

RIO ESCONDIDO SUBDIVISION PHASE 4
EARNEST MONEY CONTRACT

1. **PARTIES:** LSLP Evant II, LLC, a Delaware limited liability company (the "Seller") agrees to sell and convey to (the "Buyer") and Buyer agrees to buy from Seller the property described below (the "Property") for the consideration and subject to the terms set forth in this contract (the "Contract").

2. **PROPERTY:** A tract of land containing _____ acres (herein referred to as "Property"), and shown as Tract _____ on the sales survey, located in the Rio Escondido Subdivision, Phase 4, said Subdivision consisting of 1,398.80 acres as described in the Declarations and the Third Amended Supplemental Declarations filed of record in the official records of the Coryell County Clerk, Coryell County, Texas and the Hamilton County Clerk, Hamilton County, Texas (herein referred to as "Subdivision"). The Property is more particularly described by metes and bounds on the attached Exhibit "A".

3. **CONTRACT SALES PRICE:**

A. SALES PRICE (the "Sales Price")

B. EARNEST MONEY (the "Earnest Money")

C. AMOUNT DUE AT CLOSING

D. AMOUNT FINANCED

E. CLOSING SHALL BE ON OR BEFORE

4. **FINANCING:** (Check applicable box below)

A. **ALL CASH:** This is an all cash sale; neither Seller nor a third party lender is providing financing for the purchase of the Property.

B. **THIRD PARTY FINANCING:** Buyer shall apply for all third party financing within seven days from the Contract Date (as defined on the signature page) and shall make every reasonable effort to obtain the same without delay. If Buyer has not obtained a commitment from a Lender for such third party financing within seven days from the Contract Date the Buyer may cancel this contract and receive a refund of its Earnest Money Deposit by providing Seller with written notice of its intent to do so or the financing contingency shall be waived; however, if failure to apply for or obtain such third party financing within the specified time is due to lack of diligence or inaction on the part of the Buyer, and is not due to any delay caused by Seller, then Seller may elect to terminate this Contract and receive the Earnest Money as liquidated damages.

5. **EARNEST MONEY:** Upon execution of this Contract, Buyer shall pay as Earnest Money an amount equal to 10% of the Total Sales Price in the form of cash or check tendered to **Service Title Company** located at **117 Main St. Marble Falls, Texas 78654**, having a telephone number of **(830) 693-3631** (the "Escrow Agent"). By execution of the attached receipt, Escrow Agent hereby agrees to deposit the Earnest Money in the escrow/trust account and to account for it and prepare reports in accordance

with the requirements of Seller. If Buyer's Earnest Money paid in the form of a check does not clear or is returned to Seller for any reason, this Contract shall be voidable at Seller's sole option. If Buyer uses a credit card please see credit card addendum on at the end of this Contract for terms and conditions and where escrow money will be held.

6. **TITLE:** Seller shall furnish to Buyer at Buyer's expense, an Owner's Policy of Title Insurance (the "Title Policy") covering the Property, issued in the amount of the Sales Price, dated as of the date of Closing (as defined herein) and subject to those items described in Paragraph 14(A) below.

7. **NOTICE TO BUYER:** AS REQUIRED BY LAW, Seller advises Buyer that Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is to be obtained, Buyer should obtain a Commitment for Title Insurance (the "Commitment") which should be examined by an attorney of Buyer's choice at or prior to the consummation of the purchase and sale transaction provided for in this Contract ("Closing").

8. **PROPERTY CONDITION:** Buyer hereby acknowledges and agrees that to the extent permitted by law, except for Seller's express written representations, warranties and covenants, if any, as may be expressly set forth in this Contract, and the documents delivered to Buyer at Closing, including the warranty to be contained in the Deed (as defined herein), the sale of the Property shall be "AS IS", "WHERE IS" without representation or warranty, express or implied and with all faults. Without limiting the foregoing, Seller has not made, does not make, and specifically disclaims any and all representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning or with respect to the Rio Escondido Subdivision or the Property, including all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (to the extent they can be disclaimed) and all other implied or express warranties of any kind or character. Without limiting the generality of the foregoing, Seller hereby disclaims any and all express or implied warranties as to design, construction, view, sound and/or odor transmission, furnishing and equipping of the Property. Seller has not given and Buyer has not relied on or bargained for any such warranties. Buyer further acknowledges that Buyer has or will have the right to conduct its own independent examination of the Property and is relying on that examination to satisfy itself as to the condition and status of the Property. Buyer has not relied upon any representation of any person on behalf of or purported to be on behalf of Seller. As to any implied warranty which cannot be disclaimed entirely, all secondary, incidental and consequential damages are specifically excluded and disclaimed (claims for such secondary, incidental and consequential damages being unavailable in the case of implied warranties which are disclaimed entirely above). Buyer acknowledges and agrees that Seller does not guarantee, warrant or otherwise assure, and expressly disclaims, any right to a view from the Property.

