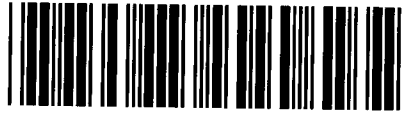




Control Number: 46120



Item Number: 50

Addendum StartPage: 0

RECEIVED

P.U.C. DOCKET NO. 46120
SOAH DOCKET NO. 473-16-5823.WS 2016 DEC 21 AM 11:48

CITY OF MIDLOTHIAN NOTICE OF § BEFORE THE STATE OFFICE
INTENT TO PROVIDE WATER § PUBLIC UTILITY COMMISSION
SERVICE TO LAND DECERTIFIED § HEARING CLERK
FROM MOUNTAIN PEAK SPECIAL § OF
UTILITY DISTRICT § ADMINISTRATIVE HEARINGS

**CITY OF MIDLOTHIAN'S FIRST SUPPLEMENTAL RESPONSES TO
MOUNTAIN PEAK SPECIAL UTILITY DISTRICT'S
SECOND REQUESTS FOR INFORMATION AND REQUESTS FOR ADMISSION**

To: Mountain Peak Special Utility District, Respondent in the above-referenced matter, by and through its Attorney of Record:

Leonard Dougal
Mallory Beck
JACKSON WALKER, LLP
100 Congress, Suite-1100
Austin, Texas 78701

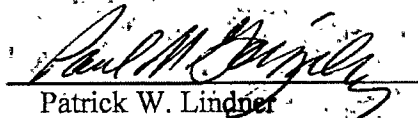
David A. Miller
MILLER MENTZER WALKER, PC
P. O. BOX 130
Palmer, Texas 75152

NOW COMES CITY OF MIDLOTHIAN, TEXAS ("Midlothian"), in the above-styled proceeding, and serves its First Supplemental Response to Mountain Peak Special Utility District's ("Mountain Peak" or "MPSUD") Second Set of Requests for Information ("RFIs") and Request for Admission ("RFA"). Under the deadline established in SOAH Order No. 7 (December 15, 2016), this supplemental response is timely filed.

Midlothian stipulates that the supplemental response to Mountain Peak's requests for information can be treated by all parties as if the answer was filed under oath. Midlothian reserves the right to amend or supplement its responses.

Respectfully submitted,

DAVIDSON TROILO REAM & GARZA, P.C.
601 NW Loop 410, Suite 100
San Antonio, Texas 78216
Telephone: (210) 349-6484
Facsimile: (210) 349-0041

By: 
Patrick W. Lindner
State Bar No. 12367850
Paul M. Gonzalez

50

State Bar No. 00796652
Richard Lindner
State Bar No. 24055 570

ATTORNEYS FOR THE CITY OF MIDLOTHIAN

CERTIFICATE OF SERVICE

I hereby certify that a true copy of this document was served on the parties of record in this proceeding on December 21, 2016, by email and facsimile


Paul M. González

P.U.C. DOCKET NO. 46120
SOAH DOCKET NO. 473-16-5823.WS

CITY OF MIDLOTHIAN NOTICE OF § BEFORE THE STATE OFFICE
INTENT TO PROVIDE WATER §
SERVICE TO LAND DECERTIFIED § OF
FROM MOUNTAIN PEAK SPECIAL §
UTILITY DISTRICT § ADMINISTRATIVE HEARINGS

**CITY OF MIDLOTHIAN'S FIRST SUPPLEMENTAL RESPONSE TO
MOUNTAIN PEAK SPECIAL UTILITY DISTRICT'S
SECOND REQUESTS FOR INFORMATION AND REQUEST FOR ADMISSION**

MPSUD RFI No. 2-1:

Please produce all deeds [and], contracts, ~~or other documents~~ demonstrating the transfer of ownership of the Subject Tract to Midlothian.

SUPPLEMENTAL RESPONSE:

Please see the documents labeled COM-00184-00253.

Prepared/Sponsored by:

Michael Adams
Executive Director of Engineering & Utilities
City of Midlothian.

may be mined, drilled, operated, explored, developed, removed, stored, treated, transported, tested, processed, handled or otherwise dealt with is from the surface location on other lands which are not within the boundaries of the Property; provided, however, that any horizontal drilling or similar exploration of the oil, gas or other minerals in, on or under the Property shall not be permitted from the surface of any other property unless (i) all structures and facilities built in connection with same are at least five hundred (500') feet from the boundary of the Property, and (ii) any entry onto the subsurface of the Property occurs at least two thousand (2,000') feet under the surface of the Property. Further, Grantor is hereby reserving, and not conveying to Grantee, any executory rights corresponding to the non-participating mineral interest reserved in that certain Warranty Deed from B.F. Graham and wife, Marjorie Kay Graham, to Richard Jerome Holloway and wife, Helen Elizabeth Holloway, recorded at Volume 477, Page 217, in the Real Property Records of Ellis County, Texas.

Notwithstanding anything seemingly to the contrary contained herein, as part of the consideration of Grantee to Grantor for the Property, Grantee hereby covenants and agrees that the conveyance effectuated hereby shall be subject to the following covenant and restriction, which shall be a covenant running with the land and binding upon Grantee, and its successors and assigns with respect to the Property, for the benefit of Grantor:

1. Should any application, petition or other request for consent be filed with the City in order to allow mining, drilling, operating, exploring, developing, removing, storing, treating, transporting, testing, processing, handling or otherwise dealing with the oil, gas or other minerals in, on or under the Property, then the City shall abide by and enforce its ordinances, rules, regulations governing same which are in effect at the time of such application, petition, etc.

TO HAVE AND TO HOLD the above described Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns; and Grantor does hereby bind itself, its successors or assigns to WARRANT AND FOREVER DEFEND all and singular the said Property unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under it, but not otherwise, subject, however, to the Permitted Exceptions.

[SIGNATURE PAGES TO FOLLOW.]

02160 1000
VI 00

EXECUTED on the 9 day of March, 2010.

COUNTERPART:

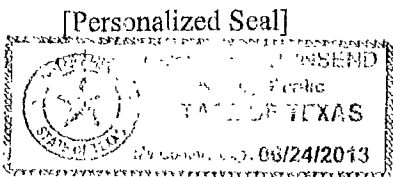
SKJ LAWSON FARMS DEVELOPMENT, L.P.,
a Texas limited partnership

By: 5409 MIRAMAR, LLC,
a Texas limited liability company,
its sole General Partner

By: [Signature]
Kim Gill, Sole Managing Member

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on March 9, 2010, by Kim Gill, Sole Managing Member of 5409 Miramar, LLC, a Texas limited liability company, the General partner of SKJ LAWSON FARMS DEVELOPMENT, L.P., a Texas limited partnership, on behalf of said company and partnership.



[Signature]
Notary Public, State of Texas

BT

GRANTEE:

CITY OF MIDLOTHIAN, TEXAS

By: [Signature]
Name: Don Hastings
Title: City Manager

STATE OF TEXAS

COUNTY OF ELLIS

This instrument was acknowledged before me on November 10, 2010, by DON HASTINGS CITY MANAGER of the City of Midlothian, Texas, on behalf of said City.



[Signature]
Notary Public, State of Texas

After recording return to:

02560 1986
VOLUME PAGE

EXHIBIT "A"

Being a 106.416 acre tract of land in the Martha Brennan Survey, Abstract No. 43, the J.M. Garvin, Abstract Number 424, and the M.T. Hawkins Survey, Abstract Number 463, and being a portion of that certain tract of land described in deed to SKJ Lawson Farms Development, L.P., recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas, also being a portion of Lawson Farms, Phase 2A as recorded in Cabinet H, Pages 252-256, Plat Records, Ellis County, Texas. The bearings for this description are based on the north line of said SKJ Lawson Farms tract, recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas. Said 106.416 acre tract of land being described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

THENCE South 89°40'39" West, along the said north right of way line, a distance of 1170.81 Feet to the most southerly southwest corner of the said SKJ Lawson Farms tract, a 1/2" iron rod bears North 22°56'12" West, a distance of 4.77 Feet;

THENCE North 0°20'35" East, leaving the said north right of way line of Ashford Lane and continuing along a west line of the said SKJ Lawson Farms tract a distance of 1108.71 Feet to a 5/8" iron pipe found at an outer ell corner of the said SKJ Lawson Farms tract;

THENCE leaving the said west line of the SKJ Lawson Farms tract and continuing over and across the said SKJ Lawson Farms tract the following courses and distances:

North 53°24'38" East, a distance of 219.90 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the west, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet, bearing South 11°34'14" East;

Southeasterly along the arc of said non-tangent curve, a distance of 17.45 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 50.00 Feet a central angle of 279°59'23", and a chord of 64.29 Feet bearing North 53°25'56" East;

Southerly along the arc of said reverse curve, a distance of 244.34 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northeast, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet bearing North 61°33'55" West;

EXHIBIT "A"

Westerly along the arc of said reverse curve, a distance of 17.45 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

North 36°34'04" West, a distance of 767.98 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a curve, concave to the east, having a radius of 415.00 Feet, a central angle of 28°52'05" and a chord which bears North 22°08'02" West, a distance of 206.89 Feet;

Northwesterly along the arc of said curve, a distance of 209.09 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the east, having a radius of 20.00 Feet a central angle of 53°46'53", and a chord of 18.09 Feet bearing North 19°11'27" East;

Northerly along the arc of said curve, a distance of 18.77 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southwest, having a radius of 50.00 Feet a central angle of 226°24'26", and a chord of 91.91 Feet bearing North 67°07'19" West;

Northeasterly along the arc of said reverse curve, a distance of 197.58 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

South 89°40'28" West, a distance of 245.62 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

South 53°25'56" West, a distance of 229.59 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northeast, having a radius of 375.00 Feet a central angle of 36°08'39", and a chord of 232.66 Feet bearing North 35°04'45" West;

Northwesterly along the arc of said curve, a distance of 236.56 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 725.00 Feet a central angle of 7°37'13", and a chord of 96.35 Feet bearing North 20°49'02" West;

Northerly along the arc of said reverse curve, a distance of 96.43 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the southwest corner of Lot 9, Block 18, Lawson Farms Addition, Phase 2A, recorded in Cabinet G, Pages 388-392, Plat Records, Ellis County, Texas;

THENCE continuing along the southerly line of said Lawson Farms Addition, Phase 2A the following courses and distances:

EXHIBIT "A"

North $53^{\circ}25'56''$ East, a distance of 333.12 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 50.00 Feet a central angle of $99^{\circ}29'10''$, and a chord of 76.32 Feet bearing South $63^{\circ}58'22''$ West;

Southeasterly along the arc of said curve, a distance of 86.82 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 425.00 Feet a central angle of $26^{\circ}37'28''$, and a chord of 195.72 Feet bearing South $37^{\circ}16'37''$ West;

Northeasterly along the arc of said curve, a distance of 197.49 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 340.00 Feet a central angle of $40^{\circ}49'43''$, and a chord of 237.19 Feet bearing South $44^{\circ}22'44''$ West;

Northeasterly along the arc of said reverse curve, a distance of 242.28 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the south, having a radius of 1135.00 Feet a central angle of $10^{\circ}35'30''$, and a chord of 209.52 Feet bearing South $70^{\circ}05'20''$ West;

Northeasterly along the arc of said curve, a distance of 209.82 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 300.00 Feet a central angle of $54^{\circ}08'56''$, and a chord of 273.09 Feet bearing South $48^{\circ}18'38''$ West;

Easterly along the arc of said curve, a distance of 283.52 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 975.00 Feet a central angle of $11^{\circ}28'54''$, and a chord of 195.05 Feet bearing South $15^{\circ}29'43''$ West;

Northerly along the arc of said reverse curve, a distance of 195.38 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 25.00 Feet a central angle of $83^{\circ}19'27''$, and a chord of 33.24 Feet bearing South $51^{\circ}25'00''$ West;

Northerly along the arc said reverse curve, a distance of 36.36 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the north, having a radius of 535.00 Feet a central angle of $3^{\circ}10'27''$, and a chord of 29.64 Feet bearing South $88^{\circ}30'30''$ East;

Easterly along the arc of said curve, a distance of 29.64 Feet to a $\frac{1}{2}$ " iron rod with a plastic cap stamped "RPLS 4818" set;

JK

EXHIBIT "A"

THENCE leaving the said south line and continuing over and across the said Lawson Farms Addition, Phase 2A the following courses and distances:

North 0°05'44" West, a distance of 208.21 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

South 78°00'28" East, a distance of 103.86 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

North 0°23'44" East, a distance of 347.18 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set on the north line of the said Lawson Farms Addition, Phase 2A;

THENCE South 89°36'16" East, along the said north line of Lawson Farms Addition, Phase 2A, a distance of 456.79 Feet to a ½" iron rod found at the northeast corner of Lot 8, Block 19 of said Lawson Farms Addition, Phase 2A;

THENCE South 2°23'23" West, along the east line of said Lot 8, Block 19, a distance of 562.86 Feet to a ½" iron rod found at the most easterly southeast corner of the said Lot 8, same being an inner ell corner on the east line of the said SKJ Lawson Farms tract;

THENCE North 87°40'00" East, along the north line of the said SKJ Lawson Farms tract a distance of 472.47 Feet to a fence corner at an outer ell corner on the east line of the said SKJ Lawson Farms tract;

THENCE South 0°22'29" East, along the said east line, a distance of 3272.22 Feet to the POINT OF BEGINNING, and containing a computed area of 106.416 Acres, more or less.

SAVE AND EXCEPT that certain 2.060 acre tract of land described in deed to MOUNTAIN PEAK SPECIAL UTILITY DISTRICT, recorded in Volume 2107, Page 2260 Official Records, Ellis County, Texas, said 2.060 acre tract being described by metes and bounds as follows:

Commencing at a 1/2" iron rod found at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

Thence South 89°40'39" West, along the south line of said SKJ Lawson Farms tract and the north right-of-way line of Ashford Lane, a distance of 629.54 Feet;

Thence North 0°16'33" West, departing the north right-of-way line of Ashford Lane and the south line of said SKJ Lawson Farms tract and over and across said SKJ Lawson Farms tract, a distance of 5.00 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found for the POINT OF BEGINNING;

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EXHIBIT "A"

Thence continuing over and across said SF J Lawson Farms tract the following courses and distances:

South 89°40'39" West, a distance of 335.91 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the northeast, having a radius of 25.00 Feet, a central angle of 90°39'56" and a chord which bears North 44°59'23" West, a distance of 35.56 Feet;

Westerly along said curve, a distance of 39.56 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 78.96 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the west, having a radius of 530.00 Feet, a central angle of 8°05'23" and a chord which bears North 3°42'06" West, a distance of 74.77 Feet;

Northerly along said curve, a distance of 74.83 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a reverse curve, concave to the east, having a radius of 475.00 Feet a central angle of 8°05'23", and a chord of 67.01 Feet bearing North 3°42'06" West;

Northerly along said curve, a distance of 67.06 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 39.29 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northwest corner of herein described tract;

North 89°40'39" East, a distance of 271.71 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northeast corner of herein described tract;

South 18°58'04" East, a distance of 300.86 Feet to the POINT OF BEGINNING and containing a computed area of 2.060 Acres, more or less.

LEAVING A COMPUTED NET AREA OF 104.356 ACRES OF LAND MORE OF LESS.

JK

EXHIBIT "B"Permitted Exceptions

1. INTENTIONALLY DELETED.
2. Easement granted to Ensat Pipeline Company and Enserch recorded in Volume 841, Page 875, as affected by Right of Way Deed recorded in Volume 847, Page 0454, and Assignment and Bill of Sale recorded in Volume 1453, Page 0635, all recorded in the Real Property Records, Ellis County, Texas.
3. Right of Way Easement granted to Sardis-Lone Elm Water Supply Corporation for the purpose of Easement and Right of Way, recorded in Volume 866, Page 604, Real Property Records, Ellis County, Texas.
4. Terms, conditions, and stipulations of Grant of Easements and Agreement by and between SKJ Lawson Farms Development, L.P. and Beazer Homes Texas, L.P., recorded in Volume 2124, Page 1697, Ellis County, Texas.
5. Easements, building setback lines, pipeline right-of-way and lift station as dedicated and set out in Plat recorded in Cabinet H, Pages 252-256, Plat Records of Ellis County, Texas.
6. Reservation of an undivided $\frac{1}{4}$ interest in and to all oil, gas and other minerals as set forth in Warranty Deed from Aetna Life Insurance Company to Hillie Miller Mahaney, Jr., filed December 31, 1935, and recorded in Volume 328, Page 274, Real Property Records, Ellis County, Texas.
7. Mineral reservation as set forth in Warranty Deed from B.F. Graham and wife, Marjorie Kay Graham, to Richard Jerome Holloway and wife, Helen Elizabeth Holloway, filed November 3, 1960 and recorded in Volume 477, Page 217, Real Property Records, Ellis County, Texas.
8. The following matters as shown by survey dated August 9, 2010, last revised September 1, prepared by Johnny D.L. Williams, Registered Professional Land Surveyor No. 4818:
 1. Encroachment of metal building at the Northwest corner of the property.
 2. Fence encroachment along a portion of the Northwest property line.
9. Mineral reservation, as affected by waiver of surface rights, as set forth in deed of even date herewith, executed by SKJ Lawson Farms Development, L.P. as grantor and the City of Midlothian as grantee, to be recorded in the Real Property Records of Ellis County, Texas.
10. Waiver of Surface Rights of even date herewith, executed by SKJ Lawson Farms Development, L.P. to be recorded in the Real Property Records of Ellis County, Texas.

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W. L.

11. Herein as a condition Declaration of Escrowants of even date herewith, executed by SK
Lawson Farms Development, L.P., to be recorded in the Real Property Records of Ellis
County, Texas.

Exhibit "B" -- Page 2 of 2

02540 1963

VOL. PG.

SCANNED

Any provision herein which restricts the sale rental or use of this described real property because of color or race is invalid and unenforceable under federal law STATE OF TEXAS, COUNTY OF ELLIS I hereby certify this instrument was filed on the date and time stamped herein and was duly recorded in the volume and page of the OFFICIAL PUBLIC RECORDS of Ellis County Texas as stamped hereon.



Cindy Kelley
COUNTY CLERK, ELLIS COUNTY TEXAS

FILED FOR RECORD - ELLIS COUNTY, TX
INST NO. 1024568
ON Nov 12, 2010 at 08:24:00 AM

Form 1066-10
02/01/10

02010 1910
VOL. 10

11/20/10

THE STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS
COUNTY OF MIDDLE §

WAIVER OF SURFACE RIGHTS

This WAIVER OF SURFACE RIGHTS (this "Waiver") is made and entered into effective as of 11/20, 2010, by SKI LAWSON FARMS, a Texas limited partnership ("Grantor"), for the benefit of the CITY OF MIDLOTHIAN, and its successors and assigns ("City").

