



FARM AND RANCH CONTRACT



1. **PARTIES:** The parties to this contract are Texas Municipal Power Agency (Seller) and 3S Real Estate Investments, LLC (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
2. **PROPERTY:** The land, improvements, accessories and crops except for the exclusions and reservations, are collectively referred to as the Property (Property).
 - A. **LAND:** The land situated in the County of Grimes, Texas, described as follows: See Exhibit A (approx. 11,025 acres) or as described on attached exhibit, also known as Lakes of Gibbons Creek, (address/zip code), together with all rights, privileges, and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships.
 - B. **IMPROVEMENTS:**
 - (1) **FARM AND RANCH IMPROVEMENTS:** The following **permanently installed and built-in items**, if any: windmills, tanks, barns, pens, fences, gates, sheds, outbuildings, and corrals.
 - (2) **RESIDENTIAL IMPROVEMENTS:** The house, garage, and all other fixtures and improvements attached to the above-described real property, including without limitation, the following **permanently installed and built-in items**, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas, mounts and brackets for televisions and speakers, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property attached to the above described real property.
 - C. **ACCESSORIES:**
 - (1) **FARM AND RANCH ACCESSORIES:** The following described related accessories: (check boxes of conveyed accessories) ☐ portable buildings ☐ hunting blinds ☐ game feeders ☐ livestock feeders and troughs ☐ irrigation equipment ☐ fuel tanks ☐ submersible pumps ☐ pressure tanks ☒ corrals ☐ gates ☒ chutes ☐ other: _____
 - (2) **RESIDENTIAL ACCESSORIES:** The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, door keys, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories, artificial fireplace logs, security systems that are not fixtures, and controls for: (i) garage doors, (ii) entry gates, and (iii) other improvements and accessories. "Controls" includes Seller's transferable rights to the (i) software and applications used to access and control improvements or accessories, and (ii) hardware used solely to control improvements or accessories.
 - D. **CROPS:** Unless otherwise agreed in writing, Seller has the right to harvest all growing crops until delivery of possession of the Property.
 - E. **EXCLUSIONS:** The following improvements, accessories, and crops will be retained by Seller and must be removed prior to delivery of possession: _____
 - F. **RESERVATIONS:** Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.
3. **SALES PRICE:**
 - A. Cash portion of Sales Price payable by Buyer at closing \$ 75,000,000.00
 - B. Sum of all financing described in the attached: ☐ Third Party Financing Addendum, ☐ Loan Assumption Addendum, ☐ Seller Financing Addendum. \$ _____
 - C. Sales Price (Sum of A and B) \$ 75,000,000.00
 - D. The Sales Price ☐ will ☒ will not be adjusted based on the survey required by Paragraph 6C. If the Sales Price is adjusted, the Sales Price will be calculated on the basis of \$ _____ per acre. If the Sales Price is adjusted by more than 10%, either party may terminate this contract by providing written notice to the other party within _____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is 10% or less, the adjustment will be made to the amount in ☐ 3A ☐ 3B ☐ proportionately to 3A and 3B.
4. **LEASES** Except as disclosed in this contract, Seller is not aware of any leases affecting the Property. After the Effective Date, Seller may not, without Buyer's written consent, create a new lease, amend any existing lease, or convey any interest in the Property. (Check all applicable boxes)
 - ☐ A. **RESIDENTIAL LEASES:** The Property is subject to one or more residential leases and the Addendum Regarding Residential Leases is attached to this contract.
 - ☐ B. **FIXTURE LEASES:** Fixtures on the Property are subject to one or more fixture leases (for example, solar panels, propane tanks, water softener, security system) and the Addendum Regarding Fixture Leases is attached to this contract.
 - ☒ C. **NATURAL RESOURCE LEASES:** "Natural Resource Lease" means an existing oil and gas, mineral, water, wind, or other natural resource ^{DS}lease affecting the Property to which Seller is a party.