If the property you are purchasing adjoins a pond, stream, creek or river, please note that the water level fluctuates for various reasons, including but not limited to drought or flood conditions. Seller makes no warranty or representations regarding the water level in any body of water located in the Subdivision.

9. **CLOSING:** Closing shall be on or before the last to occur of (the "Closing Date"): (a) 45 days from the Contract Date; (b) within seven days after objections to title and survey have been cured, if Seller elects to cure such objections; or (c) up to five days after the date provided in (a) or (b) above if financing approval has been obtained pursuant to Paragraph 4 of this Contract and only if necessary to comply with lender's closing requirements. If either party fails to close this sale by the Closing Date, the

non-defaulting party shall be entitled to exercise the remedies contained in Paragraph 15 of this Contract. At Closing, Seller shall furnish a General Warranty Deed (the "Deed") conveying good and indefeasible title showing no additional exceptions other than the Permitted Exceptions (as defined herein). Closing shall be at the offices of **Service Title Company** located at **117 Main St. Marble Falls, Texas 78654**, having a telephone number of **(830) 693-3631**.

10. **POSSESSION:** The possession of the Property shall be delivered to Buyer at Closing, subject to the right of Seller, as the Developer of Rio Escondido Subdivision Phase 4, to have access and the use of the Property for all purposes reasonably necessary for the construction of the infrastructure for Rio Escondido Subdivision Phase 4, including but not limited to the construction of permanent roads and installation of utilities. Once all utilities are in place and the roads are constructed, Seller's right to use the Property will cease. The provisions of this Paragraph 10 shall survive the Closing.

11. **SPECIAL PROVISIONS:** (Insert only factual statements and business details applicable to this sale.)

12. **CLOSING COSTS TO BE PAID IN CASH AT OR PRIOR TO CLOSING:** Closing costs may include, but shall not be limited to: tax statements, escrow fees, preparation of the Deed, preparation of any real estate lien note, preparation of any deed of trust, the cost of Title Policy, any mortgagee title policy, recording of Deed, recording of any deed of trust, loan origination fee, appraisal fees, and other expenses stipulated to be paid under other provisions of this Contract.

BUYER'S EXPENSE: Buyer's closing costs shall equal the cost of the Title Policy and mortgagee title policy, if any, plus recording costs for the Deed, deed of trust and other documents necessary for Closing, any expenses incident to a third party financing, plus any Escrow Agent escrow fee and the preparation costs for the Deed.

13. **PRORATIONS AND TAXES:** Property taxes and annual assessments due to the property owners' association shall be prorated through the Closing Date. Both Buyer and Seller acknowledge understanding that these prorations are based either on tax amounts for the preceding year or on estimates of the appraised value and/or estimated tax rates for the current year. Seller agrees that any default in prior payment of property taxes, either current or delinquent, will on demand be promptly paid by the Seller or reimbursed by the Seller to the title company. Buyer(s) and Seller each agree that, when amounts of the current year's taxes become known and payable (on or around October 1), they will adjust any matters or reparation and reimbursement between themselves and that the title company shall have no further liability or obligation with respect to these prorations.

14. **TITLE APPROVAL:**

A. **TITLE POLICY.** The Title Policy shall guarantee Buyer's title to be good and indefeasible subject only to (a) the terms and provisions of the Restrictions (as defined herein) and any other restrictive covenants of record affecting the Property; (b) the real estate taxes for the year in which the Closing occurs (prorated to Closing) and subsequent years; (c) the existing building and zoning ordinances and platting requirements; (d) liens created by Buyer as security for the Sales Price; (e) easements and any other covenants, restrictions, conditions, reservations, exceptions, easements and other matters shown on Schedule B of the Title Commitment affecting the Property; (f) the standard printed exceptions on the Title Policy; and (g) any other exception or encumbrance that does not materially affect the use and enjoyment of the Property (collectively, the "Permitted Exceptions").