WHEREAS, pursuant to the terms of that certain Special Warranty Deed (the "Deed") dated of even date herewith, recorded in the Official Public Records of Texas County, Texas, Grantor has conveyed to the City twenty five percent (25%) of Grantor's right, title and interest in and to all oil, gas and other minerals in and under and that may be produced from that certain tract of land (the "Land") situated in Ellis County, Texas, more particularly described on Exhibit A attached hereto and incorporated herein by reference for all purposes;

WHEREAS, Grantor has retained seventy five (75%) of Grantor's right, title and interest in and to all oil, gas and other minerals (collectively, the "Mineral Estate") in and under and that may be produced from the Land; and

WHEREAS, per the Deed, Grantor conveyed the Land to the City, and Grantor has agreed to execute this Waiver in connection with the City's acquisition of the Land.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Waiver of Surface Rights.** Grantor hereby expressly waives for the benefit of the City and its successors and assigns, any and all its rights to utilize the surface estate of the Land for any and all uses whatsoever related to the Mineral Estate, including, but not limited to, ingress, egress, mining, drilling, operation, development, removal, extraction, treatment, testing, processing, handling, production or exploration for oil, gas or other minerals or the storage or transportation thereof or any other use relating to the Mineral Estate owned by Grantor. Such waiver shall not, however, restrict or prohibit the pooling or unitization of the Mineral Estate owned by Grantor with property other than the Land or the exploration or production of the oil, gas and other minerals by means of wells that are drilled or mines that are open on property other than the Land but enter or bottom under the Land, so long as all surface facilities and operations are located at least 500 feet from the Land and any subsurface penetration of the Land occurs at least 2000 feet below the surface, nor shall same restrict the executory rights of Grantor, subject to the waiver of surface rights herein. The only manner in which oil, gas or other minerals in, on or under the Land may be mined, drilled, operated, explored, developed, removed, stored, treated, transported, tested, processed, handled or otherwise dealt with is from the surface location on other lands which are not within the boundaries of the Land; provided that such activity in no manner interferes with the surface or subsurface support of any improvements

FILED FOR RECORDS - ELLIS COUNTY, TEXAS
INSTR. NO. 102467 FILING DATE/TIME: NOV 22 2010 AT 08:24:00 AM

constructed or to be constructed on the Land.

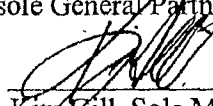
2. **Binding Effect.** This Waiver and the covenants and terms herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, representatives, successors and assigns, and shall constitute a covenant running with the land for the benefit of the Land.

EXECUTED to be effective as of the date first written above.

GRANTOR:

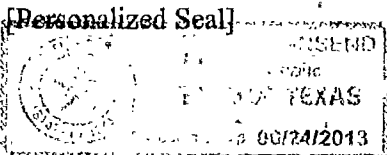
SKJ LAWSON FARMS DEVELOPMENT, L.P.,
a Texas limited partnership

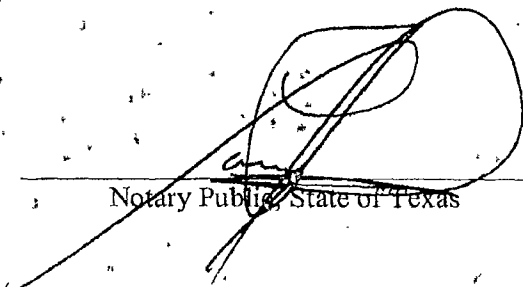
By: 5409 MIRAMAR, LLC,
a Texas limited liability company,
its sole General Partner

By: 
Kim Gill, Sole Managing Member

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on November 9, 2010, by Kim Gill, Sole Managing Member of 5409 Miramar, LLC, a Texas limited liability company, the General partner of SKJ LAWSON FARMS DEVELOPMENT, L.P., a Texas limited partnership, on behalf of said company and partnership.





Notary Public, State of Texas

AFTER RECORDING, RETURN TO:
Midlothian City Hall
1st W. Avenue E
Midlothian, TX 76065

02016 1501
VU 16

SCANNED

Any provision herein which restricts the sale, rental, or use of this described real property because of color or race is invalid and unenforceable under federal law. STATE OF TEXAS, COUNTY OF ELLIS. I hereby certify this instrument was filed on the date and time stamped herein and was duly recorded in the volume and page of the OFFICIAL PUBLIC RECORDS of Ellis County, Texas, as stated herein.



Cindy Pacey
COUNTY CLERK, ELLIS COUNTY TEXAS

CLERK FOR RECORDS - ELLIS COUNTY, TX
NET 06/10/2010
ON NOV 14 2010 AT 08:24:00 AM



CHICAGO TITLE INSURANCE COMPANY

Policy No.: TX2373-46-10-02352-2010.7239843-82093147

OWNER'S POLICY OF TITLE INSURANCE (T-1)

Issued by

CHICAGO TITLE INSURANCE COMPANY

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, CHICAGO TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
 - (a) A defect in the Title caused by:
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
 - (d) Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or materials having its inception on or before Date of Policy.
3. Lack of good and indefeasible Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
 - (a) the occupancy, use or enjoyment of the Land;
 - (b) the character, dimensions or location of any improvement erected on the Land;
 - (c) subdivision of land; or
 - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective:
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy,

that, by reason of such recording, his rights have been lost by reason of the failure of his recording in the Public Records:

(i) to be thereby, or

(ii) to be in part notice of its existence to a purchaser for value or a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

CHICAGO TITLE INSURANCE COMPANY

by



Grant M. P. [Signature]
ATTEST *[Signature]* Secretary

Jack Rattikin, Jr. [Signature]
Authorized Signatory
Jack Rattikin, Jr.

TX2373 10-02352
Rattikin Title Company
201 Main Street, Suite 800
Fort Worth, TX 76102
Tel:(817) 332-1171
Fax:(817) 877-4237

CHICAGO TITLE INSURANCE COMPANY

**OWNER'S POLICY OF TITLE INSURANCE T-1
SCHEDULE A**

Name and Address of Title Insurance Company: Chicago Title Insurance Company
2001 Bryan St., #1700
Dallas, TX 75201

File Number: 10-02352

Policy Number: 7239843-82093147

Address for Reference only:

Midlothian, TX

Amount of Insurance: \$ 3,117,518.00

Date of Policy: November 12, 2010 at 08:24
AM

Premium: \$18,681.25

1. Name of Insured:

The City of Midlothian, Texas, a Texas municipal corporation

2. The estate or interest in the land which is covered by this policy is:

Fee Simple estate

3. Title to the estate or interest in the land is insured as vested in:

The City of Midlothian, Texas, a Texas municipal corporation

4. The land referred to in this policy is described as follows:

A 104.356 acre tract of land out of the MARTHA BRENAN Survey, Abstract No. 43, the J.M. GARVIN Survey, Abstract No. 424, the M.T. HAWKINS Survey, Abstract No. 463, Ellis County, Texas, according to the Plat recorded in Cabinet G, Slide 388, Map/Plat Records of Ellis County, Texas and being more particularly described by metes and bounds on Exhibit "A" attached hereto for all purposes.

EXHIBIT "A"

Being a 106.416 acre tract of land in the Martha Brennan Survey, Abstract No. 43, the J.M. Garvin, Abstract Number 424, and the M.T. Hawkins Survey, Abstract Number 463, and being a portion of that certain tract of land described in deed to SKJ Lawson Farms Development, L.P., recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas, also being a portion of Lawson Farms, Phase 2A as recorded in Cabinet H, Pages 252-256, Plat Records, Ellis County, Texas. The bearings for this description are based on the north line of said SKJ Lawson Farms tract, recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas. Said 106.416 acre tract of land being described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

THENCE South 89°40'39" West, along the said north right of way line, a distance of 1170.81 Feet to the most southerly southwest corner of the said SKJ Lawson Farms tract, a 1/2" iron rod bears North 22°56'12" West, a distance of 4.77 Feet;

THENCE North 0°20'35" East, leaving the said north right of way line of Ashford Lane and continuing along a west line of the said SKJ Lawson Farms tract a distance of 1108.71 Feet to a 5/8" iron pipe found at an outer ell corner of the said SKJ Lawson Farms tract;

THENCE leaving the said west line of the SKJ Lawson Farms tract and continuing over and across the said SKJ Lawson Farms tract the following courses and distances:

North 53°24'38" East, a distance of 219.90 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the west, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet, bearing South 11°34'14" East;

Southeasterly along the arc of said non-tangent curve, a distance of 17.45 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 50.00 Feet a central angle of 279°59'23", and a chord of 64.29 Feet bearing North 53°25'56" East;

Southerly along the arc of said reverse curve, a distance of 244.34 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northeast, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet bearing North 61°33'55" West;

NOTE: Company does not represent that the above acreage and/or square footage calculations are correct

EXHIBIT "A"

Westerly along the arc of said reverse curve, a distance of 17.45 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

North 36°34'04" West, a distance of 767.98 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a curve, concave to the east, having a radius of 415.00 Feet, a central angle of 28°52'05" and a chord which bears North 22°08'02" West, a distance of 206.89 Feet;

Northwesterly along the arc of said curve, a distance of 209.09 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the east, having a radius of 20.00 Feet a central angle of 53°46'53", and a chord of 18.09 Feet bearing North 19°11'27" East;

Northerly along the arc of said curve, a distance of 18.77 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southwest, having a radius of 50.00 Feet a central angle of 226°24'26", and a chord of 91.91 Feet bearing North 67°07'19" West;

Northeasterly along the arc of said reverse curve, a distance of 197.58 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

South 89°40'28" West, a distance of 245.62 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

South 53°25'56" West, a distance of 229.59 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northeast, having a radius of 375.00 Feet a central angle of 36°08'39", and a chord of 232.66 Feet bearing North 35°04'45" West;

Northwesterly along the arc of said curve, a distance of 236.56 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 725.00 Feet a central angle of 7°37'13", and a chord of 96.35 Feet bearing North 20°49'02" West;

Northerly along the arc of said reverse curve, a distance of 96.43 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the southwest corner of Lot 9, Block 18, Lawson Farms Addition, Phase 2A, recorded in Cabinet G, Pages 388-392, Plat Records, Ellis County, Texas;

THENCE continuing along the southerly line of said Lawson Farms Addition, Phase 2A the following courses and distances:

NOTE: Company does not represent that the above acreage and/or square footage calculations are correct.

EXHIBIT "A"

North 53°25'56" East, a distance of 333.12 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 50.00 Feet a central angle of 99°29'10", and a chord of 76.32 Feet bearing South 63°58'22" West;

Southeasterly along the arc of said curve, a distance of 86.82 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 425.00 Feet a central angle of 26°37'28", and a chord of 195.72 Feet bearing South 37°16'37" West;

Northeasterly along the arc of said curve, a distance of 197.49 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 340.00 Feet a central angle of 40°49'43", and a chord of 237.19 Feet bearing South 44°22'44" West;

Northeasterly along the arc of said reverse curve, a distance of 242.28 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the south, having a radius of 1135.00 Feet a central angle of 10°35'30", and a chord of 209.52 Feet bearing South 70°05'20" West;

Northeasterly along the arc of said curve, a distance of 209.82 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 300.00 Feet a central angle of 54°08'56", and a chord of 273.09 Feet bearing South 48°18'38" West;

Easterly along the arc of said curve, a distance of 283.52 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 975.00 Feet a central angle of 11°28'54", and a chord of 195.05 Feet bearing South 15°29'43" West;

Northerly along the arc of said reverse curve, a distance of 195.38 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 25.00 Feet a central angle of 83°19'27", and a chord of 33.24 Feet bearing South 51°25'00" West;

Northerly along the arc said reverse curve, a distance of 36.36 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the north, having a radius of 535.00 Feet a central angle of 3°10'27", and a chord of 29.64 Feet bearing South 88°30'30" East;

Easterly along the arc of said curve, a distance of 29.64 Feet to a ½" iron rod with a plastic cap stamped "RPLS 4818" set;

NOTE: Company does not represent that the above acreage and/or square footage calculations are correct

EXHIBIT "A"

THENCE leaving the said south line and continuing over and across the said Lawson Farms Addition, Phase 2A the following courses and distances:

North 0°05'44" West, a distance of 208.21 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

South 78°00'28" East, a distance of 103.86 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

North 0°23'44" East, a distance of 347.18 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set on the north line of the said Lawson Farms Addition, Phase 2A;

THENCE South 89°36'16" East, along the said north line of Lawson Farms Addition, Phase 2A, a distance of 456.79 Feet to a 1/2" iron rod found at the northeast corner of Lot 8, Block 19 of said Lawson Farms Addition, Phase 2A;

THENCE South 2°23'23" West, along the east line of said Lot 8, Block 19, a distance of 562.86 Feet to a 1/2" iron rod found at the most easterly southeast corner of the said Lot 8, same being an inner ell corner on the east line of the said SKJ Lawson Farms tract;

THENCE North 87°40'00" East, along the north line of the said SKJ Lawson Farms tract a distance of 472.47 Feet to a fence corner at an outer ell corner on the east line of the said SKJ Lawson Farms tract;

THENCE South 0°22'29" East, along the said east line, a distance of 3272.22 Feet to the POINT OF BEGINNING, and containing a computed area of 106.416 Acres, more or less.

SAVE AND EXCEPT that certain 2.060 acre tract of land described in deed to MOUNTAIN PEAK SPECIAL UTILITY DISTRICT, recorded in Volume 2107, Page 2260 Official Records, Ellis County, Texas, said 2.060 acre tract being described by metes and bounds as follows:

Commencing at a 1/2" iron rod found at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

Thence South 89°40'39" West, along the south line of said SKJ Lawson Farms tract and the north right-of-way line of Ashford Lane, a distance of 629.54 Feet;

Thence North 0°16'33" West, departing the north right-of-way line of Ashford Lane and the south line of said SKJ Lawson Farms tract and over and across said SKJ Lawson Farms tract, a distance of 5.00 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found for the POINT OF BEGINNING;

NOTE: Company does not represent that the above acreage and/or square footage calculations are correct

EXHIBIT "A"

Thence continuing over and across said SKI Lawson Farms tract the following courses and distances:

South 89°40'39" West, a distance of 335.91 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the northeast, having a radius of 25.00 Feet, a central angle of 90°39'56" and a chord which bears North 44°59'23" West, a distance of 35.56 Feet;

Westerly along said curve, a distance of 39.56 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 78.96 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the west, having a radius of 530.00 Feet, a central angle of 8°05'23" and a chord which bears North 3°42'06" West, a distance of 74.77 Feet;

Northerly along said curve, a distance of 74.83 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a reverse curve, concave to the east, having a radius of 475.00 Feet a central angle of 8°05'23", and a chord of 67.01 Feet bearing North 3°42'06" West;

Northerly along said curve, a distance of 67.06 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 39.29 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northwest corner of herein described tract;

North 89°40'39" East, a distance of 271.71 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northeast corner of herein described tract;

South 18°58'04" East, a distance of 300.86 Feet to the POINT OF BEGINNING and containing a computed area of 2.060 Acres, more or less.

LEAVING A COMPUTED NET AREA OF 104.356 ACRES OF LAND MORE OF LESS.

NOTE: Company does not represent that the above acreage and/or square footage calculations are correct

CHICAGO TITLE INSURANCE COMPANY

SCHEDULE B

File No.: 10-02352

Policy No.: 7239843-82093147

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A and the following matters:

1. ~~The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception):~~

This item is hereby deleted.

2. ~~Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.~~

3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.

4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities.

a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or

b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or

c. to filled-in lands, or artificial islands, or

d. to statutory water rights, including riparian rights, or

e. to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.

5. Standby fees, taxes and assessments by any taxing authority for the year 2011, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.

6. The following matters and all terms of the documents creating or offering evidence of the matters (The Company must insert matters or delete this exception.)

- a. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Ensat Pipeline Company and Enserch Corporation
Purpose: Easement and Right of Way

Recording No: Volume 841, Page 875, as affected by Volume 847, Page 454 and Volume 1453, Page 635, Real Property Records, Ellis County, Texas, and as shown on survey dated August 9, 2010, last revised September 1, 2010; prepared by Johnny D.L. Williams, Registered Professional Land Surveyor No. 4818.

SCHEDULE B

(Continued)

File No.: 10-02352

Policy No.: 7239843-82093147

- b. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Sardis-Lone Elm Water Supply Corporation
Purpose: Easement and Right of Way
Recording No: Volume 866, Page 604, Real Property Records, Ellis County, Texas, and as shown on survey dated August 9, 2010, last revised September 1, 2010, prepared by Johnny D.L. Williams, Registered Professional Land Surveyor No. 4818.
- c. Terms, conditions, and stipulations of Grant of Easements and Agreement by and between SKJ LAWSON FARMS DEVELOPMENT, L.P. and BEAZER HOMES TEXAS, L.P., recorded to Volume 2124, Page 1697, Ellis County, Texas, and as shown on survey dated August 9, 2010, last revised September 1, 2010, prepared by Johnny D.L. Williams, Registered Professional Land Surveyor No. 4818.
- d. Easements, building setback lines, pipeline right-of-way and lift station as dedicated and set out in Plat recorded in Cabinet H, Pages 252-256, Plat Records of Ellis County, Texas, and as shown on survey dated August 9, 2010, last revised September 1, 2010, prepared by Johnny D.L. Williams, Registered Professional Land Surveyor No. 4818.
- e. Reservation of an undivided 1/4 interest in and to all oil, gas and other minerals as set forth in Warranty Deed from Aetna Life Insurance Company to Hillie Miller Mahaney, Jr., filed December 31, 1935, and recorded at Volume 328, Page 274, Real Property Records, Ellis County, Texas.
- f. Mineral reservation as set forth in Warranty Deed from B.F. Graham and wife, Marjorie Kay Graham, to Richard Jerome Holloway and wife, Helen Elizabeth Holloway, filed November 3, 1960 and recorded at Volume 477, Page 217, Real Property Records, Ellis County, Texas.
- g. The following matters as shown by survey dated August 9, 2010, last revised September 1, prepared by Johnny D.L. Williams, Registered Professional Land Surveyor No. 4818:
 - 1. Encroachment of metal building at the Northwest corner of the property.
 - 2. Fence encroachment along a portion of the Northwest property line.
- h. Mineral reservation, as affected by waiver of surface rights, as set forth in deed dated November 9, 2010 executed by SKJ Lawson Farms Development, L.P. as grantor and the City of Midlothian as grantee, recorded on November 12, 2010 in Volume 2540, Page 1952, Real Property Records, Ellis County, Texas
- i. Waiver of Surface Rights dated November 10, 2010 executed by SKJ Lawson Farms Development, L.P. recorded on November 12, 2010 in Volume 2540, Page 1949, Real Property Records of Ellis County, Texas.
- j. Easements as set out in Declaration of Easements dated November 10, 2010 executed by SKJ Lawson Farms Development, L.P., recorded on November 12, 2010 in Volume 2540, Page 1887, Real Property Records of Ellis County, Texas.

