

Form of MUD Notice

NOTICE TO PURCHASERS

[The Parties agree that this Exhibit will be completed by Seller within one week after the date that Seller executes this Contract and that such completed Exhibit delivered by Seller to Purchaser will be deemed inserted into this Contract in place of this blank Exhibit.]

[SIGNATURES ON FOLLOWING PAGES]

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

SELLER:

PH SPMSL, LP

(a Texas limited partnership)

By; PH SPMSL Management, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Thomas B. Buffington, Sr.
Manager

Lennar Buffington Stonewall Ranch, LP

(a Texas limited partnership)

By: Buffington Land Management, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Thomas B. Buffington, Sr.
President

STATE OF TEXAS

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§
§

COUNTY OF _____

This instrument was acknowledged before me on _____, 20__, by Thomas B. Buffington, Sr., Manager of PH SPMSL Management, LLC, a Texas limited liability company, as general manager of PH SPMSL, LP, a Texas limited partnership, on behalf of said company and partnership.

[SEAL]

Notary Public ★ State of Texas

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

PURCHASER:

(a _____)

By: _____

Name: _____

Title: _____

STATE OF TEXAS

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COUNTY OF _____

This instrument was acknowledged before me on _____, 20__, by _____, the _____ of _____, a _____, the _____ of _____, a _____, on behalf of said entities.

[SEAL]

Notary Public ★ State of Texas

After Recording, Please Return To:

EXHIBIT A TO MUD NOTICE

Description of Property

[insert description of Property per this Contract]

EXHIBIT F

ASSIGNMENT OF DECLARANT STATUS

THIS ASSIGNMENT OF DECLARANT STATUS (this "*Assignment*") is made and entered into by and between _____, a _____ ("*Assignor*"), and _____, a _____ ("*Assignee*").

RECITALS:

A. Assignor is currently the "Declarant" under the terms of that certain Declaration of Covenants, Conditions and Easements for _____, which was recorded on _____, _____, as Document No. _____ in the Official Public Records of _____ County, Texas (the "*Original Declaration*"), as affected by that certain Supplemental Declaration of Covenants, Conditions and Easements for _____, which was recorded on _____, _____, as Document No. _____ in the Official Public Records of _____ County, Texas (the "*Supplemental Declaration*"). The Original Declaration and Supplemental Declaration, as amended and supplemented from time to time, are collectively referred to in this Assignment as the "*Declaration*".

B. The real property subject to the Declaration (the "*Property*") includes:

1. That approximately _____ acres platted as _____, Phase _____, an addition to the City of _____, _____ County, Texas, according to the plat thereof recorded in [Cabinet __, Slide __, Plat Records OR Document No. _____, Real Property Records] of _____ County, Texas;

2. That certain _____ acres described by metes and bounds in Exhibit A of the Supplemental Declaration, which is to be platted as _____, Phase _____, an Addition to the City of _____, _____ County, Texas (the "*Additional Land*").

C. Prior to the execution and recording of this Assignment, Assignee acquired the Additional Land from Assignor by that certain deed recorded on or about the date hereof in the Real Property Records of _____ County, Texas.

D. Assignor desires to assign to Assignee, and Assignee desires to assume, all of Assignor's right, title and interest, as the Declarant under the Declaration as set forth therein.

AGREEMENT:

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) cash in hand paid by Assignee, the receipt and sufficiency of which are hereby acknowledged, and in further

consideration of the mutual covenants and agreements herein contained, Assignor and Assignee agree as follows:

1. **Defined Terms.** All terms used herein and not defined herein will have the same definition herein as in the Declaration.

2. **Assignment.** Assignor transfers, assigns and conveys to Assignee, on an "As Is" basis and without recourse or warranty of Assignor (except as expressly set forth in this Assignment), all of the rights, obligations and interests of Assignor, as Declarant, under the Declaration, from and after the Effective Date (hereinafter defined).

3. **Assumption.** Assignee hereby accepts and assumes all of the rights, obligations and interests of Assignor, as Declarant, under the Declaration, from and after the Effective Date; it being understood and acknowledged that Assignee does not assume and will not be liable for any obligations of Assignor, as Declarant, under the Declaration, prior to the Effective Date.