B. **COMMITMENT.** If, upon receipt of the Commitment, title objections are raised by Buyer, Seller may elect to cure the same within ten days from the date such objections are disclosed, and Closing shall be extended according to Paragraph 9 above. Buyer has 5 days to object to any title exceptions. Zoning ordinances and the Permitted Exceptions shall not be valid objections to title. If the title objections are not satisfied by the extended Closing Date, this Contract shall terminate and the Earnest Money shall be refunded to Buyer, unless Buyer elects to waive the unsatisfied objections and complete the purchase.

C. **TAX STATEMENTS.** Seller shall furnish tax statements showing no delinquent taxes and a General Warranty Deed conveying title subject only to the Permitted Exceptions, including but not limited to liens securing payment of any debt created as part of the consideration, taxes for the current year, all restrictions, covenants, conditions, easements, reservations, leases, mineral severances, and other instruments that affect the Property and are shown in the public records of the Coryell County Clerk, Coryell County, Texas and the Hamilton County Clerk, Hamilton County, Texas or that are otherwise acceptable to Buyer; and to all zoning laws, regulations and ordinances of municipal and/or governmental authorities that affect the Property. Each purchase money note shall be secured by vendors and deed of trust liens. The form of the Deed, note and deed of trust shall be acceptable to Seller.

15. **DEFAULT:** If Buyer fails to comply herewith, Seller may either (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this Contract and receive the Earnest Money as liquidated damages, thereby releasing both parties from this Contract. If Seller is unable, without fault, within the time herewith required to deliver a Commitment issued in accordance with Paragraph 14(B) above, Buyer may either (a) terminate this Contract and receive the Earnest Money as its sole remedy or (b) extend the time for performance up to 15 days and Closing shall be extended pursuant to Paragraph 9 above. If Seller fails to comply herewith for any other reason, Seller shall be in default and Buyer may terminate this Contract and receive back its Earnest Money as liquidated damages and as its sole remedy, thereby waiving and releasing any and all claims or causes of action arising out of or from this Contract.

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

17. **ESCROW:** The Earnest Money is deposited with Escrow Agent with the understanding that Escrow Agent (a) is not a party to this Contract and does not assume or have any liability for performance or non-performance of any signatory, (b) has the right to require from all signatories a written release of liability of the Escrow Agent which authorizes the disbursement of the Earnest Money, (c) is not liable for interest or other charge on the funds held, and (d) is not liable for any losses of escrow funds caused by the failure of any banking institution in which such funds have been deposited, unless such banking institution is acting as Escrow Agent. At Closing, the Earnest Money shall be applied first to any cash down payment required, then to Buyer's closing costs with any excess refunded to Buyer.

Any refund or payment of the Earnest Money under this Contract shall be reduced by the amount of any actual expenses incurred on behalf of the party receiving the Earnest Money and Escrow Agent will pay the same to the creditors entitled thereto.

18. **ROADS AND UTILITIES:**

A. **ROADS.** The road in the Subdivision will be constructed out of caliche and maintenance

of the road shall be sole the responsibility of the Rio Escondido Property Owners' Association. The road is projected to be completed by December 31, 2021.

- B. SEWER. All property owners are required to install a septic system approved by Coryell County, Texas and/or Hamilton County, Texas. The Buyer is responsible for obtaining the necessary permits for the design and location of any system and is responsible for the costs associated with the permitting, design and installation of the system. The approximate cost of a septic system ranges from \$6,000.00 to \$10,000.00. Prices were obtained from local contractors. Seller makes no warranty as to the price of a sewage disposal system.
- C. ELECTRICITY. Electric lines will be installed to the lots in the Rio Escondido Subdivision by Hamilton Electric and will be extended to the Property upon demand of the Buyer. Maintenance of the electric lines will be the responsibility of Hamilton Electric. Projected installation of electricity is to be completed by December 31, 2021, weather permitting.
- D. INTERNET & TELEPHONE. Fiber optic internet service and telephone service will be available through Central Texas Telecommunications located in Goldthwaite, Texas. Central Texas Telecommunications will run the lines to a lot when service is requested at no cost to the lot owner. The lot owner will be required to pay to Central Texas Telecommunications a connection fee and monthly charges for the service. The connect fee as of March 2020 is \$150.00, fees for monthly service vary depending upon the level of speed chosen by the customer; however plans start at \$119.95 a month for 50 Mbps.