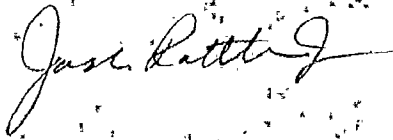
SCHEDULE B

(Continued)

File No.: 10-02352

Policy No.: 7239843-82093147

- k. The claim of any right by the owner or owners of any mineral interest to utilize the surface of the Property for the purpose of exploration or extraction of oil, gas or other minerals despite an ordinance of the City of Midlothian prohibiting such drilling. Company insures the Insured against loss, if any, sustained by the Insured under the terms of this Policy by reason of the enforcement of said rights as to the land. Company agrees to provide defense to the Insured in accordance with the terms of this Policy if suit is brought against the Insured to enforce said rights as to the land.
- l. Liability hereunder at the date hereof is limited to \$1,617,518.00. Liability shall increase as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum plus the amount actually expended by the insured in improvements at the time the loss occurs. Any expenditure made for improvements, subsequent to the date of this policy, will be deemed made as of the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed provision of this policy.
- m. Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the Insured against loss, if any, sustained by the Insured under this Policy if such liens have been filed with the County Clerk of Tarrant County, Texas, prior to the date hereof.



1	2	3	4	5	6	7	8
Order File Number	Policy File Number	Date of Endorsement	Amount of Insurance	Type	Code	Rule	
10-02352	7239843-82093147	November 12, 2010	\$3,175,000	EN	0603	F 28c	

Attached to Policy No. 7239843-82093147

Issued By
CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:
 - a. Present violations on the Land of any enforceable covenants, conditions, or restrictions, or any existing improvements on the Land which violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
 - b. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (i) establishes an easement on the Land, (ii) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant, or (iii) provides a right of reentry, possibility of reverter, or right of forfeiture because of violations on the Land of any enforceable covenants, conditions, or restrictions.
 - c. Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
 - d. Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - e. Any notices of violation of covenants, conditions or, restrictions relating to environmental protection recorded or filed in the Public Records.
2. Damage to existing buildings that are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved.
3. Damage to improvements ~~located on the Land~~ located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment, other than fences, landscaping, or driveways, excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing building on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they do not include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.a. and 5, the words "covenants, conditions, or restrictions" do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

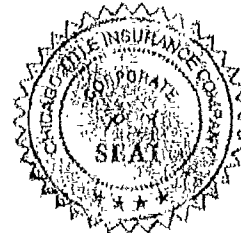
CHICAGO TITLE INSURANCE COMPANY

Authorized Countersignature

RATTIKIN TITLE COMPANY

By:

John Rattikin



FOR INFORMATION, OR TO MAKE A COMPLAINT
 CALL: (888)934-3354

ENDORSEMENT
 T-19.1 Owner Policy Endorsement
 Texas Form T-19.1
 Effective 05-01-08

(10-02352.PFD/10-02352/115)
 RATTIKIN TITLE COMPANY, FORT WORTH, TEXAS

IMPORTANT NOTICE

AVISO IMPORTANTE

To obtain information or make a complaint:

You may call Chicago Title Insurance Company's toll free telephone number for information or to make a complaint at:

(800)442-4303

You may also write to Chicago Title Insurance Company at:

601 Riverside Ave.
Jacksonville, FL 32204

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact Chicago Title Insurance Company first. If the dispute is not resolved, you may then contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Chicago Title Insurance Company para informacion o para someter una queja al:

(800)442-4303

Usted tambien puede escribir a Chicago Title Insurance Company:

601 Riverside Ave.
Jacksonville, FL 32204

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, detenturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el Chicago Title Insurance Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement created on the Land;
 - (iii) subdivision of land, or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws that the transaction vesting the Title as shown in Schedule A is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.

CONDITIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "Amount of Insurance": the amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company or other similar legal entity.
- (d) "Insured": the Insured named in Schedule A.
 - (i) The term "Insured" also includes:
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title:
 - (1) If the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) If the grantee wholly owns the named Insured,
 - (3) If the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) If the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": an Insured claiming loss or damage.
- (f) "Knowledge" or "Known": actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": the land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matter relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the

clerk of the United States District Court for the district where the Land is located.

- (j) "Title": the estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title

2. CONTINUATION OF INSURANCE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) below, or (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the Land or, if a loan policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

Owner's Policy of Title Insurance T-1 (2/01/10)

4. **PROOF OF LOSS.**

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. **DEFENSE AND PROSECUTION OF ACTIONS.**

(a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. **DUTY OF INSURED CLAIMANT TO COOPERATE.**

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, emails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. **OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; 12. TERMINATION OF LIABILITY.**

In case of a claim under this policy, the Company shall have the following additional options.

(a) **To Pay or Tender Payment of the Amount of Insurance.**

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) **To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.**

(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

8. **DETERMINATION AND EXTENT OF LIABILITY.**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of:

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured:

(i) the Amount of Insurance shall be increased by 10%; and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. **LIMITATION OF LIABILITY.**

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, all as insured, or takes action in accordance with Section 3 or 7, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. **REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.**

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. **LIABILITY NONCUMULATIVE.**

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. **PAYMENT OF LOSS.**

When liability and the extent of loss or damage have been definitely fixed in

accordance with these Conditions, the payment shall be made within 30 days

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION.

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by

any action asserting such claim, shall be restricted to this policy

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule.

Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.

16. SEVERABILITY.

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid and all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM.

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured, and in interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of laws principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT.

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at National Claims Administration, P.O. Box 45023, Jacksonville, Florida 32232-5023.

NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS
COMMERCIAL CONTRACT OF SALE

[Check all boxes applicable to this Contract - Boxes not checked do not apply to this Contract]

In consideration of the agreements contained in this Commercial Contract of Sale (the "Contract"), Seller shall sell and convey to Purchaser, and Purchaser shall buy and pay for, the Property (defined below) pursuant to the provisions, and subject to the conditions, of this Contract.

1. PARTIES. The parties to this Contract are:

Seller: SKJ Lawson Farms Development, L.P.; a Texas limited partnership
Address: 314 Main Street, Suite 202, Fort Worth, Texas 76102
Attention: Mr. Kim Gill
Phone: (817) 871-9000 Fax: (817) 871-9008
Email: kgill@sableholdings.com

Purchaser: The City of Midlothian, Texas
Address: 104 West Avenue E, Midlothian, Texas 76065
Attention: Mr. Don Hastings, City Manager
Phone: (972) 772-7195 Fax: _____
Email: _____

2. PROPERTY. The address of the Property is:

_____, Texas
The Property is located in Ellis County, Texas, the land portion of which is further described as:
approximately 104 acres of land located in the City of Midlothian

or as described in Exhibit "A", LEGAL DESCRIPTION and/or shown on Exhibit "B", SITE PLAN. The Property includes, all and singular, all improvements and fixtures attached thereto, and all rights and appurtenances pertaining thereto, including any right, title and interest in and to adjacent streets, alleys, or rights-of-way (such land, improvements, fixtures, rights and appurtenances collectively herein referred to as the "Property").

3. PURCHASE PRICE.

A. Amount and Payable. The purchase price for the Property is \$ 1,612,000.00 (the "Purchase Price"), payable at the Closing as follows (with the Earnest Money to be applied to the Purchase Price) [Check only one]:

(1) All in cash (meaning Good Funds, as defined in Section 4F below). If this Contract is subject to approval for Purchaser to obtain financing from a third party, then Addendum B-1, THIRD PARTY FINANCING is attached.

(2) Part in cash (Good Funds), in the following amount or percentage [Check only one]:

- (a) \$ _____
- (b) _____ percent (_____ %) of the Purchase Price.

If only part of the Purchase Price is to be paid in cash, then the balance of the Purchase Price will be paid according to the provisions in Addendum B-2, SELLER FINANCING. If part of the Purchase Price is to be paid by Purchaser assuming an existing promissory note secured by the Property, or taking

Seller's Initials KG

Purchaser's Initials DH

the Property subject to an existing promissory note secured by the Property, then Addendum B-3 EXISTING LOAN, is attached.

B. Adjustment. The Purchase Price will be adjusted up or down based upon the land area of the Property as determined by the Survey. The land area will be multiplied by the following amount per acre or square foot, as applicable, and the product will become the Purchase Price at the Closing *(Check only one)*: \$ 15,500.00 per acre; or \$ _____ per square foot. The land area for purposes of determining the Purchase Price will be the gross land area of the Property unless this box is checked, in which case the land area for purposes of determining the Purchase Price will be the Net Land Area [as defined in Section 5A (Survey)] of the Property. Notwithstanding the foregoing, the Purchase Price will not be reduced under this Section 3B to less than \$ _____.

4. EARNEST MONEY AND TITLE COMPANY ESCROW.

A. Title Company. The Title Company to serve as escrow agent for this Contract is (the "Title Company"): Rattikin Title Insurance Company, 201 Main Street, Suite 800, Fort Worth, Texas 76102
Attention: Mr. Larry Townsend, Telephone: (817) 332-1171 and Fax No.: (817) 877-4237

B. Effective Date. The "Effective Date" is the date the Title Company acknowledges receipt of this fully executed Contract as indicated by the signature block for the Title Company.

C. Earnest Money. Within two (2) Business Days after the Effective Date, Purchaser shall deliver an earnest money deposit in the amount of \$ 10,000.00 (the "Earnest Money") payable to the Title Company, in its capacity as escrow agent, to be held in escrow pursuant to the terms of this Contract. Seller's acceptance of this Contract is expressly conditioned upon Purchaser's timely deposit of the Earnest Money with the Title Company. If Purchaser fails to timely deposit the Earnest Money with the Title Company, then Seller may, at Seller's option, terminate this Contract by delivering a written termination notice to Purchaser at any time until Purchaser deposits the Earnest Money with the Title Company.

The Title Company shall deposit the Earnest Money in one or more fully insured accounts in one or more federally insured banking or savings institutions. Purchaser hereby instructs the Title Company to promptly deposit the check upon receipt (which instruction may not be retracted without Seller's written consent). After receipt of necessary tax forms from Purchaser, the Title Company will deposit the Earnest Money in an interest bearing account unless this box is checked, in which case the Title Company will not be required to deposit the Earnest Money in an interest bearing account. Any interest earned on the Earnest Money will become a part of the Earnest Money. At the Closing, the Earnest Money will be applied to the Purchase Price or, at Purchaser's option, will be returned to Purchaser upon full payment of the Purchase Price.

D. Independent Consideration. Notwithstanding anything in this Contract to the contrary, a portion of the Earnest Money in the amount of \$100.00 will be non-refundable and will be distributed to Seller upon any termination of this Contract as independent consideration for Seller's performance under this Contract. If this Contract is properly terminated by Purchaser pursuant to a right of termination granted to Purchaser by any provision of this Contract, the Earnest Money will be promptly returned to Purchaser. Any provision of this Contract that states that the Earnest Money is to be returned to Purchaser means that the Earnest Money, less the non-refundable portion, is to be returned to Purchaser.

E. Escrow. The Earnest Money is deposited with the Title Company with the understanding that the Title Company is not: (1) responsible for the performance or non-performance of any party to this Contract; or (2) liable for interest on the funds except to the extent interest has been earned after the funds have been deposited in an interest bearing account.

F. Definition of Good Funds. "Good Funds" means currently available funds, in United States dollars, paid in the form of a certified check, cashier's check, official bank check or wire transfer acceptable to the Title Company, such that the payment may not be stopped by the paying party. Any reference in this Contract to "cash" means Good Funds.

Seller's Initials *LS*

Purchaser's Initials *PH*

5. SURVEY AND TITLE.

three (3)

A. Survey. Within ~~twenty (20)~~ three (3) days after the Effective Date [Check one];

Seller shall deliver to Purchaser a new survey (the "Survey") of the Property prepared at Seller's expense

Seller shall deliver to Purchaser a new survey (the "Survey") of the Property prepared at Purchaser's expense.

Seller shall deliver to Purchaser a new survey (the "Survey") of the Property prepared at Purchaser's expense, and Seller will give a credit to Purchaser against the Purchase Price at the Closing for the cost of the Survey in an amount not to exceed \$ _____.

Seller shall deliver to Purchaser a copy of the most recent existing survey (the "Survey") of the Property in Seller's possession. If Purchaser, Purchaser's lender or the Title Company requires a new survey for any reason, then Purchaser shall pay for the cost of the new Survey, and [check only one]; Seller will not be required to pay for any portion of the cost of the new Survey; or Seller will give a credit to Purchaser against the Purchase Price at the Closing for the cost of the new Survey in an amount not to exceed \$ _____.

Any new Survey must: (1) be prepared by a Registered Professional Land Surveyor; (2) be in a form reasonably acceptable to Purchaser and the Title Company; (3) set forth a legal description of the Property by metes and bounds or by reference to a platted lot or lots; (4) show that the Survey was made on the ground with corners marked with monuments either found or placed; (5) show any discrepancies or conflicts in boundaries, and any visible encroachments; (6) contain the surveyor's certificate that the Survey is true and correct; and (7) show the location and size of all of the following on or immediately adjacent to the Property, if any, if recorded or visible and apparent: (a) buildings, (b) building set back lines (as shown on any recorded plat, but not as may be described in any restrictive covenants or zoning ordinances), (c) streets and roads, (d) 100-year flood plain (approximate location); (e) improvements, (f) encroachments, (g) easements, (h) recording information of recorded easements, (i) pavements, (j) protrusions, (k) fences, (l) rights-of-way, and (m) any markers or other visible evidence of utilities. Any area of the Property within the 100-year flood plain will be shown on the Survey as the approximate location of the 100-year flood plain as defined by the Federal Emergency Management Agency or other applicable governmental authority. If the area within any 100-year flood plain is to be deducted for the purpose of determining Net Land Area (defined below), then the Survey must show the area of the Property covered by the 100-year flood plain, and that area, as reasonably determined by the surveyor, will be conclusive for purposes of this Contract, even though the surveyor may qualify that determination as approximate. After the delivery of the Survey, the legal description of the Property set forth in the Survey will be incorporated in this Contract as the legal description of the Property, and will be used in the deed and any other documents requiring a legal description of the Property.

The Survey must show the gross land area of the Property, and if the Purchase Price is based upon the Net Land Area then the Survey must also show the Net Land Area, expressed in both acres and square feet. The term "Net Land Area" means the gross land area of the Property less the area within any of the following, if recorded or visible and apparent, but excluding those within set back areas) [Check all that apply]:

- utility easements; drainage easements; access easements; rights-of-way; 100-year flood plain; and
- any encroachments on the Property.

fifteen (15)

B. Title Commitment. Within ~~twenty (20)~~ three (3) days after the Effective Date, Seller shall deliver or cause to be delivered to Purchaser: (1) A title commitment (the "Title Commitment") covering the Property binding the Title Company to issue a Texas Owner Policy of Title Insurance (the "Title Policy") on the standard form prescribed by the Texas Department of Insurance at the Closing, in the full amount of the Purchase Price, insuring Purchaser's fee simple title to the Property to be good and indefeasible, subject only to the Permitted Exceptions (defined below); and (2) the following (collectively, the "Title Documents"): (a) true and legible copies of all recorded instruments affecting the Property and recited as exceptions in the Title Commitment; (b) a current tax certificate; (c) any written notices required by applicable statutes, including those referenced in Section 17; and (d) if the Property includes any personal property, UCC search reports pertaining to the Seller. Seller shall pay any expense for delivery of the Title Commitment and Title Documents.

Seller's Initials

[Handwritten initials]

Purchaser's Initials

[Handwritten initials]

6. REVIEW OF SURVEY AND TITLE.

A. Title Review Period. Purchaser shall have ten (10) days (the "Title Review Period") after receipt of the last of the Survey, Title Commitment and Title Documents to review them and to deliver in writing to Seller any objections Purchaser may have to them or any item disclosed by them. Any item to which Purchaser does not object will be deemed a "Permitted Exception." The items set forth on Schedule C of the Title Commitment, and any other items the Title Company identifies to be released upon the Closing, will be deemed objections by Purchaser. Purchaser's failure to object within the time provided will be a waiver of the right to object. If Purchaser delivers any written objections to Seller within the Title Review Period, then Seller shall make a good faith attempt to cure the objections within ten (10) days (the "Cure Period") after receipt of the objections. However, Seller is not required to incur any cost to do so. Zoning ordinances and the lien for current taxes are deemed to be Permitted Exceptions.

B. Cure Period. If Seller cannot cure the objections within the Cure Period, Seller may deliver a written notice to Purchaser, before expiration of the Cure Period, stating whether Seller is committed to cure the objections at or before the Closing. If Seller does not cure the objections within the Cure Period, or does not timely deliver the notice, or does not commit in the notice to fully cure all of the objections at or before the Closing, then Purchaser may terminate this Contract by delivering a written notice to Seller on or before the earlier to occur of: (1) the date that is seven (7) days after the expiration of the Cure Period, or (2) the scheduled Closing Date. If Purchaser properly and timely terminates this Contract, the Earnest Money will be returned to Purchaser. If Purchaser does not properly and timely terminate this Contract, then Purchaser will be deemed to have waived any uncured objections and must accept title at the Closing subject to the uncured objections and other Permitted Exceptions. Seller's failure to satisfy Purchaser's objections under this Section 6 does not constitute a default by Seller.

7. SELLER'S REPRESENTATIONS.

A. Statements. Seller represents to Purchaser, to the best of Seller's knowledge, as follows:

(1) Title. At the Closing, Seller will convey to Purchaser good and indefeasible fee simple title to the Property free and clear of any and all liens, assessments, easements, security interests and other encumbrances except the Permitted Exceptions. Delivery of the Title Policy pursuant to Section 12 (the Closing) will be deemed to satisfy the obligation of Seller as to the sufficiency of title required under this Contract. However, delivery of the Title Policy will not release Seller from the warranties of title set forth in the warranty deed.

(2) Leases. There are no parties in possession of any portion of the Property as lessees, tenants at sufferance or trespassers except tenants under written leases delivered to Purchaser pursuant to this Contract.

(3) Liens and Debts. There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Property, and Seller shall not allow any such liens to attach to the Property before the Closing that will not be satisfied out of the Closing proceeds. All obligations of Seller arising from the ownership and operation of the Property and any business operated on the Property, including, but not limited to, taxes, lease obligations, salaries, contracts, and similar agreements, have been paid or will be paid before the Closing. Except for obligations for which provisions are made in this Contract for prorating at the Closing and any indebtedness taken subject to or assumed, there will be no obligations of Seller with respect to the Property outstanding as of the Closing.

(4) Litigation. There is no pending or threatened litigation, condemnation, or assessment affecting the Property. Seller shall promptly advise Purchaser of any litigation, condemnation or assessment affecting the Property that is instituted after the Effective Date.