TXR 1701

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 25-13

(Address of Property)

- ☐ (1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
- ☒ (2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall provide to Buyer a copy of all the Natural Resource Leases within 3 days after the Effective Date. Buyer may terminate the contract within 30 days after the date the Buyer receives all the Natural Resource Leases and the earnest money shall be refunded to Buyer.

5. EARNEST MONEY AND TERMINATION OPTION:

- A. DELIVERY OF EARNEST MONEY AND OPTION FEE: Within 3 days after the Effective Date, Buyer must deliver to University Title, as escrow agent, at 1021 University Drive East, College Station, TX 77840 (address): \$ 7,500,000.00 as earnest money and \$ _____ as the Option Fee. The earnest money and Option Fee shall be made payable to escrow agent and may be paid separately or combined in a single payment.
- (1) Buyer shall deliver additional earnest money of \$ _____ to escrow agent within _____ days after the Effective Date of this contract.
- (2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money, Option Fee, or the additional earnest money, as applicable, is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.
- (3) The amount(s) escrow agent receives under this paragraph shall be applied first to the Option Fee, then to the earnest money, and then to the additional earnest money.
- (4) Buyer authorizes escrow agent to release and deliver the Option Fee to Seller at any time without further notice to or consent from Buyer, and releases escrow agent from liability for delivery of the Option Fee to Seller. The Option Fee will be credited to the Sales Price at closing.
- B. TERMINATION OPTION: For nominal consideration, the receipt of which Seller acknowledges, and Buyer's agreement to pay the Option Fee within the time required, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within _____ days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If Buyer gives notice of termination within the time prescribed: (i) the Option Fee will not be refunded and escrow agent shall release any Option Fee remaining with escrow agent to Seller; and (ii) any earnest money will be refunded to Buyer.
- C. FAILURE TO TIMELY DELIVER EARNEST MONEY: If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money.
- D. FAILURE TO TIMELY DELIVER OPTION FEE: If no dollar amount is stated as the Option Fee or if Buyer fails to deliver the Option Fee within the time required, Buyer shall not have the unrestricted right to terminate this contract under this Paragraph 5.
- E. TIME: **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

6. TITLE POLICY AND SURVEY:

- A. TITLE POLICY: Seller shall furnish to Buyer at ☒ Seller's ☐ Buyer's expense an owner policy of title insurance (Title Policy) issued by: University Title (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
- (1) The standard printed exception for standby fees, taxes and assessments.
- (2) Liens created as part of the financing described in Paragraph 3.
- (3) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (4) The standard printed exception as to marital rights.
- (5) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (6) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements:
- ☐ (i) will not be amended or deleted from the title policy; or
- ☒ (ii) will be amended to read, "shortages in area" at the expense of ☐ Buyer ☒ Seller.
- (7) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.
- B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

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

- ☒ (1) Within 60 days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.** The existing survey ☐ will ☒ will not be recertified to a date subsequent to the Effective Date of this contract at the expense of ☐ Buyer ☐ Seller. If the existing survey is not approved by the Title Company or Buyer's lender(s), a new survey will be obtained at the expense of ☐ Buyer ☐ Seller no later than 3 days prior to Closing Date.
- ☐ (2) Within _____ days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- ☐ (3) Within _____ days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.
- ☐ (4) No survey is required.

D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title disclosed on the survey other than items 6A(1) through (5) above; or disclosed in the Commitment other than items 6A(1) through (7) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity: _____

Farming, Ranching, Residential

Buyer must object the earlier of (i) the Closing Date or (ii) 30 days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. EXCEPTION DOCUMENTS: Prior to the execution of the contract, Seller has provided Buyer with copies of the Exception Documents listed below or on the attached exhibit. Matters reflected in the Exception Documents listed below or on the attached exhibit will be permitted exceptions in the Title Policy and will not be a basis for objection to title:

<u>Document</u>	<u>Date</u>	<u>Recording Reference</u>
_____	_____	_____
_____	_____	_____

F. SURFACE LEASES: Prior to the execution of the contract, Seller has provided Buyer with copies of written leases and given notice of oral leases (Leases) listed below or on the attached exhibit. The following Leases will be permitted exceptions in the Title Policy and will not be a basis for objection to title: _____

G. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (3) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (4) 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

(Address of Property)

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.