Seller hereby confirms and Buyer hereby acknowledges that Seller is not obligated to complete any facilities or improvements other than those listed above.

WATER. All property owners are required to install their own individual water wells, subject to all permits and regulations of Coryell County, Texas and/or Hamilton County, Texas and the State of Texas, and if the lot is located in Coryell County, Texas, the Middle Trinity Groundwater Conservation District.

19. **MINERALS: The lots in this Subdivision are being sold without Oil, Gas and Mineral Rights and you will NOT receive any oil, gas and mineral rights with your purchase of this property. The purchase is subject to the reasonable use of the surface by the mineral owner to produce the minerals in accordance with the Rules and Regulations of the Texas Railroad Commission.**

20. **APPROVAL:** This Contract is not to be binding upon Seller unless approved and executed by an authorized representative of Seller. The sales representatives are NOT authorized representatives of Seller.

21. **MANDATORY OWNERS' ASSOCIATION MEMBERSHIP:** The property is subject to mandatory membership in an Owners' Association. If the Property is subject to mandatory membership in an Owners' Association, Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community in which the Property is located, you are obligated to be a member of the Owners' Association. Restrictive covenants governing the establishment, maintenance, and operation of the residential community have been or will be recorded in the Real Property Records of the Coryell County Clerk, Coryell County, Texas and the Hamilton County Clerk, Hamilton County, Texas. Copies of the restrictive covenants and dedicatory instrument may be obtained from the County

Clerk of Coryell County, Texas and the County Clerk of Hamilton County, Texas. You are obligated to pay assessments to the Owners' Association. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of the Property. If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in an Owner's Association should be used. The current annual assessment is \$250.00 for each lot.

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

23. DEMAND: Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursal of the earnest money.

24. TAX VALUATION STATUS: The Seller has formed, or will form, a Wildlife Management Association that as determined by Texas Property Code Section 23.51 will allow for an Ag 1-D-1 Open Space Wildlife ad valorem tax valuation on each participating Member's property. The Wildlife Management Association is voluntary, but it is the intention of the Seller, who is the Developer of the Subdivision, for itself, and subsequently, for the Association and all Tract Owners in the Subdivision, to maintain this status. Please see the terms of the Wildlife Management Association Member's Agreement for requirements. If Buyer opts out of the Wildlife Management Association, then Buyer will potentially lose the wildlife tax valuation status for its property.

25. TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.

26. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for liquidated damages of three times the amount of the earnest money.

27. REASONABLE ACCESS: Seller will provide reasonable access to Buyer or Buyer's representatives for the purposes of appraisal, inspection, and/or evaluation. Buyer may inspect the Property prior to closing.

28. SURVIVAL: If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the closing, it shall survive the closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

29. **AGREEMENT OF PARTIES:** This Contract contains the entire agreement of the parties and cannot be changed except by their written agreement. By execution of this Contract, Buyer acknowledges and agrees that there are no other representations, agreements or understandings, whether written or oral, between the parties that are not contained in this Contract, and this Contract is the sole agreement.

30. **DISCLAIMER:** Seller expressly disclaims any and all warranties or representations regarding the surrounding properties, or uses of the surrounding properties, not owned by Seller.

31. **BINDING EFFECT:** This Contract is binding upon the heirs, personal representatives, successors and permitted assigns of the parties.

32. **NOTICES:** Notices hereunder shall be in writing and shall be either faxed, delivered by hand, courier or mailed by United States registered or certified mail, return receipt requested, postage prepaid and addressed to each party as set forth below. Any such notice, request or other communication shall be considered given or delivered, as the case may be, on the date of hand or courier delivery or on the date received.

33. **TEXAS LAW:** This Contract and all relationships between the parties hereto shall be construed, interpreted and enforced in accordance with the laws of the State of Texas.

34. **ON SITE INSPECTION:** Buyer herewith certifies and confirms for Seller that Buyer, or Buyer's spouse or authorized agent, has made a personal, on-site inspection of the Property prior to signing this Contract.

BUYER ACKNOWLEDGES THE ABOVE-DESCRIBED ON-SITE INSPECTION:

35. **SURVIVAL OF COVENANTS:** The covenants contained herewith shall survive the closing.

36. **BUYER HAS THE OPTION TO REVOKE AND CANCEL THIS CONTRACT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY AFTER BUYER HAS RECEIVED A FULLY SIGNED COPY OF THIS CONTRACT.**