(5) Material Defects. Seller has disclosed to Purchaser any and all known conditions of a material nature with respect to the Property which may affect the health or safety of any occupant of the Property. Except as disclosed in writing by Seller to Purchaser, the Property has no known latent structural defects or construction defects of a material nature, and none of the improvements have been constructed with materials known to be a potential health hazard to occupants of the Property.

(6) Hazardous Materials. Except as otherwise disclosed in writing by Seller to Purchaser, the Property (including any improvements) does not contain any Hazardous Materials (defined below) other than lawful quantities properly stored in containers in compliance with applicable laws.

Seller's Initials JK

Purchaser's Initials PH

shall

B. Remedies. If Purchaser discovers, before the Closing, that any of Seller's representations has been misrepresented in a material respect, Purchaser may notify Seller of the misrepresentation in writing, and Seller shall attempt to correct the misrepresentation. If the misrepresentation is not corrected by Seller before the Closing, Purchaser may: (1) proceed to Closing, without waiving any claim for misrepresentation; or (2) terminate this Contract by delivering a written termination notice to Purchaser, in which case the Earnest Money will be returned to Purchaser.

C. Negative Covenants. After the Effective Date, Seller shall not, without Purchaser's prior written approval: (1) further encumber the Property or allow an encumbrance upon the title to the Property, or modify the terms of any existing encumbrance, if the encumbrance would still be in effect after Closing; or (2) enter into any lease or contract affecting the Property, if the lease or contract would still be in effect after Closing. However, Seller may enter into a lease or contract with an independent third party, in the ordinary course of business, without Purchaser's consent, if Purchaser will be entitled to terminate the lease or contract after Closing, without incurring any termination charge, by delivering a termination notice thirty (30) days in advance of the termination date. If Seller enters into any lease or contract affecting the Property after the Effective Date, then Seller shall immediately deliver a photocopy of the signed document to Purchaser.

8. NONCONFORMANCE. Purchaser has or will independently investigate and verify to Purchaser's satisfaction the extent of any limitations of uses of the Property. Purchaser acknowledges that the current use of the Property or the improvements located on the Property (or both) may not conform to applicable Federal, State or municipal laws, ordinances, codes or regulations. Zoning, permitted uses, height limitations, setback requirements, minimum parking requirements, limitations on coverage of improvements to total area of land, Americans with Disabilities Act requirements, wetlands restrictions and other matters may have a significant economic impact upon the intended use of the Property by Purchaser. However, if Seller is aware of pending zoning changes and/or current nonconformance with any Federal, State or local laws, ordinances, codes or regulations, Seller shall disclose same to Purchaser.

9. INSPECTION. *[Check only one]*

A. Inspection Desired. Purchaser desires to inspect the Property and Seller grants to Purchaser the right to inspect the Property as described in Addendum C, INSPECTION.

B. Inspection Not Necessary. Purchaser acknowledges that Purchaser has inspected the Property, including all buildings and improvements, and is thoroughly familiar with their condition. Purchaser accepts the Property in its present "AS IS" condition, and any changes caused by normal wear and tear before the Closing, but without waiving Purchaser's rights by virtue of Seller's representations expressed in this Contract.

10. CASUALTY LOSS AND CONDEMNATION.

A. Damage or Destruction. All risk of loss to the Property will remain upon Seller before the Closing. If the Property is damaged or destroyed by fire or other casualty to a Material Extent (defined below), then Purchaser may terminate this Contract by delivering a written termination notice to Seller within ten (10) days after the date the casualty occurred (and in any event before the Closing), in which case the Earnest Money will be returned to Purchaser. If the Property is damaged by fire or other casualty to less than a Material Extent, the parties shall proceed to the Closing as provided in this Contract. If the transaction is to proceed to the Closing, despite any damage or destruction, there will be no reduction in the Purchase Price and Seller shall do one of the following: (1) fully repair the damage before the Closing, at Seller's expense; (2) give a credit to Purchaser at the Closing for the entire cost of repairing the Property; or (3) assign to Purchaser all of Seller's right and interest in any insurance proceeds resulting from the damage or destruction, plus give a credit to Purchaser at the Closing in an amount equal to any deductible or other shortfall. The term "Material Extent" means damage or destruction where the cost of repair exceeds ten percent (10%) of the Purchase Price. If the extent of damage or the amount of insurance proceeds to be made available cannot be determined before the Closing Date, or the repairs cannot be completed before the Closing Date, either party may postpone the Closing Date by delivering a written notice to the other party specifying an extended Closing Date that is not more than thirty (30) days after the previously scheduled Closing Date.

B. Condemnation. If condemnation proceedings are commenced before the Closing against any portion of the Property, then Seller shall immediately notify Purchaser in writing of the condemnation proceedings, and Purchaser may terminate this Contract by delivering a written notice to Seller within ten (10) days after Purchaser receives the notice (and in any event before the Closing), in which case the Earnest Money will be returned to Purchaser. If this Contract is not terminated, then any condemnation award will (a) if known on the Closing Date, belong to Seller and the Purchase Price will

Seller's Initials AB

Purchaser's Initials AT

be reduced by the same amount, or (b) if not known on the Closing Date, belong to Purchaser and the Purchase Price will not be reduced.

11. ASSIGNMENT. *[Check only one]*

A. Assignment Permitted. Purchaser may assign this Contract provided the assignee assumes in writing all obligations and liabilities of Purchaser under this Contract, in which event Purchaser will be relieved of any further liability under this Contract.

B. Limited Assignment Permitted. Purchaser may assign this Contract only to a related party, defined as: (1) an entity in which Purchaser is an owner, partner or corporate officer; (2) an entity which is owned or controlled by the same person or persons that own or control Purchaser; or (3) a member or members of the immediate family of Purchaser, or a trust in which the beneficiary or beneficiaries is or are a member or members of the immediate family of Purchaser. Purchaser will remain liable under this Contract after any assignment

C. Assignment Prohibited. Purchaser may not assign this Contract without Seller's prior written consent

12. CLOSING.

A. Closing Date. The closing of the transaction described in this Contract (the "Closing") will be held at the offices of the Title Company at its address stated below, on the date (the "Closing Date") that is the later of 15 days after the expiration of the Inspection Period (if any); N/A days after the Effective Date; or . However, if any objections that were timely made by Purchaser in writing pursuant to Section 6A (Title Review Period) have not been cured, then either party may postpone the Closing Date by delivering a written notice to the other party specifying an extended Closing Date that is not more than thirty (30) days after the previously scheduled Closing Date.

B. Seller's Closing Obligations. At the Closing, Seller shall deliver to Purchaser, at Seller's expense:

(1) ~~A~~ *duly executed [check only one]* General Warranty Deed Special Warranty Deed ~~(with vendor's lien retained if financing is given by Seller or obtained from a third party)~~ conveying the Property in fee simple according to the legal description prepared by the surveyor as shown on the Survey, subject only to the Permitted Exceptions;

(2) An updated Title Commitment committing the underwriter for the Title Company to issue promptly after the Closing, at Seller's expense, the Title Policy pursuant to the Title Commitment, subject only to the Permitted Exceptions, in the full amount of the Purchase Price, dated as of the date of the Closing, and (at an additional premium cost) *[check only one if applicable]* with the survey exception modified at Seller's expense to read "any shortages in area," or with the survey exception modified at Purchaser's expense to read "any shortages in area;"

~~(3) A Bill of Sale conveying the personal property, if any, including, but not limited to, any described on Addendum A, IMPROVED PROPERTY, free and clear of liens, security interests and encumbrances, subject only to the Permitted Exceptions (to the extent applicable);~~

(4) Possession of the Property, subject to valid existing leases disclosed by Seller to Purchaser and other applicable Permitted Exceptions;

(5) An executed assignment of all leases, if there are any leases affecting the Property;

(6) A current rent roll certified by Seller to be complete and accurate, if there are any leases affecting the Property;

(7) Evidence of Seller's authority and capacity to close this transaction; and

(8) All other documents reasonably required by the Title Company to close this transaction.

Seller's Initials A

Purchaser's Initials JH

C. Purchaser's Closing Obligations. At the Closing, Purchaser shall deliver to Seller, at Purchaser's expense,

- (1) The cash portion of the Purchase Price (with the Earnest Money being applied to the Purchase Price);
- (2) ~~The Note and the Deed of Trust, if Addendum B-2, SELLER'S FINANCING, is attached;~~
- (3) An Assumption Agreement in recordable form agreeing to pay all commissions payable under any lease affecting the Property;
- (4) Evidence of Purchaser's authority and capacity to close this transaction; and
- (5) All other documents reasonably required by the Title Company to close this transaction.

D. Closing Costs. Each party shall pay its share of the closing costs which are customarily paid by a seller or purchaser in a transaction of this character in the county where the Property is located, or as otherwise agreed.

E. Prorations. Rents, lease commissions, interest, insurance premiums, maintenance expenses, operating expenses, and ad valorem taxes for the year of the Closing will be prorated at the Closing effective as of the date of the Closing. Seller shall give a credit to Purchaser at the Closing in the aggregate amount of any security deposits deposited by tenants under leases affecting the Property. If the Closing occurs before the tax rate is fixed for the year of the Closing, the apportionment of the taxes will be upon the basis of the tax rate for the preceding year, applied to the latest assessed valuation, but any difference between actual and estimated taxes for the year of the Closing actually paid by Purchaser will be adjusted equitably between the parties upon receipt of a written statement of the actual amount of the taxes. This provision will survive the Closing.

F. Rollback Taxes. If this sale or a change in use of the Property or denial of any special use valuation of the Property would result in the assessment after the Closing of additional taxes and interest applicable to the period of time before the Closing ("Rollback Taxes"), then: (1) Purchaser shall pay the Rollback Taxes (including any interest and penalties) if and when they are assessed, without receiving any credit from Seller; unless (2) this box is checked, in which case Seller shall give a credit to Purchaser at the Closing for the amount of the Rollback Taxes (including interest) that may be assessed after the Closing as reasonably estimated by the Title Company, and Purchaser shall pay the Rollback Taxes (including any interest and penalties) if and when they are assessed after the Closing. If Seller gives a credit to Purchaser for the estimated amount of Rollback Taxes, and the actual Rollback Taxes assessed after the Closing are different from the estimate used at the Closing, then there will be no subsequent adjustment between Seller and Purchaser. ~~If any Rollback Taxes are due before the Closing due to a change in use of the Property by Seller or a denial of any special use valuation of the Property before the Closing, then Seller shall pay those Rollback Taxes (including any interest and penalties) at or before the Closing.~~

G. ~~Loan Assumption. If Purchaser assumes an existing mortgage loan at the Closing, Purchaser shall pay: (1) to the lender, any assumption fee charged by the lender; and (2) to Seller, a sum equal to the amount of any reserve accounts held by the lender for the payment of taxes, insurance and any other expenses applicable to the Property for which reserve accounts are held by the lender. Purchaser shall execute, at the option and expense of Seller, a Deed of Trust to Secure Assumption with a trustee named by Seller. If consent to the assumption is required by the lender, Seller shall obtain the lender's consent in writing and deliver the consent to Purchaser at the Closing. If Seller does not obtain the lender's written consent (if required) and deliver it to Purchaser at or before the Closing, Purchaser may terminate this Contract by delivering a written termination notice to Seller, and the Earnest Money will be returned to Purchaser.~~

H. Foreign Person Notification. If Seller is a Foreign Person, as defined by the Internal Revenue Code, or if Seller fails to deliver to Purchaser a non-foreign affidavit pursuant to §1445 of the Internal Revenue Code, then Purchaser may withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the withheld proceeds to the Internal Revenue Service, together with appropriate tax forms. The required affidavit from Seller will include: (1) a statement that Seller is not a foreign person; (2) the U. S. taxpayer identification number of Seller; and (3) any other information required by §1445 of the Internal Revenue Code.

Seller's Initials

JA

Purchaser's Initials

DH

13. DEFAULT.

A. Purchaser's Remedies. If Seller fails to close this Contract for any reason except Purchaser's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Seller will be in default and Purchaser may elect to either: (1) enforce specific performance of this Contract (force Seller to sell the Property to Purchaser pursuant to this Contract); or (2) terminate this Contract by delivering a written notice to Seller. If Purchaser elects to terminate this Contract due to Seller's default, then Purchaser will be deemed to have waived any other remedies available to Purchaser and the Earnest Money will be returned to Purchaser.

The foregoing will be Purchaser's sole and exclusive remedies for Seller's default unless this box is checked, in which case Purchaser may sue Seller for damages. If the box is checked to allow Purchaser to sue Seller for damages, then Purchaser must elect to pursue either specific performance or a claim for damages at the beginning of any legal action initiated by Purchaser.

B. Seller's Remedies. If Purchaser fails to close this Contract for any reason except Seller's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Purchaser will be in default and Seller may terminate this Contract and receive the Earnest Money as liquidated damages for Purchaser's breach of this Contract, thereby releasing Purchaser from this Contract. If Seller terminates this Contract due to Purchaser's default, then the Earnest Money will be paid to Seller.

The right to receive the Earnest Money will be Seller's sole and exclusive remedy for Purchaser's default unless one of the following remedies is selected, in which case Seller may sue Purchaser: to enforce specific performance (force Purchaser to purchase the Property pursuant to this Contract); or for damages. If one or both of the boxes is checked to allow Seller to sue Purchaser to enforce specific performance or for damages, then Seller must elect to either receive the Earnest Money as liquidated damages or pursue one of the other selected remedies at the beginning of any legal action initiated by Seller.

14. AGENCY DISCLOSURE.

A. Agency Relationships. The term "Brokers" refers to the Principal Broker and the Cooperating Broker, if applicable, as set forth on the signature page. Each Broker has duties only to the party the Broker represents as identified below. If either Broker is acting as an intermediary, then that Broker will have only the duties of an intermediary, and the intermediary disclosure and consent provisions apply as set forth below. *[Each broker check only one]*

(1) The Principal Broker is: agent for Seller only; or agent for Purchaser only; or an intermediary.

(2) The Cooperating Broker is: agent for Seller only; agent for Purchaser only; or an intermediary.

B. Other Brokers. Seller and Purchaser each represent to the other that they have had no dealings with any person, firm, agent or finder in connection with the negotiation of this Contract or the consummation of the purchase and sale contemplated by this Contract, other than the Brokers named in this Contract, and no real estate broker, agent, attorney, person, firm or entity, other than the Brokers is entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of the representing party. Each party agrees to indemnify, defend, and hold the other party harmless from and against any costs, expenses or liability for any compensation, commission, fee, or charges that may be claimed by any agent, finder or other similar party, other than the Brokers, by reason of any dealings or acts of the indemnifying party.

C. Fee Sharing. Seller and Purchaser agree that the Brokers may share the Fee (defined below) among themselves, their sales associates, and any other licensed brokers involved in the sale of the Property. The parties authorize the Title Company to pay the Fee directly to the Principal Broker and, if applicable, the Cooperating Broker, in accordance with Section 15 (Professional Service Fee) or any other agreement pertaining to the Fee. Payment of the Fee will not alter the fiduciary relationships between the parties and the Brokers.

D. Intermediary Relationship. If either of the Brokers has indicated in Section 14A (Agency Relationships) that the Broker is acting as an intermediary in this transaction, then Purchaser and Seller hereby consent to the intermediary relationship, authorize the respective Brokers to act as an intermediary in this transaction, and acknowledge that the source of any expected compensation to the Brokers will be Seller, and the Brokers may also be paid a fee by Purchaser. A real estate broker who acts as an intermediary between parties in a transaction:

Seller's Initials *JS* Purchaser's Initials *AM*

(1) may not disclose to the buyer that the seller will accept a price less than the asking price unless otherwise instructed in a separate writing by the seller;

(2) may not disclose to the seller that the buyer will pay a price greater than the price submitted in a written offer to the seller unless otherwise instructed in a separate writing by the buyer;

(3) may not disclose any confidential information or any information a party specifically instructs the real estate broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose such information by the Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property;

(4) shall treat all parties to the transaction honestly; and

(5) shall comply with the Texas Real Estate License Act.

Broker is authorized to appoint, by providing written notice to the parties, one or more licensees associated with Broker to communicate with and carry out instructions of one party, and one or more other licensees associated with Broker to communicate with and carry out instructions of the other party or parties. During negotiations, an appointed licensee may provide opinions and advice to the party to whom the licensee is appointed.

15. PROFESSIONAL SERVICE FEE.

A. Payment of Fee. Seller agrees to pay the Brokers a professional service fee (the "Fee") for procuring the Purchaser and for assisting in the negotiation of this Contract as follows:
See Addendum F

The Fee will be earned upon the execution of this Contract and will be paid at the Closing of a sale of the Property by Seller pursuant to this Contract (as may be amended or assigned). The Fee will be paid by Seller to the Brokers in the county in which the Property is located. Seller shall pay any applicable sales taxes on the Fee. The Title Company or other escrow agent is authorized and directed to pay the Fee to the Brokers out of the Closing proceeds. A legal description of the Property, as set forth in this Contract and any Survey delivered pursuant to this Contract, is incorporated by reference in the agreement pertaining to the Fee set forth in this Section.

The Fee is earned notwithstanding: (1) any subsequent termination of this Contract (except a termination by Seller or Purchaser pursuant to a right of termination in this Contract); or (2) any default by Seller. If the transaction described in this Contract is not consummated by reason of Purchaser's default and Seller does not elect to enforce specific performance, the Fee will not exceed one-half of the Earnest Money. In the event of default under this Contract by Seller or Purchaser, the Fee will be paid within ten (10) days after the scheduled Closing Date, out of the Earnest Money, or any other escrow deposit made pursuant to this Contract.

B. Consent Required. Purchaser, Seller and Title Company agree that the Brokers are third party beneficiaries of this Contract with respect to the Fee, and that no change may be made by Purchaser, Seller or Title Company as to the time of payment, amount of payment or the conditions for payment of the Fee without the written consent of the Brokers.

C. Right to Claim a Lien. Pursuant to Chapter 62 of the Texas Property Code, the Brokers hereby disclose their right to claim a lien based on the commission agreement set forth in this Section 15 and any other commission agreements referenced in this Contract or applicable to the transaction contemplated by this Contract. This disclosure is hereby incorporated in any such commission agreements.

Seller's Initials *JS*

Purchaser's Initials *DH*

16. MISCELLANEOUS PROVISIONS.

A. **Definition of Hazardous Materials.** "Hazardous Materials" means any pollutants, toxic substances, oils, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Clean Water Act, as amended, or any other Federal, State or local environmental law, ordinance, rule, or regulation, whether existing as of the Effective Date or subsequently enacted.

B. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be deemed delivered on the earlier of: (1) actual receipt, if delivered in person or by courier, with evidence of delivery; (2) receipt of an electronic facsimile ("Fax") transmission with confirmation of delivery to the Fax numbers specified in this Contract, if any; or (3) upon deposit with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and properly addressed to the intended recipient at the address set forth below. Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in the manner set forth above. Copies of all written notices should also be delivered to the Brokers and to the Title Company, but failure to notify the Brokers or the Title Company will not cause an otherwise properly delivered notice to be ineffective.

C. **Termination.** If this Contract is terminated for any reason, the parties will have no further rights or obligations under this Contract, except that: (1) Purchaser shall pay the costs to repair any damage to the Property caused by Purchaser or Purchaser's agents; (2) Purchaser shall return to Seller any reports or documents delivered to Purchaser by Seller; and (3) each party shall perform any other obligations that, by the explicit provisions of this Contract, expressly survive the termination of this Contract. The obligations of this Section 16C will survive the termination of this Contract. The terms of any mutual termination agreement will supersede and control over the provisions of this Section 16C to the extent of any conflict.

D. **Forms.** In case of a dispute as to the form of any document required under this Contract, the most recent form prepared by the State Bar of Texas, modified as necessary to conform to the requirements of this Contract, will be deemed reasonable.

E. **Attorneys' Fees.** The prevailing party in any proceeding brought to enforce this Contract, or brought relating to the transaction contemplated by this Contract, will be entitled to recover from the non-prevailing parties court costs, reasonable attorneys' fees and all other reasonable related expenses

F. **Integration.** This Contract contains the complete agreement between the parties with respect to the Property and cannot be varied except by written agreement. The parties agree that there are no oral agreements, understandings, representations or warranties made by the parties which are not expressly set forth in this Contract. Any prior written agreements, understandings, representations or warranties between the parties will be deemed merged into and superseded by this Contract, unless it is clear from the written document that the intent of the parties is for the previous written agreement, understanding, representation or warranty to survive the execution of this Contract.

G. **Survival.** Any representation or covenant contained in this Contract not otherwise discharged at the Closing will survive the Closing of this transaction.

H. **Binding Effect.** This Contract will inure to the benefit of, and shall be binding upon, the parties to this Contract and their respective heirs, legal representatives, successors and assigns.

I. **Time for Performance.** Time is of the essence under each provision of this Contract. Strict compliance with the times for performance is required.

J. **Business Day.** If any date of performance under this Contract falls on a Saturday, Sunday or Texas legal holiday, such date of performance will be deferred to the next day that is not a Saturday, Sunday or Texas legal holiday.

K. **Right of Entry.** After reasonable advance notice and during normal business hours, Purchaser, Purchaser's representatives and the Brokers have the right to enter upon the Property before the Closing for purposes of viewing, inspecting and conducting studies of the Property, so long as they do not unreasonably interfere with the use of the Property by Seller or any tenants, or cause damage to the Property.

Seller's Initials 

Purchaser's Initials 

L. **Governing Law.** This Contract will be construed under and governed by the laws of the State of Texas, and unless otherwise provided in this Contract, all obligations of the parties created under this Contract are to be performed in the county where the Property is located.

M. **Severability.** If any provision of this Contract is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the invalid, illegal, or unenforceable provision will not affect any other provisions, and this Contract will be construed as if the invalid, illegal, or unenforceable provision is severed and deleted from this Contract.

N. **Broker Disclaimer.** ~~The Brokers will disclose to Purchaser any material facts and knowledge the Brokers may possess about the condition of the Property.~~ Purchaser understands that a real estate broker is not an expert in matters of law, tax, financing, surveying, hazardous materials, engineering, construction, safety, zoning, land planning, architecture, or the Americans with Disabilities Act. Purchaser acknowledges that Purchaser has been advised by the Brokers to seek expert assistance on such matters. The Brokers do not investigate a property's compliance with building codes, governmental ordinances, statutes and laws that relate to the use or condition of the Property or its construction, or that relate to its acquisition. Purchaser is not relying upon any representations of the Brokers concerning permitted uses of the Property or with respect to any nonconformance of the Property. If the Brokers provide names of consultants or sources for advice or assistance, the Brokers do not warrant the services of the advisors or their products and cannot warrant the suitability of property to be acquired. Purchaser acknowledges that current and future federal, state and local laws and regulations may require any Hazardous Materials to be removed at the expense of those persons who may have had or continue to have any interest in the Property. The expense of such removal may be substantial. Purchaser agrees to look solely to experts and professionals selected or approved by Purchaser to advise Purchaser with respect to the condition of the Property and will not hold the Brokers responsible for any condition relating to the Property. The Brokers do not warrant that Seller will disclose any or all property defects or other matters pertaining to the Property or its condition. ~~Seller and Purchaser agree to hold the Brokers harmless from any damages, claims, costs and expenses including, but not limited to, reasonable attorneys' fees and court costs, resulting from or related to any person furnishing any false, incorrect or inaccurate information with respect to the Property; Seller's concealing any material information with respect to the condition of the Property, or matters that should be analyzed by experts. To the extent permitted by applicable law, the Brokers' liability for errors or omissions, negligence, or otherwise, is limited to the return of the Fee, if any, paid to the responsible Broker pursuant to this Contract. The parties agree that they are not relying upon any oral statements that the Brokers may have made. Purchaser is relying solely upon Purchaser's own investigations and the representations of Seller, if any, and Purchaser acknowledges that the Brokers have not made any warranty or representation with respect to the condition of the Property or otherwise.~~

O. **Counterparts.** This Contract may be executed in a number of identical counterparts. Each counterpart is deemed an original and all counterparts will, collectively, constitute one agreement.

17. STATUTORY NOTICES.

A. **Abstract or Title Policy.** At the time of the execution of this Contract, Purchaser acknowledges that the Brokers have advised and hereby advise Purchaser, by this writing, that Purchaser should have the abstract covering the Property examined by an attorney of Purchaser's own selection or that Purchaser should be furnished with or obtain a policy of title insurance.

B. **Notice Regarding Unimproved Property Located in a Certificated Service Area.** If the Property is unimproved and is located in a certificated service area of a utility service, then Seller shall give to Purchaser a written notice in compliance with §13.257 of the Texas Water Code, and Purchaser agrees to acknowledge receipt of the notice in writing. The notice must set forth the correct name of utility service provider authorized by law to provide water or sewer service to the Property, and must comply with all other applicable requirements of the Texas Water Code.

C. **Special Assessment Districts.** If the Property is situated within a utility district or flood control district subject to the provisions of §49.452 of the Texas Water Code, then Seller shall give to Purchaser the required written notice and Purchaser agrees to acknowledge receipt of the notice in writing. The notice must set forth the current tax rate; the current bonded indebtedness and the authorized indebtedness of the district, and must comply with all other applicable requirements of the Texas Water Code.

D. **Property Owners' Association.** If the Property is subject to mandatory membership in a property owners' association, Seller shall notify Purchaser of the current annual budget of the property owners' association, and the current authorized fees, dues and/or assessments relating to the Property. In addition, Seller shall give to Purchaser the written notice required under §50.12 of the Texas Property Code, if applicable, and Purchaser agrees to acknowledge receipt of the notice in

Seller's Initials *JS*

Purchaser's Initials *OH*

writing. Also, Seller shall give to Purchaser the resale certificate required under Chapter 207 of the Texas Property Code, if applicable, and Purchaser agrees to acknowledge receipt of the resale certificate in writing.

E. **Notice Regarding Possible Annexation.** If the Property that is the subject of this Contract is located outside the limits of a municipality, the Property may now or later be included in the extraterritorial jurisdiction of the municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

F. **Notice Regarding Coastal Area Property.** If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the states, then Seller shall give to Purchaser a written notice regarding coastal area property, in compliance with §33.135 of the Texas Natural Resources Code, and Purchaser agrees to acknowledge receipt of the notice in writing.

G. **Gulf Intracoastal Waterway Notice.** If the Property is located seaward of the Gulf Intracoastal Waterway, then Seller shall give to Purchaser a written notice regarding the seaward location of the Property, in compliance with §61.025 of the Texas Natural Resources Code, and Purchaser agrees to acknowledge receipt of the notice in writing.

H. **Notice for Property Located in an Agricultural Development District.** If the Property is located in an agricultural development district, then in accordance with §60.063 of the Texas Agricultural Code: (1) Seller shall give to Purchaser a written notice that the Property is located in such a district; (2) Purchaser agrees to acknowledge receipt of the notice in writing; and (3) at the Closing, a separate copy of the notice with current information about the district will be executed by Seller and Purchaser and recorded in the deed records of the county in which the Property is located.

~~18. DISPUTE RESOLUTION.~~ See Addendum F

~~A. **Mediation.** If any dispute (the "Dispute") arises between any of the parties to this Contract including, but not limited to, payment of the Fee, then any party (including any Broker) may give written notice to the other parties requiring all involved parties to attempt to resolve the Dispute by mediation. Except in those circumstances where a party reasonably believes that an applicable statute of limitations period is about to expire, or a party requires injunctive or equitable relief, the parties are obligated to use this mediation procedure before initiating arbitration or any other action. Within seven (7) days after receipt of the mediation notice, each party must deliver a written designation to all other parties stating the names of one or more individuals with authority to resolve the Dispute on such party's behalf. Within fourteen (14) days after receipt of the mediation notice, the parties shall make a good faith effort to select a qualified mediator to mediate the Dispute. If the parties are unable to timely agree upon a mutually acceptable mediator, any party may request any state or federal judge to appoint a mediator. In consultation with the mediator, the parties shall promptly designate a mutually convenient time and place for the mediation that is no later than thirty (30) days after the date the mediator is selected. In the mediation, each party must be represented by persons with authority and discretion to negotiate a resolution of the Dispute, and may be represented by counsel. The mediation will be governed by applicable provisions of Chapter 154 of the Texas Civil Practice and Remedies Code, and such other rules as the mediator may prescribe. The fees and expenses of the mediator will be shared equally by all parties included in the Dispute.~~

~~B. **Arbitration.** If the parties are unable to resolve any Dispute by mediation, then the parties (including the Brokers) shall submit the Dispute to binding arbitration before a single arbitrator. The Dispute will be decided by arbitration in accordance with the applicable arbitration statute and any rules selected by the arbitrator. After an unsuccessful mediation, any party may initiate the arbitration procedure by delivering a written notice of demand for arbitration to the other parties. Within fourteen (14) days after the receipt of the written notice of demand for arbitration, the parties shall make a good faith effort to select a qualified arbitrator acceptable to all parties. If the parties are unable to agree upon the selection of an arbitrator, then any party may request any state or federal judge to appoint an arbitrator. This agreement to arbitrate will be specifically enforceable under the prevailing arbitration law.~~

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19. CONSULT AN ATTORNEY. This document is an enforceable, legally binding agreement. The Brokers involved in the negotiation of the transaction described in this Contract cannot give legal advice. The parties to this Contract acknowledge that they have been advised by the Brokers to have this Contract reviewed by legal counsel before signing this Contract.

Purchaser's Donald R. Stout - (972) 875-3822
attorney is: 210 W. Know Street, Ernis, Texas 75120.

Seller's Nathan White, Smith, Stern, Friedman & Nelms, P.C.
attorney is: 6688 N. Central Expwy., Ste. 550, Dallas, TX 75206
Phone: (214) 739-0605; Fax: (214) 739-0608

E-mail: nwhite@ssfulaw.com

20. EXHIBITS AND ADDENDA. All Exhibits and Addenda attached to this Contract are incorporated herein by reference and made a part of this Contract for all purposes [check all that apply]:

- | | | | | | |
|-------------------------------------|-------------|---------------------------------|-------------------------------------|--------------|-----------------------|
| <input checked="" type="checkbox"/> | Exhibit "A" | Legal Description | <input type="checkbox"/> | Addendum A | Improved Property |
| <input checked="" type="checkbox"/> | Exhibit "B" | Site Plan Form of Warranty Deed | <input type="checkbox"/> | Addendum B-1 | Third Party Financing |
| <input checked="" type="checkbox"/> | Exhibit "C" | Form of FIRPTA | <input type="checkbox"/> | Addendum B-2 | Seller Financing |
| <input checked="" type="checkbox"/> | Exhibit "D" | Location of Easements | <input type="checkbox"/> | Addendum B-3 | Existing Loan |
| | | | <input checked="" type="checkbox"/> | Addendum C | Inspection |
| | | | <input type="checkbox"/> | Addendum D | Disclosure Notice |
| | | | <input type="checkbox"/> | Addendum E | Lead Based Paint |
| | | | <input checked="" type="checkbox"/> | Addendum F | Additional Provisions |

21. CONTRACT AS OFFER. The execution of this Contract by the first party to do so constitutes an offer to purchase or sell the Property. If the other party does not accept that offer by signing this Contract and delivering a fully executed copy to the first party within 14 days after the date this Contract is executed by the first party, then the first party may withdraw that offer by delivering a written notice to the other party at any time before the other party accepts that offer, in which case the Earnest Money, if any, will be returned to Purchaser.

22. ADDITIONAL PROVISIONS. [Additional provisions may be set forth below or on any attached Addendum].

See Addendum F

Seller's Initials NI

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EXECUTED to be effective as of the Effective Date.


SELLER:

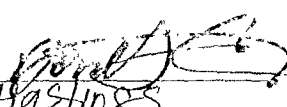
SKJ LAWSON FARMS DEVELOPMENT, L.F.,
a Texas limited partnership

By: 5409 MIRAMAR, LLC,
a Texas limited liability company
its sole General Partner

PURCHASER:

CITY OF MIDLOTHIAN, TEXAS

By: (Signature) 
Name: Kim Gill
Title: Sole Managing Member

By: (Signature) 
Name: Dan Hastings
Title: City Manager

By: (Signature) _____
Name: _____
Title: _____

By: (Signature) _____
Name: _____
Title: _____

Tax I.D. No: _____
Date of Execution: 8/23/10

Tax I.D. No: 75-6000609
Date of Execution: 8/27/10

PRINCIPAL BROKER:
JOE RUST COMPANY

COOPERATING BROKER:
BURDINE REALTY COMPANY, LLC

By: (Signature) _____
Name: Joe Rust
Title: _____

By: (Signature) _____
Name: Landry Burdine
Title: _____

Address: 440 Gingerbread Lane
Waxahachie, Texas 75165

Address: 120 West 3rd Street, Suite 212
Fort Worth, Texas 76102

Telephone: (972) 333-4143 Fax: (972) 938-0600
Email: _____
TREC License No.: _____

Telephone: (214) 550-1550 Fax: (214) 550-1049
Email: lburdine@burdinerealty.com
TREC License No.: _____

TITLE COMPANY RECEIPT: The Title Company acknowledges receipt of this Contract on _____ (the Effective Date) and, upon receipt of the Earnest Money, accepts the Earnest Money subject to the terms and conditions set forth in this Contract.

TITLE COMPANY:

By: (Signature) _____

Name: Larry Townsend

Title: _____

Address: 201 Main Street, Suite 800
Fort Worth, Texas 76102

Telephone: (817) 332-1171 Fax: (817) 877-4237

Email: _____

PERMISSION TO USE: This form is provided for use by members of the North Texas Commercial Association of Realtors, Inc. (NTCAR) and members of the North Texas Commercial Association of Real Estate Professionals, Inc. Permission is given to make limited copies of the current version of this form for use in a particular Texas real estate transaction. Please contact the NTCAR office to confirm you are using the current version of this form. Mass production, or reproduction for resale, is not allowed without express permission. Any changes to this form must be made in a manner that is obvious. If any words are deleted, they must be left in the form with a line drawn through them.

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EXHIBIT A

PROPERTY DESCRIPTION

Being a 106.416 acre tract of land in the Martin Brennan Survey, Abstract No. 43, the J.M. Carvin, Abstract Number 424, and the M.T. Hawkins Survey, Abstract Number 463, and being a portion of that certain tract of land described in deed to SKJ Lawson Farms Development, L.P., recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas, also being a portion of Lawson Farms, Phase 2A as recorded in Cabinet G, Pages 388-392, Plat Records, Ellis County, Texas. The bearings for this description are based on the north line of said SKJ Lawson Farms tract, recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas. Said 106.416 acre tract of land being described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

THENCE South 89°40'39" West, along the said north right of way line, a distance of 1170.81 Feet to the most southerly southwest corner of the said SKJ Lawson Farms tract, a 1/2" iron rod bears North 21°56'12" West, a distance of 4.77 Feet;

THENCE North 0°20'35" East, leaving the said north right of way line of Ashford Lane and continuing along an easement line of the said SKJ Lawson Farms tract a distance of 1108.71 Feet to a 5/8" iron pipe found at an outer ell corner of the said SKJ Lawson Farms tract;

THENCE leaving the said east line of the SKJ Lawson Farms tract and continuing over and across the said SKJ Lawson Farms tract the following courses and distances:

North 53°24'38" East, a distance of 219.90 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the west, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet, bearing South 11°34'14" East;

Southeasterly along the arc of said non-tangent curve, a distance of 17.45 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 50.00 Feet a central angle of 279°59'23", and a chord of 64.29 Feet bearing North 53°25'56" East;

Southerly along the arc of said reverse curve, a distance of 244.34 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northeast, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet bearing North 61°33'55" West;

Westerly along the arc of said reverse curve, a distance of 17.45 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

North 36°34'04" West, a distance of 767.98 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a curve, concave to the east, having a radius of 415.00 Feet, a central angle of 28°52'05" and a chord which bears North 22°08'02" West, a distance of 206.89 Feet;

Northwesterly along the arc of said curve, a distance of 209.09 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the east, having a radius of 20.00 Feet a central angle of 53°46'53", and a chord of 18.09 Feet bearing North 19°11'27" East;

Northerly along the arc of said curve, a distance of 18.77 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southwest, having a radius of 50.00 Feet a central angle of 226°24'26", and a chord of 91.91 Feet bearing North 67°07'19" West;

Northeasterly along the arc of said reverse curve, a distance of 197.58 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

--- South 89°40'28" West, a distance of 245.62 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

South 53°25'56" West, a distance of 229.59 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northeast, having a radius of 375.00 Feet a central angle of 36°08'39", and a chord of 232.66 Feet bearing North 35°04'45" West;

EXHIBIT A

Northwesterly along the arc of said curve, a distance of 236.56 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 725.00 Feet a central angle of 7°37'13", and a chord of 96.35 Feet bearing North 20°49'02" West;

Northerly along the arc of said reverse curve, a distance of 96.43 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the southwest corner of Lot 9, Block 18, Lawson Farms Addition, Phase 2A, recorded in Cabinet G, Pages 388-392, Plat Records, Ellis County, Texas;

THENCE continuing along the southerly line of said Lawson Farms Addition, Phase 2A the following courses and distances;

North 53°25'56" East, a distance of 333.12 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 50.00 Feet a central angle of 99°29'10", and a chord of 76.32 Feet bearing South 63°58'22" West;

Southeasterly along the arc of said curve, a distance of 86.82 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 425.00 Feet a central angle of 26°37'28", and a chord of 195.72 Feet bearing South 37°16'37" West;

Northeasterly along the arc of said curve, a distance of 197.49 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 340.00 Feet a central angle of 40°49'43", and a chord of 237.19 Feet bearing South 44°22'44" West;

Northeasterly along the arc of said reverse curve, a distance of 242.28 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the south, having a radius of 1135.00 Feet a central angle of 10°35'30", and a chord of 209.52 Feet bearing South 70°05'20" West;

Northeasterly along the arc of said curve, a distance of 209.82 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 300.00 Feet a central angle of 54°08'56", and a chord of 273.09 Feet bearing South 48°18'38" West;

Easterly along the arc of said curve, a distance of 283.52 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 975.00 Feet a central angle of 11°28'54", and a chord of 195.05 Feet bearing South 15°29'43" West;

Northerly along the arc of said reverse curve, a distance of 195.38 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 25.00 Feet a central angle of 83°19'27", and a chord of 33.24 Feet bearing South 51°25'00" West;

Northerly along the arc said reverse curve, a distance of 36.36 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the north, having a radius of 535.00 Feet a central angle of 3°10'27", and a chord of 29.64 Feet bearing South 88°30'30" East;

Easterly along the arc of said curve, a distance of 29.64 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

THENCE leaving the said south line and continuing over and across the said Lawson Farms Addition, Phase 2A the following courses and distances:

North 0°05'44" West, a distance of 208.21 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

South 78°00'28" East, a distance of 103.86 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

North 0°23'44" East, a distance of 347.18 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818", set on the north line of the said Lawson Farms Addition, Phase 2A;

THENCE South 89°36'16" East, along the said north line of Lawson Farms Addition, Phase 2A, a distance of 456.79 Feet to a 1/2" iron rod found at the northeast corner of Lot 8, Block 19 of said Lawson Farms Addition, Phase 2A;

THENCE South 2°23'23" West, along the east line of said Lot 8, Block 18, a distance of 562.86 Feet to a 1/2" iron rod found at the most easterly southeast corner of the said Lot 8, same being an inner corner on the east line of the said SKJ Lawson Farms tract;

THENCE North 87°40'00" East, along the north line of the said SKJ Lawson Farms tract a distance of 472.47 Feet to a fence corner at an outer ell corner on the east line of the said SKJ Lawson Farms tract;

THENCE South 0°22'29" East, along the said east line, a distance of 3272.22 Feet to the POINT OF BEGINNING, and containing a computed area of 106.416 Acres, more or less.