- (5) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (6) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (7) **TEXAS AGRICULTURAL DEVELOPMENT DISTRICT:** The Property ☐ is ☒ is not located in a Texas Agricultural Development District. For additional information contact the Texas Department of Agriculture.
- (8) **TRANSFER FEES:** If the Property is subject to a private transfer fee obligation, §5.205, Property Code, requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.
- (9) **PROPANE GAS SYSTEM SERVICE AREA:** If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.
- (10) **NOTICE OF WATER LEVEL FLUCTUATIONS:** If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

7. PROPERTY CONDITION:

- A. **ACCESS, INSPECTIONS AND UTILITIES:** Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Any hydrostatic testing must be separately authorized by Seller in writing. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.

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

- B. **SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice):**

(Check one box only)

- ☐ (1) Buyer has received the Notice
- ☐ (2) Buyer has not received the Notice. Within _____ days after the Effective Date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.

- ☒ (3) The Texas Property Code does not require this Seller to furnish the Notice.

- C. **SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS** is required by Federal law for a residential dwelling constructed prior to 1978.

- D. **ACCEPTANCE OF PROPERTY CONDITION:** "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7D (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

(Check one box only)

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

(Do not insert general phrases such as "subject to inspections," that do not identify specific repairs and treatments.)

(Address of Property)

- E. **COMPLETION OF REPAIRS:** Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days if necessary for Seller to complete repairs.
- F. **LENDER REQUIRED REPAIRS AND TREATMENTS:** Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Buyer. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- G. **ENVIRONMENTAL MATTERS:** Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.
- H. **SELLER'S DISCLOSURES:** Except as otherwise disclosed ~~in this contract~~ **to Buyer**, Seller has no knowledge of the following:
- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
 - (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;
 - (3) any environmental hazards that materially and adversely affect the Property;
 - (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
 - (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
 - (6) any threatened or endangered species or their habitat affecting the Property.
- I. **RESIDENTIAL SERVICE CONTRACTS:** Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding \$ **0.00**. Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**
- J. **GOVERNMENT PROGRAMS:** The Property is subject to the government programs listed below or on the attached exhibit:

Seller shall provide Buyer with copies of all governmental program agreements. Any allocation or proration of payment under governmental programs is made by separate agreement between the parties which will survive closing.

8. **BROKERS AND SALES AGENTS:**

- A. **BROKER OR SALES AGENT DISCLOSURE:** Texas law requires a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____
- B. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. **CLOSING:**

- A. The closing of the sale will be on or before **90 Days After Effective Date**, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.
- B. At closing:
- (1) Seller shall execute and deliver a ~~general~~ **Special** warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6, an assignment of Leases, and furnish tax statements or certificates showing no delinquent taxes on the Property.
 - (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
 - (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
 - (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.

10. **POSSESSION:**

- A. **BUYER'S POSSESSION:** Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted: ☒ upon closing and funding ☐ according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**

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B. SMART DEVICES: "Smart Device" means a device that connects to the internet to enable remote use, monitoring, and management of: (i) the Property; (ii) items identified in any Non-Realty Items Addendum; or (iii) items in a Fixture Lease assigned to Buyer. At the time Seller delivers possession of the Property to Buyer, Seller shall:

- (1) deliver to Buyer written information containing all access codes, usernames, passwords, and applications Buyer will need to access, operate, manage, and control the Smart Devices; and
- (2) terminate and remove all access and connections to the improvements and accessories from any of Seller's personal devices including but not limited to phones and computers.