4. **Representations and Warranties of Assignor.** Assignor represents and warrants the following to Assignee with the understanding that Assignee is relying on these representations and warranties in assuming the obligations assumed by Horton in Section 3 above:

a. To the current, actual knowledge of Assignor, no uncured default, or any event which, with the giving of notice or passage of time or both, could become a default, by Assignor currently exists under the Declaration. Assignor has not received any written notice or claim of any default, potential default or non-compliance under the Declaration that has not been cured, and, to its current, actual knowledge, no such notice or claim is contemplated or threatened.

b. To the current, actual knowledge of Assignor, (i) Assignor has performed and/or satisfied all of its obligations under the Declaration required to be performed and/or satisfied by it prior to the Effective Date, and (2) there are no monies due, owing, payable or accrued (in whole or in part) as of the Effective Date by the "Declarant" under the Declaration. No written demand has been made upon Declarant for the payment of any monies due under the Declaration that has not been fully paid as of the Effective Date.

c. Assignor has not previously conveyed or assigned any of its rights, obligations, interests, powers and duties in, to and under the Declaration, as "Declarant" thereunder or otherwise to any other party.

d. The _____ (the "*Association*") (i) is not the maker or guarantor of any promissory notes that have not been paid in full prior to the Effective Date and (ii) the Association is not party to a contract (A) other than for customary maintenance of the Property and management of the Association, (B) that benefits Assignor or its affiliates, or (C) that cannot be cancelled by the Association without penalty.

5. **Notice of Successor Declarant.** Assignor and Assignee give notice that from the Effective Date of this Assignment, Assignee is the sole Declarant as defined in the Declaration and the notice address for Declarant is changed to: _____[insert entity], _____, TX _____[insert address].

[6. **Notice of Class B Member.** Assignor and Assignee give notice that from the Effective Date of this Assignment, Assignee will be the sole successor "Class B Member" under the Declaration, having acquired all of Assignor's rights, duties and obligations as the "Class B Member" from and after the Effective Date, including without limitation ____ () votes for each Lot owned by Assignee, but in no event less than the total number of Class A votes plus ____ (). For any Lot owned by Assignor from and after the Effective Date, Assignor will be a Class B Member.]

7. **Notice of Removal and Replacement of Association Directors & Officers.** As of the Effective Date, each and every director and officer of the Association, appointed by Assignor in its capacity as Declarant, is deemed removed. Assignee, as the successor Declarant, will promptly appoint persons to fill the board and office vacancies created by the removal.

8. **Notice of Change of Architectural Control Committee.** As of the Effective Date, each and every member of the Architectural Control Committee appointed by Assignor in its capacity as Declarant is deemed removed. Assignee, as the successor Declarant, will promptly fill the Architectural Control Committee vacancies created by the removal. From and after the Effective Date, Assignee is responsible for enforcement of the Declaration's architectural controls.

9. **Transfer of Books and Records.** Within 30 days after the Effective Date, Assignor will deliver to Assignee any books and records of the Association that are in Assignor's possession and which are required for retention by the Association pursuant to Property Code Sec. 209.005(m), or an affidavit that no such records are in Assignor's possession.

10. **Enforcement.** Assignor authorizes and empowers Assignee to enforce performance of all covenants and conditions contained in the Declaration, and to demand and receive any and all documents covenanted to be given in the Declaration in the same manner and with the same effect as Assignor could have done had this Assignment not been made.

11. **Successors and Assigns.** This Assignment will be binding upon and inure to the benefit of Assignee and Assignor and their respective successors and assigns.

12. **Choice of Law.** This Assignment will be governed by, construed, and interpreted in accordance with the substantive laws of the State of Texas.

13. **Counterparts.** This Assignment may be executed in counterparts, all of which together will constitute one agreement binding on all parties hereto, even though all parties did not sign the same original or counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment to be effective as of _____, _____ (the "Effective Date").

ASSIGNOR:

(a _____)

By: _____
(a _____)
Its _____

By: _____

Name: _____

Title: _____

STATE OF TEXAS

COUNTY OF _____

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§
This instrument was acknowledged before me on this _____ day of _____,
20____, by _____, _____ of _____, a
_____, the _____ of _____, a
_____, on behalf of said entities.

[SEAL]

Notary Public ★ State of Texas

ASSIGNEE:

(a _____)

By: _____
(a _____)
Its _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS

COUNTY OF _____

§
§
§

This instrument was acknowledged before me on this _____ day of _____,
20__, by _____, _____ of _____, a
_____, the _____ of _____, a
_____, on behalf of said entities.