EXHIBIT A

! SAVE AND EXCEPT that certain 2.060 acre tract of land described in deed to MOUNTAIN PEAK SPECIAL UTILITY DISTRICT, recorded in Volume 2107, Page 7260 Official Records, Ellis County, Texas, said 2.060 acre tract being described by metes and bounds as follows:

Commencing at a 1/2" iron rod found at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

Thence South 89°40'39" West, along the south line of said SKJ Lawson Farms tract and the north right-of-way line of Ashford Lane, a distance of 629.54 Feet;

Thence North 0°16'33" West, departing the north right-of-way line of Ashford Lane and the south line of said SKJ Lawson Farms tract and over and across said SKJ Lawson Farms tract, a distance of 5.00 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found for the POINT OF BEGINNING;

Thence continuing over and across said SKJ Lawson Farms tract the following courses and distances:

South 89°40'39" West, a distance of 335.91 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the northeast, having a radius of 25.00 Feet, a central angle of 90°39'56" and a chord which bears North 44°59'23" West, a distance of 35.56 Feet;

Westerly along said curve, a distance of 39.56 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 78.96 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the west, having a radius of 530.00 Feet, a central angle of 8°05'23" and a chord which bears North 3°42'06" West, a distance of 74.77 Feet;

Northerly along said curve, a distance of 74.83 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a reverse curve, concave to the east, having a radius of 475.00 Feet a central angle of 8°05'23", and a chord of 67.01 Feet bearing North 3°42'06" West;

Northerly along said curve, a distance of 67.06 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 39.29 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northwest corner of herein described tract;

North 89°40'39" East, a distance of 271.71 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northeast corner of herein described tract;

South 18°58'04" East, a distance of 300.86 Feet to the POINT OF BEGINNING and containing a computed area of 2.060 Acres, more or less.

EXHIBIT "B"

Mailing Address of Grantee:

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 THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS' LICENSE NUMBER.

THE STATE OF TEXAS §
 §
COUNTY OF ELLIS §

KNOW ALL MEN BY THESE PRESENTS:

THAT **SKJ LAWSON FARMS DEVELOPMENT, L.P.**, a Texas limited partnership (hereinafter individually and collectively referred to as "Grantor"), for and in consideration of the sum of **TEN AND NO/100 (\$10.00) DOLLARS** and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged, has **GRANTED, SOLD AND CONVEYED**, and by these presents does **GRANT, SELL AND CONVEY** unto the **CITY OF MIDLOTHIAN, TEXAS** (herein referred to as "Grantee"), all of the following described real property in Ellis County, Texas (hereinafter referred to as the "Property"), to-wit:

See Exhibit "A" attached hereto and incorporated herein by reference.

This conveyance shall include all and singular the rights and appurtenances pertaining to the Property; including all buildings, structures, fixtures, and improvements located thereon, and any interest, if any, of Grantor in and to any land lying in any street, road, accessway, or easement, open or proposed, in front of, or adjoining, or within the Property.

This conveyance is made expressly subject to the exceptions listed on Exhibit "B" attached hereto and incorporated herein by reference (the "Permitted Exceptions") attached hereto and incorporated herein for all purposes. Further, Grantor excepts from this conveyance and hereby reserves seventy five (75%) percent of Grantor's interest in all of the oil, gas and other minerals in, on or under the Property (the "Mineral Rights"); provided, however, that Grantee shall not retain any rights of ingress, egress or otherwise to enter upon, cross, use or enjoy the surface of the Property for the purpose of mining, drilling, operating, exploring, developing, removing, storing, treating, transporting, testing, processing, handling or otherwise dealing with the oil, gas or other minerals in, on or under the Property; it being understood and agreed that (i) all surface rights to the Property are hereby conveyed and fully, unconditionally, irrevocably and expressly waived by Grantor in favor of Grantee and its successors and assigns

forever, and (ii) the only manner in which oil, gas or other minerals in, on or under the Property may be mined, drilled, operated, explored, developed, removed, stored, treated, transported, tested, processed, handled or otherwise dealt with is from the surface location on other lands which are not within the boundaries of the Property. Further, if a portion of the Mineral Rights has previously been conveyed or leased to any third party, then Grantor shall furnish Grantee with a Surface Non-Disturbance Agreement covering such lease or conveyance waiving the right to enter onto the surface of the Property to exploit any Mineral Rights.

TO HAVE AND TO HOLD the above described Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns; and Grantor does hereby bind itself, its successors or assigns to WARRANT AND FOREVER DEFEND all and singular the said Property unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under it, but not otherwise, subject, however, to the Permitted Exceptions.

EXECUTED on the _____ day of _____, 2010.

GRANTOR:

SKJ LAWSON FARMS DEVELOPMENT, L.P.,
a Texas limited partnership

By: 5409 MIRAMAR, LLC,
a Texas limited liability company,
its sole General Partner

By: _____
Kim Gill, Sole Managing Member

CUM 20234

STATE OF TEXAS

§
§
§

COUNTY OF _____

This instrument was acknowledged before me on _____, 2010, by Kim Gill, Sole Managing Member of 5409 Miramar, LLC, a Texas limited liability company, the General partner of SKJ LAWSON FARMS DEVELOPMENT, L.P., a Texas limited partnership, on behalf of said company and partnership.

[Personalized Seal]

Notary Public, State of Texas

After recording return to:

EXHIBIT A

PROPERTY DESCRIPTION

Being a 106.416 acre tract of land in the Martha Brennan Survey, Abstract No. 43, the J.M. Garvin, Abstract Number 44, and the M.T. Hawkins Survey, Abstract Number 463, and being a portion of that certain tract of land described in deed to SKJ Lawson Farms Development, L.P., recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas, also being a portion of Lawson Farms, Phase 2A as recorded in Cabinet G, Pages 388-392, Plat Records, Ellis County, Texas. The bearings for this description are based on the north line of said SKJ Lawson Farms tract, recorded in Volume 2005, Page 2309, Official Public Records, Ellis County, Texas. Said 106.416 acre tract of land being described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

THENCE South 89°40'39" West, along the said north right of way line, a distance of 1170.81 Feet to the most southerly southwest corner of the said SKJ Lawson Farms tract, a 1/2" iron rod bears North 22°56'12" West, a distance of 4.77 Feet;

THENCE North 0°20'35" East, leaving the said north right of way line of Ashford Lane and continuing along an east line of the said SKJ Lawson Farms tract a distance of 1108.71 Feet to a 5/8" iron pipe found at an outer ell corner of the said SKJ Lawson Farms tract;

THENCE leaving the said east line of the SKJ Lawson Farms tract and continuing over and across the said SKJ Lawson Farms tract the following courses and distances:

North 53°24'38" East, a distance of 219.90 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the west, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet, bearing South 11°34'14" East;

Southeasterly along the arc of said non-tangent curve, a distance of 17.45 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 50.00 Feet a central angle of 279°59'23", and a chord of 64.29 Feet bearing North 53°25'56" East;

Southerly along the arc of said reverse curve, a distance of 244.34 Feet to 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northeast, having a radius of 20.00 Feet a central angle of 49°59'41", and a chord of 16.90 Feet bearing North 61°33'55" West;

Westerly along the arc of said reverse curve, a distance of 17.45 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

North 36°34'04" West, a distance of 767.98 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a curve, concave to the east, having a radius of 415.00 Feet, a central angle of 28°52'05" and a chord which bears North 22°08'02" West, a distance of 206.89 Feet;

Northwesterly along the arc of said curve, a distance of 209.09 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the east, having a radius of 20.00 Feet a central angle of 53°46'53", and a chord of 18.09 Feet bearing North 19°11'27" East;

Northerly along the arc of said curve, a distance of 18.77 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southwest, having a radius of 50.00 Feet a central angle of 226°24'26", and a chord of 91.91 Feet bearing North 67°07'19" West;

Northeasterly along the arc of said reverse curve, a distance of 197.58 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

South 89°40'28" West, a distance of 245.62 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

South 53°25'56" West, a distance of 229.59 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northeast, having a radius of 375.00 Feet a central angle of 36°08'39", and a chord of 232.66 Feet bearing North 35°04'45" West;

EXHIBIT A

Northwesterly along the arc of said curve, a distance of 236.56 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 725.00 Feet a central angle of 7°37'13", and a chord of 96.35 Feet bearing North 20°49'02" West;

Northerly along the arc of said reverse curve, a distance of 96.43 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the southwest corner of Lot 9, Block 18, Lawson Farms Addition, Phase 2A, recorded in Cabinet G, Pages 388-392, Plat Records, Ellis County, Texas;

THENCE continuing along the southerly line of said Lawson Farms Addition, Phase 2A the following courses and distances:

North 53°25'56" East, a distance of 333.12 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 50.00 Feet a central angle of 99°29'10", and a chord of 76.32 Feet bearing South 63°58'22" West;

Southeasterly along the arc of said curve, a distance of 86.82 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a non-tangent curve, concave to the northwest, having a radius of 425.00 Feet a central angle of 26°37'28", and a chord of 195.72 Feet bearing South 37°16'37" West;

Northeasterly along the arc of said curve, a distance of 197.49 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 340.00 Feet a central angle of 40°49'43", and a chord of 237.19 Feet bearing South 44°22'44" West;

Northeasterly along the arc of said reverse curve, a distance of 242.28 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the south, having a radius of 1135.00 Feet a central angle of 10°35'30", and a chord of 209.52 Feet bearing South 70°05'20" West;

Northeasterly along the arc of said curve, a distance of 209.82 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the northwest, having a radius of 300.00 Feet a central angle of 54°08'56", and a chord of 273.09 Feet bearing South 48°18'38" West;

Easterly along the arc of said curve, a distance of 283.52 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the west, having a radius of 975.00 Feet a central angle of 11°28'54", and a chord of 195.05 Feet bearing South 15°29'43" West;

Northerly along the arc of said reverse curve, a distance of 195.38 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the southeast, having a radius of 25.00 Feet a central angle of 83°19'27", and a chord of 33.24 Feet bearing South 51°25'00" West;

Northerly along the arc of said reverse curve, a distance of 36.36 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set at the beginning of a reverse curve, concave to the north, having a radius of 535.00 Feet a central angle of 3°10'27", and a chord of 29.64 Feet bearing South 88°30'30" East;

Easterly along the arc of said curve, a distance of 29.64 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

THENCE leaving the said south line and continuing over and across the said Lawson Farms Addition, Phase 2A the following courses and distances:

North 0°05'44" West, a distance of 208.21 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

South 78°00'28" East, a distance of 103.86 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set;

North 0°23'44" East, a distance of 347.18 Feet to a 1/2" iron rod with a plastic cap stamped "RPLS 4818" set on the north line of the said Lawson Farms Addition, Phase 2A;

THENCE South 89°36'16" East, along the said north line of Lawson Farms Addition, Phase 2A, a distance of 456.79 Feet to a 1/2" iron rod found at the northeast corner of Lot 8, Block 19 of said Lawson Farms Addition, Phase 2A;

THENCE South 2°23'23" West, along the east line of said Lot 8, Block 19, a distance of 562.86 Feet to a 1/2" iron rod found at the most easterly southeast corner of the said Lot 8, same being an inner ell corner on the east line of the said SKJ Lawson Farms tract;

THENCE North 8°40'00" East, along the north line of the said SKJ Lawson Farms tract a distance of 472.47 Feet to a fence corner at an outer ell corner on the east line of the said SKJ Lawson Farms tract;

THENCE South 0°22'29" East, along the said east line, a distance of 3272.22 Feet to the POINT OF BEGINNING, and containing a computed area of 106.416 Acres, more or less.

EXHIBIT A

SAVE AND EXCEPT that certain 2.060 acre tract of land described in deed to MOUNTAIN PEAK SPECIAL UTILITY DISTRICT, recorded in Volume 2107, Page 2260 Official Records, Ellis County, Texas, said 2.060 acre tract being described by metes and bounds as follows:

Commencing at a 1/2" iron rod found at the southeast corner of said SKJ Lawson Farms tract on the north right-of-way line of Ashford Lane;

Thence South 89°40'39" West, along the south line of said SKJ Lawson Farms tract and the north right-of-way line of Ashford Lane, a distance of 629.54 Feet;

Thence North 0°16'33" West, departing the north right-of-way line of Ashford Lane and the south line of said SKJ Lawson Farms tract and over and across said SKJ Lawson Farms tract, a distance of 5.00 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found for the POINT OF BEGINNING;

Thence continuing over and across said SKJ Lawson Farms tract the following courses and distances:

South 89°40'39" West, a distance of 335.91 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the northeast, having a radius of 25.00 Feet, a central angle of 90°39'56" and a chord which bears North 44°59'23" West, a distance of 35.55 Feet;

Westerly along said curve, a distance of 39.56 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 78.96 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a tangent curve, concave to the west, having a radius of 530.00 Feet, a central angle of 8°05'23" and a chord which bears North 3°42'06" West, a distance of 74.77 Feet;

Northerly along said curve, a distance of 74.83 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the beginning of a reverse curve, concave to the east, having a radius of 475.00 Feet a central angle of 8°05'23", and a chord of 67.01 Feet bearing North 3°42'06" West;

Northerly along said curve, a distance of 67.06 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found;

North 0°20'35" East, a distance of 39.29 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northwest corner of herein described tract;

North 89°40'39" East, a distance of 271.71 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the northeast corner of herein described tract;

South 18°58'04" East, a distance of 300.86 Feet to the POINT OF BEGINNING and containing a computed area of 2.060 Acres, more or less.

NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS⁶

ADDENDUM C TO COMMERCIAL CONTRACT OF SALE

INSPECTION

Property address or description: approximately 104 acres in the City of Midlothian, Ellis County, Texas

1. Inspection Period. Purchaser will have a period of thirty (30) days after the Effective Date (the "Inspection Period") to inspect the Property and conduct studies regarding the Property. Purchaser's studies may include, without limitation: (1) permitted use and zoning of the Property; (2) core borings; (3) environmental and architectural tests and investigations; (4) physical inspections of improvements, fixtures, equipment, subsurface soils, structural members, and personal property; and (5) examination of agreements, manuals, plans, specifications and other documents relating to the construction and condition of the Property. Purchaser and Purchaser's agents, employees, consultants and contractors will have the right of reasonable entry onto the Property during normal business hours, and upon reasonable advance notice to Seller and any tenants on the Property, for purposes of inspections, studies, tests and examinations deemed necessary by Purchaser. The inspections, studies, tests and examinations will be at Purchaser's expense and risk. Purchaser shall defend and indemnify Seller against any claims that arise due to any actions by Purchaser or Purchaser's agents, employees, consultants and contractors.

2. Reports.

A. Within _____ days after the Effective Date, Seller shall deliver to Purchaser a written "Phase I" report of an environmental assessment of the Property. The report will be prepared, at Seller's expense, by an environmental consultant reasonably acceptable to Purchaser. The environmental assessment must include an investigation into the existence of Hazardous Materials (as defined in Section 16A of this Contract) in, on or around the Property. The environmental assessment must also include a land use history search, engineering inspections, research and studies that may be necessary to discover the existence of Hazardous Materials.

B. Within ten (10) days after the Effective Date, Seller shall deliver to Purchaser copies of all reports in Seller's possession of engineering investigations, tests and environmental studies that have been made with respect to the Property within the two year period before the Effective Date.

C. If Purchaser terminates this Contract, Purchaser shall deliver to Seller, at Purchaser's expense and contemporaneously with the termination, copies of all written reports, inspections, plats, drawings and studies made by Purchaser's agents, consultants and contractors. This provision will survive the termination of this Contract.