[SEAL]

Notary Public ★ State of Texas

After Recording, Please Return To:

ASSIGNEE:

(a _____)

By: _____
(a _____)
Its _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

20__, This instrument was acknowledged before me on this ____ day of _____,
by _____, _____ of _____, a
_____, the _____ of _____, a
_____, on behalf of said entities.

[SEAL]

Notary Public ★ State of Texas

[Note: this page should be duplicated for as many engineers as need to consent to the assignment of the engineering contract(s)]

CONSENT OF ENGINEER

The undersigned (i) consents to the assignment by Assignor to Assignee of the engineering contract described in Exhibit B hereto and to which the undersigned is a party and (ii) confirms that the amount shown on Exhibit B as the outstanding balance owed under such engineering contract correct.

(a _____)

By: _____

Name: _____

Title: _____

STATE OF TEXAS

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COUNTY OF _____

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

[SEAL]

Notary Public ★ State of Texas

EXHIBIT A TO
ASSIGNMENT AND ASSUMPTION OF ENGINEERING CONTRACTS

Description of the Property

[To be inserted]

EXHIBIT B TO
ASSIGNMENT AND ASSUMPTION OF ENGINEERING CONTRACTS

[To be inserted]

EXHIBIT G

Substantial Completion Obligations and Materials

SUBSTANTIAL COMPLETION. As used herein, “*Substantial Completion*” means that all of the following requirements have been met and all of the following materials have been delivered to Purchaser, with respect to each of the Finished Lots and the section(s) of Stonewall Ranch in which the Finished Lots are located:

(a) Copies of all final acceptance letters from the City and/or County accepting for permanent maintenance all streets, water lines and sanitary sewer lines, and storm sewer lines serving the Finished Lots; or conditional acceptance letters if the warranty period has not yet concluded;

(b) Certification from the appropriate agency or engineer that the Finished Lots are served by street lights and street signs, as required the appropriate governmental agency;

(h) A letter from a soils engineer that the earthwork on all Lots satisfies or exceeds the requirements of the Federal Housing Administration Data Sheet 79G with regard to cut and fill compaction;

(k) Electronic (PDF and AutoCAD) copies of the final plats of the section(s) of Stonewall Ranch in which the Finished Lots are located that have been approved by all applicable governmental agencies and recorded in the official records for the County and/or other municipality or applicable governmental agency

(l) Electronic (PDF and AutoCAD) copy of “As Built” construction plans showing water, sewer, storm drainage, and utility layouts evidencing that the subdivision improvements for the section(s) of Stonewall Ranch in which the Finished Lots are located have been constructed in accordance with the subdivision construction plans;

(n) Written certification from Seller’s engineer (which may be in the form of a final recorded plat) that the Finished Lots are not located within the 100-year flood plain;

(p) The Restrictive Covenants for the section(s) of Stonewall Ranch in which the Finished Lots are located have been recorded in the official records for the County and a file stamped copy of such recorded Restrictive Covenants has been delivered to Purchaser along with a copy of the other HOA Documents fully executed and, to the extent applicable, recorded or filed, evidencing that the Homeowners Association has been established;

(q) Written certification from Seller or Seller’s engineer that all of the Substantial Completion requirements have been satisfied;

(s) Written certification from Seller or Seller's engineer that erosion control devices such as silt fences, traps and hydro-mulching have been installed as required per EPA and City and/or County regulations; and

(t) Installation of cluster mailboxes, if applicable.

EXHIBIT B

PURCHASED ASSETS

The "Purchased Assets" shall mean and include all of the following:

(a) Approximately 183.26 acres of land located in Williamson County, Texas, owned by the Debtor and more particularly described as follows (collectively the "Land"):

(i) That certain 137.69 acre tract of land described in deed dated August 26, 2005 from LOG/HGM Bastrop, L.P. to Lennar Buffington Stonewall Ranch, L.P., recorded in Document No. 2005070121 of the Official Public Records of Williamson County, Texas; and

(ii) That certain 145.84 acre tract of land described in Special Warranty Deed with Vendor's Lien dated August 26, 2005 from LOG/HGM Bastrop, L.P. to Lennar Buffington Stonewall Ranch, L.P., recorded in Document No. 2005070122 of the Official Public Records of Williamson County, Texas;

SAVE AND EXCEPT the following tracts of land:

1. that certain 59.837 acre tract of land platted as STONEWALL RANCH SECTION TWO, pursuant to the map or plat thereof recorded in Document No. 2006027068 of the Official Public Records of Williamson County, Texas, and

2. that certain 40.436 acre tract of land platted as STONEWALL RANCH SECTION III, pursuant to the map or plat thereof recorded in Document No. 2006103722 of the Official Public Records of Williamson County, Texas.