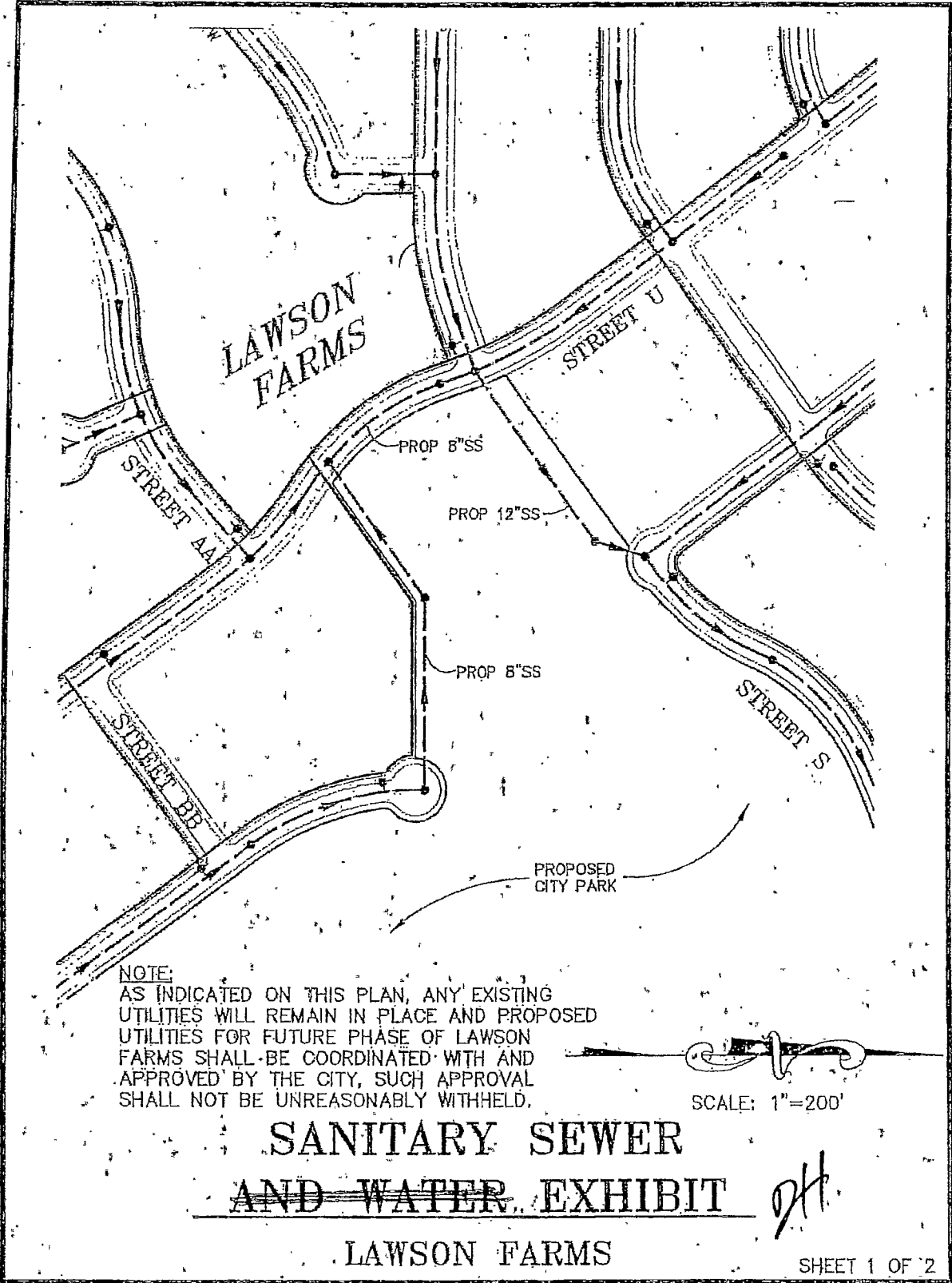
3. Termination. If Purchaser determines, in Purchaser's sole discretion, no matter how arbitrary, that the Property is not satisfactory or is not suitable for Purchaser's intended use or purpose, then Purchaser may terminate this Contract by delivering a written notice to Seller on or before the last day of the Inspection Period, in which case the Earnest Money will be returned to Purchaser.

4. Acceptance. If Purchaser does not properly and timely terminate this Contract before the expiration of the Inspection Period (or if Purchaser accepts the Property in writing) then Purchaser will be deemed to have waived all objections to the Property, except for any title objections that may be outstanding pursuant to Section 6 (Review of Survey and Title) of this Contract. In that event, except as may be expressly stated otherwise in this Contract, Purchaser agrees to purchase the Property in its current "AS IS" condition without any further representations of Seller, this Contract will continue in full force and effect, and the parties shall proceed to the Closing. This provision does not, however, limit or invalidate any express representations Seller has made in this Contract.

~~5. Reimbursement. If Seller defaults and Purchaser does not elect to enforce the performance of this Contract, then Seller shall reimburse Purchaser for Purchaser's actual, out-of-pocket expenses incurred by Purchaser to independent third parties in connection with this Contract including, but not limited to, reasonable fees and expenses for engineering assessments, environmental assessments, architectural plans, surveys and legal work (but excluding any indirect, punitive or consequential damages, such as a claim for lost profits) in an amount not to exceed \$_____.~~

6. Restoration. If the transaction described in this Contract does not close through no fault of Seller, and the condition of the Property was altered due to inspections, studies, tests or examinations performed by Purchaser or on Purchaser's behalf, then Purchaser must restore the Property to its original condition at Purchaser's expense.

Seller's Initials ll Purchaser's Initials all



NOTE:
 AS INDICATED ON THIS PLAN, ANY EXISTING UTILITIES WILL REMAIN IN PLACE AND PROPOSED UTILITIES FOR FUTURE PHASE OF LAWSON FARMS SHALL BE COORDINATED WITH AND APPROVED BY THE CITY, SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.



SCALE: 1"=200'

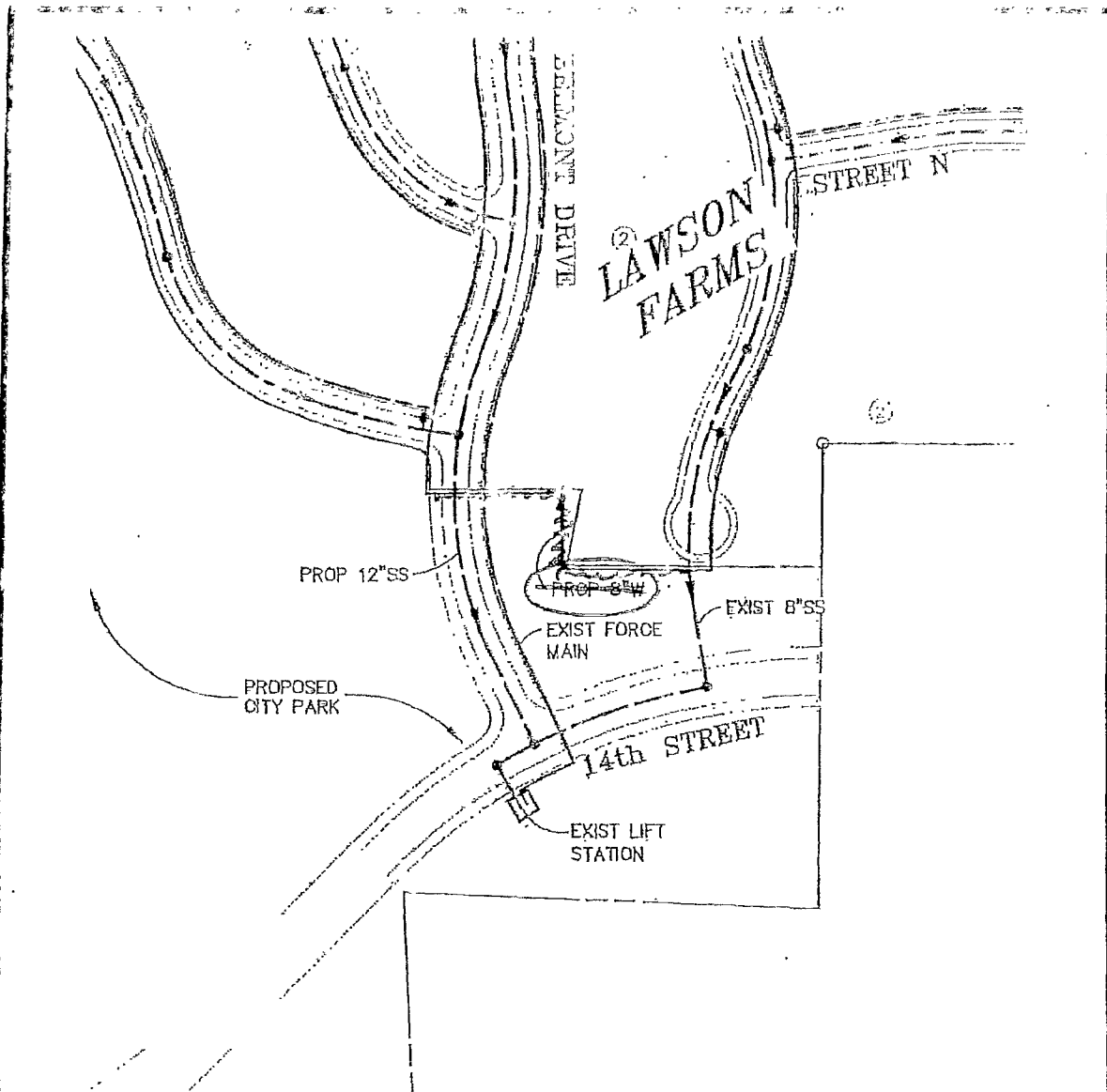
**SANITARY SEWER
 AND WATER EXHIBIT**

LAWSON FARMS

dh

SHEET 1 OF 2

EXHIBIT D-1



NOTE:
 AS INDICATED ON THIS PLAN, ANY EXISTING UTILITIES WILL REMAIN IN PLACE AND PROPOSED UTILITIES FOR FUTURE PHASE OF LAWSON FARMS SHALL BE COORDINATED WITH AND APPROVED BY THE CITY, SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.



SCALE: 1"=200'

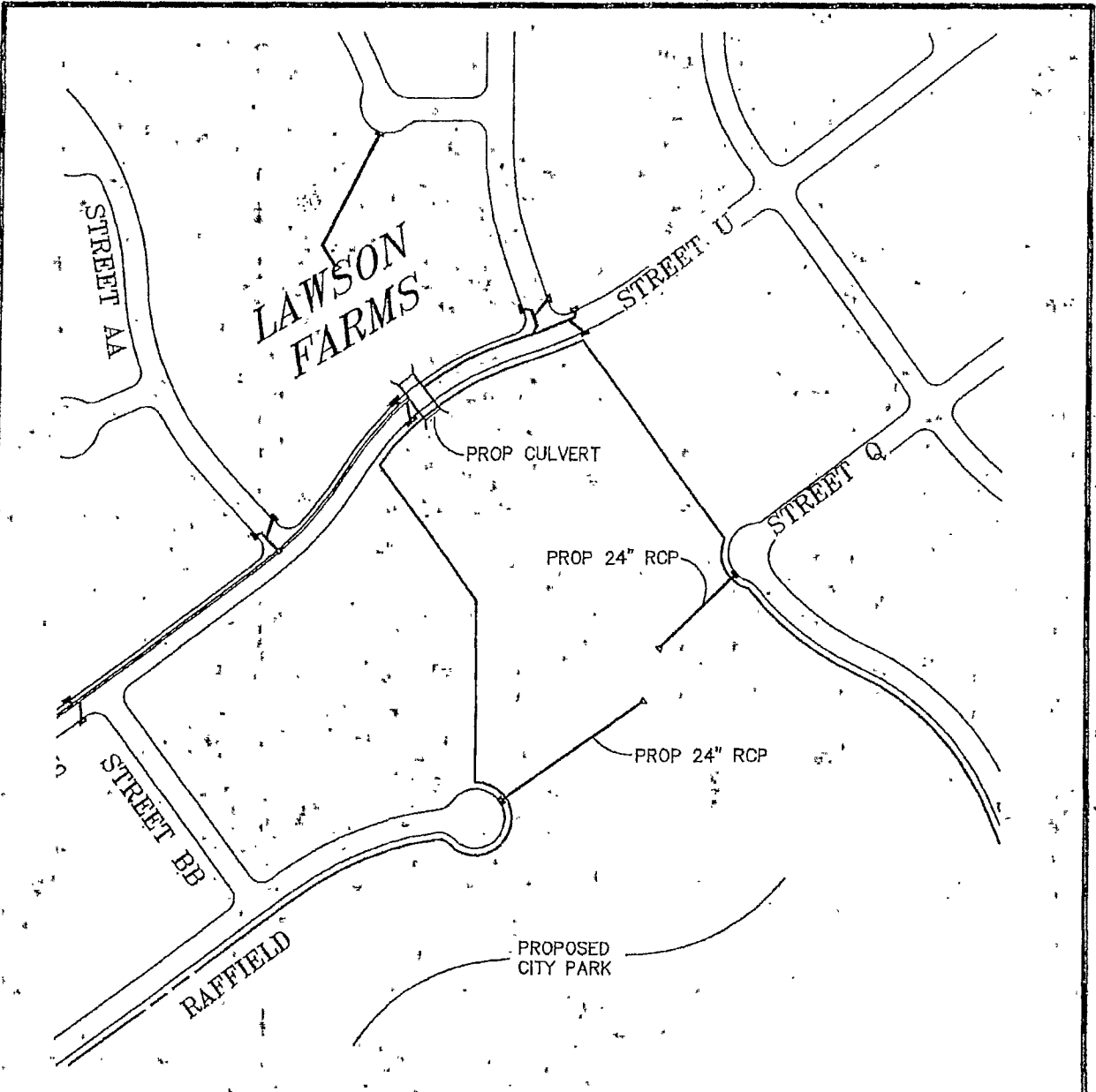
**SANITARY SEWER
 AND WATER EXHIBIT**

DH

LAWSON FARMS

SHEET 2 OF 2

EXHIBIT D-2



NOTE:
 AS INDICATED ON THIS PLAN, ANY PROPOSED STORM DRAIN FACILITIES FOR FUTURE PHASES OF LAWSON FARMS SHALL BE COORDINATED WITH AND APPROVED BY THE CITY, SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.

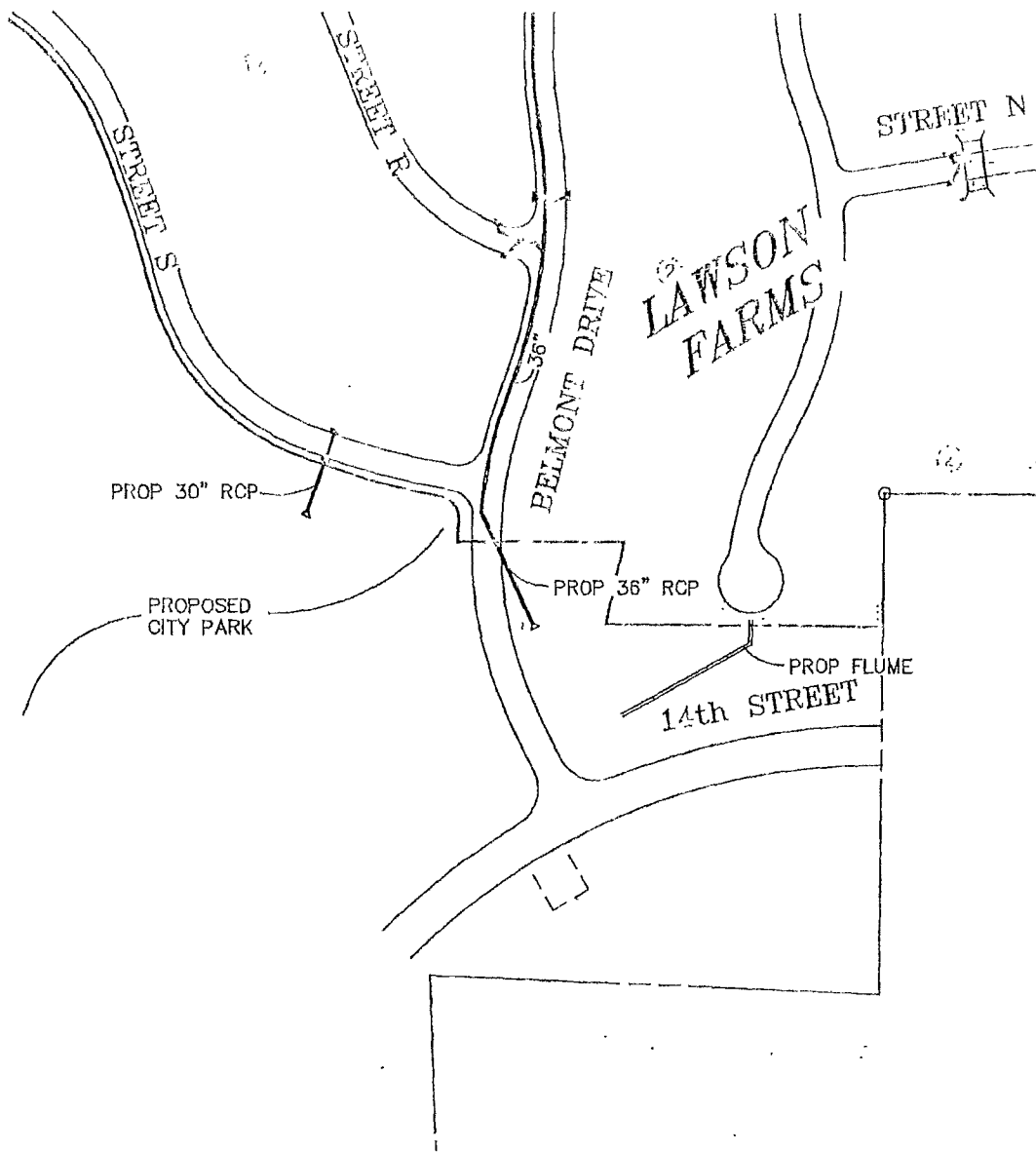
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STORM DRAIN EXHIBIT

OK
[Signature]

LAWSON FARMS

SHEET 1 OF 2



NOTE:

AS INDICATED ON THIS PLAN, ANY PROPOSED STORM DRAIN FACILITIES FOR FUTURE PHASES OF LAWSON FARMS SHALL BE COORDINATED WITH AND APPROVED BY THE CITY, SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.

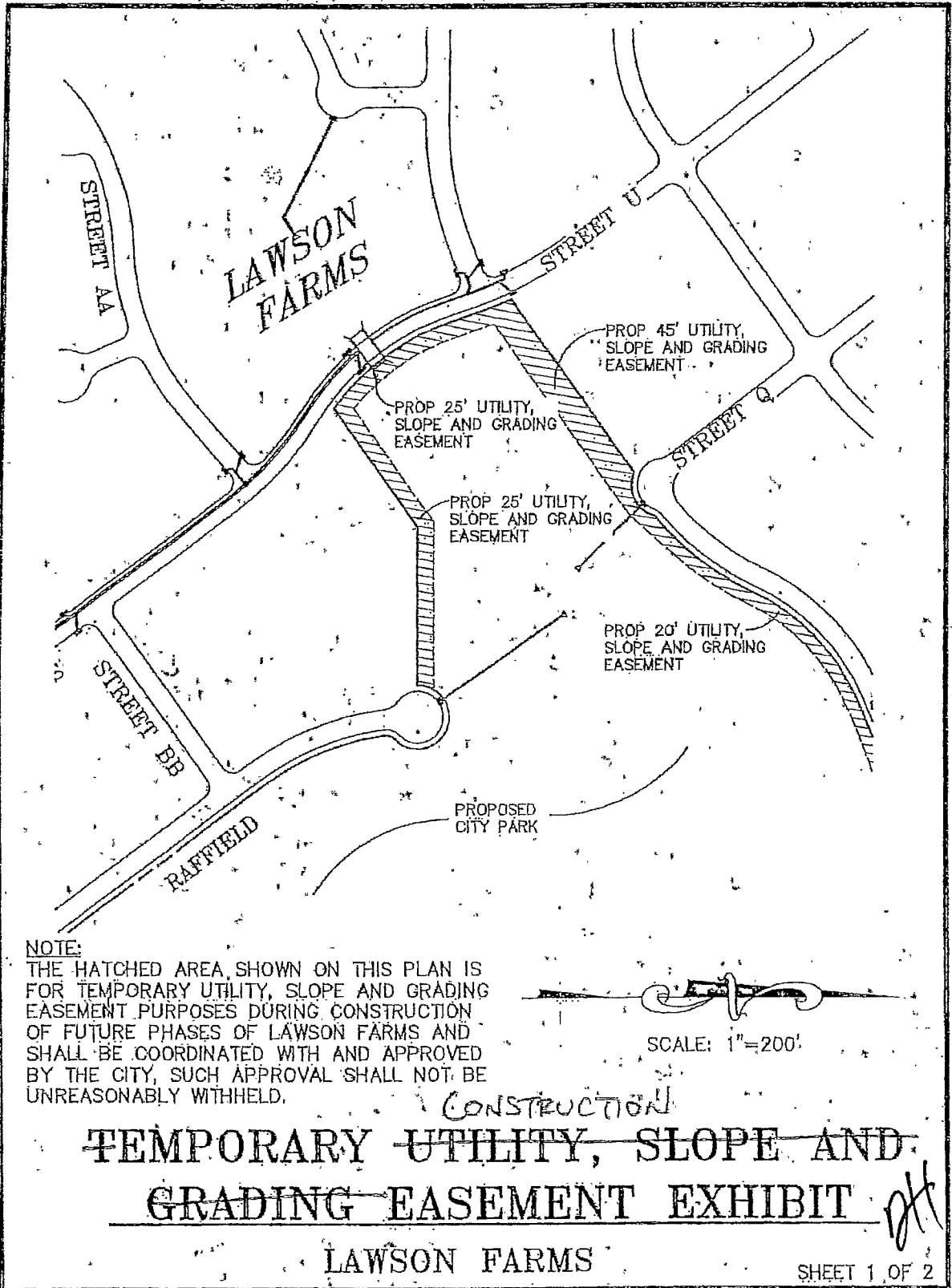


SCALE: 1"=200'

STORM DRAIN EXHIBIT

LAWSON FARMS

SHEET 2 OF 2



NOTE:
 THE HATCHED AREA, SHOWN ON THIS PLAN IS FOR TEMPORARY UTILITY, SLOPE AND GRADING EASEMENT PURPOSES DURING CONSTRUCTION OF FUTURE PHASES OF LAWSON FARMS AND SHALL BE COORDINATED WITH AND APPROVED BY THE CITY, SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.



SCALE: 1"=200'

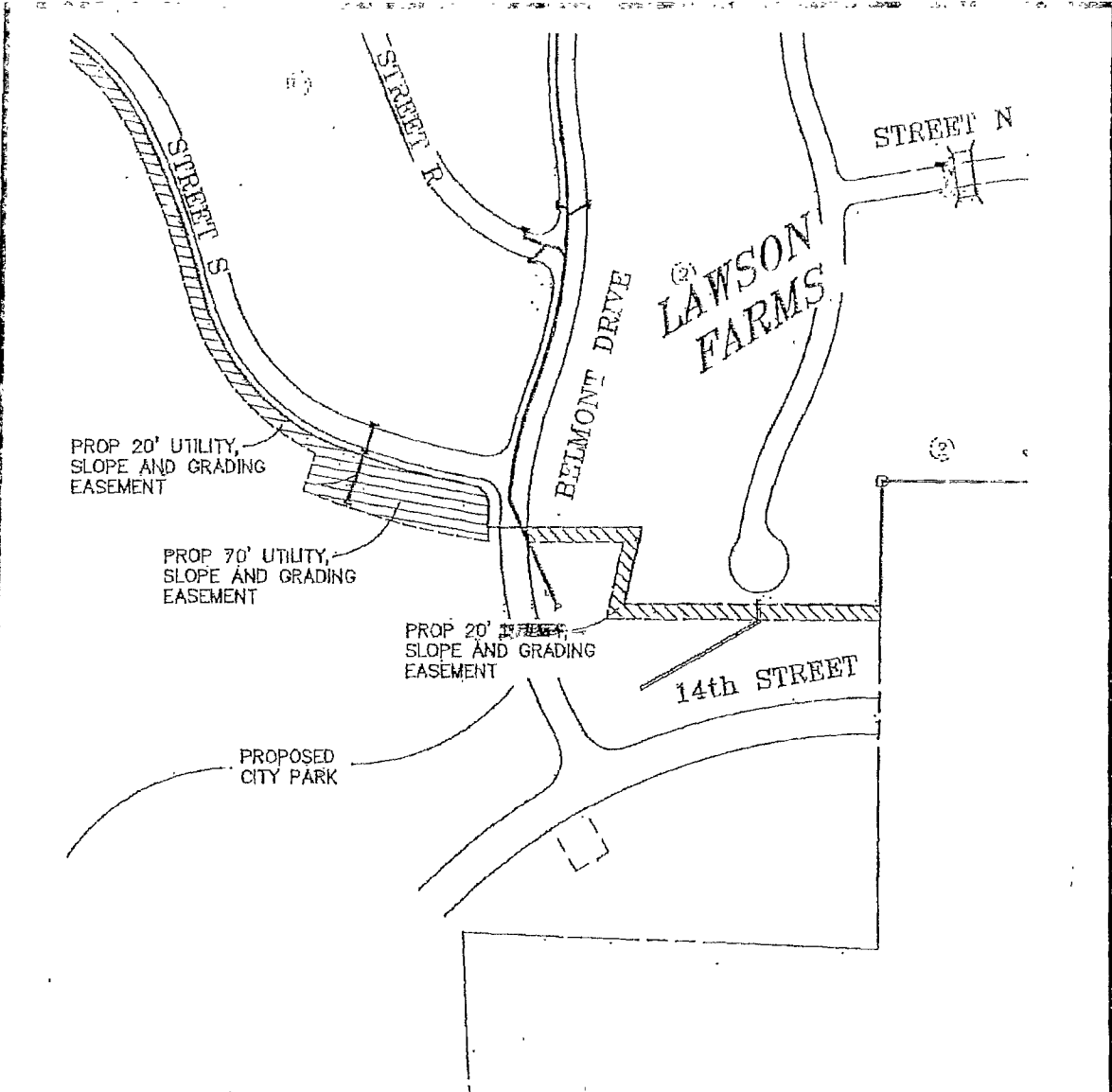
~~CONSTRUCTION~~
~~TEMPORARY UTILITY, SLOPE AND GRADING EASEMENT EXHIBIT~~

LAWSON FARMS

SHEET 1 OF 2

EXHIBIT

D-5



NOTE:
 THE HATCHED AREA SHOWN ON THIS PLAN IS FOR TEMPORARY UTILITY, SLOPE AND GRADING EASEMENT PURPOSES DURING CONSTRUCTION OF FUTURE PHASES OF LAWSON FARMS AND SHALL BE COORDINATED WITH AND APPROVED BY THE CITY, SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.



SCALE: 1"=200'

CONSTRUCTION
~~TEMPORARY UTILITY, SLOPE AND GRADING EASEMENT EXHIBIT~~

LAWSON FARMS

SHEET 2 OF 2

EXHIBIT *D-6*

ADDENDUM F
ADDITIONAL PROVISIONS EXHIBIT TO
COMMERCIAL CONTRACT OF SALE

This Additional Provisions addendum (the AAddendum) is attached to and made an integral part of the Commercial Contract of Sale (the AContract) to which it is attached. To the extent any provision contained in this Addendum conflicts with any provision of the Contract, the provisions on this Addendum shall control. Capitalized terms not otherwise defined herein shall have their same meaning as in the Contract. Any reference herein to the Contract shall mean and refer to the Contract, as modified and supplemented by this Addendum and all other Addenda and Exhibits attached thereto.

1. DISCLAIMERS, RELEASES AND INDEMNITIES.

(A) PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER SHALL, PRIOR TO THE END OF THE INSPECTION PERIOD, HAVE THOROUGHLY INSPECTED, TESTED, STUDIED, REVIEWED AND INVESTIGATED ALL ASPECTS OF THE PROPERTY TO ITS FULL SATISFACTION, AND THAT PURCHASER IS RELYING SOLELY THEREON IN MAKING ITS DECISION TO ACQUIRE THE PROPERTY. PURCHASER AGREES THAT THE PURCHASE OF THE PROPERTY IS BEING MADE ON AN "AS IS" BASIS, "WITH ALL FAULTS," AND UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS MAY EXIST WITH RESPECT TO THE PROPERTY.

2. The following shall modify Section 12.B. of the Contract: Notwithstanding anything seemingly to the contrary contained in the Contract, the parties agree upon the form of the following closing documents which will be completed, executed and delivered, by Seller at closing:

- (a) deed used to convey the Property to Purchaser, which is attached hereto as **Exhibit B**;
- (b) the non foreign certificate, which is attached hereto as **Exhibit C**; and
- (c) the Easements (hereinafter defined).

3. **Mineral Reservation.** Notwithstanding any language seemingly to the contrary contained in the Contract, Seller shall reserve seventy five (75%) percent of all right, title and interest it may have in and to all oil, gas, and other minerals in and under and that may be produced from the Property (the "Mineral Rights"), and Seller's remaining twenty five (25%) percent shall be conveyed to Purchaser. No title commitment or policy of title insurance that Seller has ever been issued in connection with the Property has shown that anyone other than Seller owns any of the Mineral Rights. Seller has never been presented with any evidence or claim that another party owns or claims any of the Mineral Rights. **Seller shall obtain the waiver and conveyance to Purchaser of the right of ingress and egress to and from the surface of the Property relating to the mineral estate owned by Seller and by all other owners of such rights, if any other owners exist;** provided, however, nothing restricts or prohibits the pooling or unitization of the portion of the mineral estate owned by Seller with land other than the Property; or the exploration or production of the oil, gas, and other minerals by means of wells that are drilled or mines that open on land other than the Property but enter or bottom under the Property, provided that these operations in no manner interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Property. Further, If in the unusual event that the title commitment issued by the Title Company to Purchaser reflects that a portion of the Mineral Rights have previously been conveyed or leased to any third party, then Seller shall furnish Purchaser with a Surface Non-Disturbance Agreement, in form approved by Purchaser's counsel, covering each lease or conveyance using the Title Company's customary form for such document.

4. **City's Purchase of Adjacent Property.** Purchaser is in the process of acquiring a parcel of land adjacent to the Property from another entity. If, prior to the Closing Purchaser determines that it will not

acquire such adjacent land, then Purchaser may terminate this Contract by, prior to the date scheduled for the Closing, delivering written notice to Seller and the Title Company, referencing this Contract and stating that "the Contract is hereby terminated pursuant to Paragraph 4 of the Addendum to the Contract," in which event the Earnest Money (less the Independent Consideration) shall be returned to Purchaser, and the parties hereto shall have no further rights, obligations or liabilities, one to the other hereunder (other than pursuant to the indemnity provision set forth above). Failure by Purchaser to timely notify Seller of its election under the previous sentence shall be deemed to constitute (1) Purchaser's decision to proceed with Closing, notwithstanding the status of Purchaser's acquisition of the adjacent land; (2) Purchaser's waiver of its right to terminate this Contract under Paragraph 6(b); and (3) the Earnest Money becoming non-refundable.

5. **Easements.** Seller owns a larger tract of land adjacent to the Property ("Seller's Adjacent Property"). At Closing, the Property shall be encumbered by recorded easement agreements (the "Easements"), granting certain specific easements on the Property benefitting Seller's Adjacent Property, for storm sewer, sanitary sewer, slope and grading purposes. The Easements are necessary for the development of Seller's Adjacent Property. The specific locations of such Easements shall be as shown on Exhibit "E" attached hereto and made a part hereof for all purposes. During the Inspection Period, Purchaser and Seller shall use good faith and commercially reasonable efforts to agree upon the form of the Easements which shall be executed and recorded in the local real property records at Closing. Upon such agreement, the parties shall enter into a written amendment to this Contract memorializing same. If, for any reason, the parties do not enter into such an amendment prior to the expiration of the Inspection Period, then the last versions of the Easements submitted by Seller to Purchaser not less than five (5) days prior to the expiration of the Inspection Period shall be deemed to be approved by all parties for all purposes under this Contract. The Easements shall be deemed a Permitted Exception.

6. **Commissions.** If, as and when, but only if, as and when, Closing occurs and is fully consummated and funded, Seller shall pay (i) a real estate commission of \$20,000 to Landry Burdine ("the Cooperating Broker"), and (ii) a real estate commission equal to 6% of the first \$500,000 of the Purchase Price plus 3% of the Purchase Price exceeding \$500,000 to Joe Rust Company (the "Principal Broker") (the Broker and the Cooperating Broker shall be referred to herein collectively as the "Brokers"), and Seller shall save, defend, indemnify and hold Purchaser harmless therefrom and any claims by, through or under Brokers. **Each party represents and warrants to the other that it has dealt with no parties, other than Brokers, which would give rise to a real estate commission or similar fee, and each party shall save, defend, indemnify and hold the other harmless from any and all claims for commissions due in relation to this transaction by reason of any action taken or alleged to have been taken, or any representation or commitment made or alleged to have been made by it, other than with respect to the commission due Brokers as set forth above.** Purchaser acknowledges that it has been advised that it should either obtain an owner's policy of title insurance covering the Land, or have an abstract of title to the Land examined by an attorney of its choice.

7. **Disputes.** If any legal dispute may arise regarding the Contract, the parties hereto agree that such dispute shall be resolved by a court of competent jurisdiction located in Ellis County, Texas.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.
SIGNATURES TO FOLLOW.]

SELLER:

SKJ LAWSON FARMS DEVELOPMENT, L.P.,
a Texas limited partnership

By: 5409 MIRAMAR, LLC,
a Texas limited liability company,
its sole General Partner

By: 

Kim Gill, Sole Managing Member

PURCHASER:

CITY OF MIDLOTHIAN, TEXAS

By: *[Signature]*
Name: _____
Title: _____

NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS®

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

INFORMATION ABOUT BROKERAGE SERVICES

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner, but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the

transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
(2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
(3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
(4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party, and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

This is not a contract.

The real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Real Estate Broker Company

[Signature] 8/27/10
Buyer, Seller, Tenant or Landlord Date

Real Estate Licensee Date

Buyer, Seller, Tenant or Landlord Date

Texas Real Estate Brokers and Salesmen are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or a complaint regarding a real estate licensee, you should contact the TREC at P.O. Box 12188, Austin, Texas 78711-2188 or call 512 465 3960.

WELLS FARGO

GF#: 10-02352

Contract of Sale by and between SKJ Lawson Farms Development, L.P., a Texas limited partnership (Seller) and The City of Midlothian (Purchaser)

Property: , Midlothian, TX

I hereby authorize and direct Rattikin Title Company to deposit escrow funds, in the amount of \$10,000.00, associated with the above referenced transaction, into an interest bearing account at Wells Fargo Bank.

The account should be styled: The City of Midlothian with Rattikin Title Company as Escrow Agent.

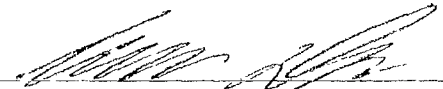
Attached hereto please find a fully executed W-9.

The address for your year-end information should be sent to:

NAME: City of Midlothian
ADDRESS: 104 W. Ave E
CITY, STATE, ZIP: Midlothian, TX 76065

IT IS FURTHER SPECIFICALLY UNDERSTOOD AND AGREED THAT ESCROW AGENT SHALL NOT BE RESPONSIBLE FOR ANY PENALTIES OR LOSS OF PRINCIPAL OR INTEREST OR ANY DELAYS IN THE WITHDRAWAL OF THE FUNDS WHICH MAY BE IMPOSED BY THE DEPOSITORY AS A RESULT OF THE MAKING OR REDEEMING OF THE INVESTMENT PURSUANT TO THESE INSTRUCTIONS, NOR SHALL ESCROW AGENT BE LIABLE FOR ANY LOSS OR IMPAIRMENT OF FUNDS WHILE THOSE FUNDS ARE IN THE COURSE OF COLLECTION OR WHILE THOSE FUNDS ARE ON DEPOSIT IN A FINANCIAL INSTITUTION IF SUCH LOSS OR IMPAIRMENT RESULTS FROM FAILURE, INSOLVENCY OR SUSPENSION OF A FINANCIAL INSTITUTION.

WE ARE AWARE THAT FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) COVERAGE APPLIES ONLY TO A CUMULATIVE MAXIMUM AMOUNT OF \$100,000.00 FOR EACH INDIVIDUAL DEPOSITOR FOR ALL OF DEPOSITOR'S ACCOUNTS AT THE SAME OR RELATED INSTITUTION. WE FURTHER UNDERSTAND THAT CERTAIN BANKING INSTRUMENTS SUCH AS, BUT NOT LIMITED TO, REPURCHASE AGREEMENTS AND LETTERS OF CREDIT ARE NOT COVERED AT ALL BY FDIC INSURANCE. ESCROW AGENT ASSUMES NO RESPONSIBILITY FOR, NOR WILL WE HOLD IT LIABLE FOR, ANY LOSS WHICH MAY OCCUR IF THE AMOUNT OF THE DEPOSIT CAUSES THE AGGREGATE AMOUNT OF ANY INDIVIDUAL DEPOSITOR'S ACCOUNTS IN THE FINANCIAL INSTITUTION LISTED ABOVE TO EXCEED \$100,000.00.

By: 
Name: Chris Dick, CPA
Title: Finance Director
Date: 8/31/10

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
 See Specific instructions on page 2.

Name CITY OF MIDLOTHIAN	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Other Municipality <input type="checkbox"/> Exempt from backup withholding	
Address (number, street, and apt or suite no.) 104 W AVENUE E	Requester's name and address (optional)
City, state, and ZIP code MIDLOTHIAN, TX 76065	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Social security number

OR

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number
7 5 6 0 0 0 6 0 9

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here

Signature of U.S. person

Date

8/31/10

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.