The above-described Land is currently be re-surveyed in its entirety, and such new survey of the Land shall be completed, reviewed and approved by Debtor, Purchaser and Stewart Title Guaranty, as the title insurer, prior to the Closing. It is hereby approved that the new legal description of the Land contained in such new survey shall be utilized for conveying and transferring the Land to Purchaser at the Closing.

(b) All improvements on the Land and all rights and appurtenances pertaining to the Land, including, without limitation, any right, title, and interest of the Debtor in and to mineral interests, surface and subsurface water, adjacent streets, alleys, or rights-of-way, whether open or proposed, to the center line of said streets, alleys or rights-of-way, and any strips or gores between the Land and adjacent land, and any land lying in or under the bed of any creek, stream or waterway, in, or across, abutting or adjacent thereto.

(c) All open space, common area, rights-of-way, whether public or private, and other land owned by the Debtor which is intended to be developed as part of STONEWALL RANCH, PHASES 4 THROUGH 10 (the "Subdivision").

(d) All right, title and interest of the Debtor, if any, in and to any and all development rights relating to, associated with and/or appurtenant to any of the Land, including, but not

limited to, all right, title and interest of the Debtor in and to:

(i) utilities, sewage treatment capacity, water capacity, drainage and detention rights, if any, to serve or which will serve any of the Land and improvements now or hereafter constructed thereon, including without limitation, all rights and interest of the Debtor under the following agreements;

(x) that certain that certain Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement dated effective September 14, 2004, by and between Lower Colorado River Authority ("LCRA") and Lookout Partners, L.P., as previously assigned by Lookout Partners, L.P. to Debtor pursuant to that certain Assignment of Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement dated effective August 26, 2005, as previously amended pursuant to that certain First Amendment to Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement dated effective August 29, 2005 and that certain Second Amendment to Utility Facilities Construction and Conveyance Agreement and Wastewater Service Agreement dated effective May 14, 2008, and as previously assigned by LCRA to the City of Liberty Hill pursuant to that certain Bill of Sale and Assignment dated effective May 1, 2012; and

(y) that certain Amended and Restated Non-Standard Water Service Agreement dated effective May 26, 2009, by and among Chisholm Trail Special Utility District, Stonewall Ranch Municipal Utility District and the Debtor, as previously assigned by Chisholm Trail Special Utility District to the City of Georgetown pursuant to that certain Asset Transfer and Utility System Consolidation Agreement dated effective October 15, 2013;

(ii) Surveys, engineering, soils, seismic, geological and environmental reports, studies, certificates and other technical descriptions applicable to any of the Land;

(iii) Warranties, guaranties, indemnities, claims and causes of action, to the extent applicable to any of the Land;

(iv) Licenses, permits, governmental approvals, utility commitments, utility rights, reimbursement rights, PID assessments, development rights or other similar rights, including without limitation, all rights and interest under that certain Utility Construction Agreement dated effective August 1, 2007, between Stonewall Ranch Municipal Utility District and the Debtor, as amended pursuant to that certain First Amendment to Utility Construction Agreement dated effective May 26, 2009, between Stonewall Ranch Municipal Utility District and the Debtor, and to that certain Second Amendment to Utility Construction Agreement dated effective February 3, 2010, between Stonewall Ranch Municipal Utility District and the Debtor;

(v) Rights to credits, refunds, and reimbursements, including without limitation, any credits against, or right to pay reduced, application fees, permit fees, inspection fees or impact fees applicable to any of the Land;

(vi) Rights under zoning cases, preliminary plans, plats, and other

development applications and approvals;

(vii) Rights in and to engineering and architectural plans and specifications;

(viii) Awards or proceeds relating to any of the Purchased Assets that are unpaid as of the date of Closing;

(ix) Rights under any declaration of covenants, conditions, and restrictions for the Subdivision, including without limitation, rights as “declarant” under the Stonewall Ranch Master Covenant recorded in the Official Public Records of Williamson County, Texas, and all amendments to and supplements of the same;

(x) Easements that benefit any of the Land; and

(xi) All other development rights, powers, privileges, options, or other benefits associated with, that pertain to, are attributable to, are appurtenant to, apply to, or which otherwise benefit any of the Land (but expressly excluding any liabilities or obligations of the Debtor arising prior to the date of Closing).