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

See Attachment 1

See Exhibit "B"

12. SETTLEMENT AND OTHER EXPENSES:

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

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

- (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
- (b) Seller shall also pay an amount not to exceed \$ 0.00 to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses) Appraisal fees; loan application fees; origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

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

13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. Rentals which are unknown at time of closing will be prorated between Buyer and Seller when they become known.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Assessments are imposed because of Seller's use or change in use of the Property prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

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

- 15. DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract for any other reason, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.
- 16. MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.
- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.
- 18. ESCROW:**
- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent. Escrow agent may require any disbursement made in connection with this contract to be conditioned on escrow agent's collection of good funds acceptable to escrow agent.
 - B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by escrow agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.
 - C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. ~~If escrow agent does not receive written objection to the demand from the other party.~~ 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 disbursement of the earnest money.
 - D. **DAMAGES:** Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
 - E. **NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.
- 19. REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.
- 20. FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

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TXR 1701

Initialed for identification by Buyer

and Seller

TREC NO. 25-13

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

To Buyer at: 3S Real Estate Investments, LLC

To Seller at: PO Box 7000

1302 Waugh Drive #539, Houston, TX 77019

Bryan, Texas 77805

Phone: _____

Phone: _____

E-mail/Fax: _____

E-mail/Fax: _____

E-mail/Fax: _____

E-mail/Fax: _____

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

- | | |
|---|--|
| <input type="checkbox"/> Third Party Financing Addendum | <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Seller Financing Addendum | <input type="checkbox"/> Seller's Temporary Residential Lease |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners Association | <input type="checkbox"/> Short Sale Addendum |
| <input type="checkbox"/> Buyer's Temporary Residential Lease | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway |
| <input type="checkbox"/> Loan Assumption Addendum | <input type="checkbox"/> Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law |
| <input type="checkbox"/> Addendum for Sale of Other Property by Buyer | <input type="checkbox"/> Addendum for Property in a Propane Gas System Service Area |
| <input type="checkbox"/> Addendum for "Back-Up" Contract | Addendum Regarding Residential Leases |
| <input type="checkbox"/> Addendum for Coastal Area Property | Addendum Regarding Fixture Leases |
| <input type="checkbox"/> Addendum for Authorizing Hydrostatic Testing | <input checked="" type="checkbox"/> Other (list): <u>Exhibit A & Attachment 1</u> |
| <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal | <u>Addendum "J"</u> |
| <input checked="" type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals | <u>Exhibit "B"</u> |

23. CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate license holders from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: Barry M. Hammond, Jr.

Seller's Attorney is: Carl Shahady & Mike Wren

Phone: 832-819-1020

Phone: _____

Fax: _____

Fax: _____

E-mail: bhammond@aspirecommodities.com

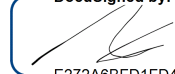
E-mail: cshahady@tiemannlaw.com

Contract Concerning Lakes of Gibbons Creek
(Address of Property)

Page 9 of 11 11-10-2020

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

DocuSigned by:



7/13/2021

E272A68FD1FD49C...

Buyer

Seller

Buyer

Seller



The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936- 3000 (<http://www.trec.texas.gov>) TREC NO. 25-13. This form replaces TREC NO. 25-12.

RATIFICATION OF FEE

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

Other Broker:

Listing Broker:

By: _____

By: _____

BROKER INFORMATION AND AGREEMENT FOR PAYMENT OF BROKERS' FEES**La Gloria Land Management, LLC**

Other Broker

License No.

Matt Mann**565594**

Associate's Name

License No.

Team Name

Matt@LGLand.com**713-402-8827**

Associate's Email Address

Phone

Licensed Supervisor of Associate

License No.

Other Broker's Office Address

Phone

City

State

Zip

represents



Buyer only as Buyer's agent



Seller as Listing Broker's subagent

Republic Ranches, LLC**9000612**

Listing or Principal Broker

License No.

Jeff Boswell**563973**

Listing Associate's Name

License No.

Team Name

bos@republicranches.com**(713)304-8186**

Listing Associate's Email Address

Phone

Licensed Supervisor of Listing Associate

License No.

3535 Westheimer, Ste. 227

Listing Broker's Office Address

Phone

Houston**TX****77027**

City

State

Zip

Selling Associate

License No.

Team Name

Selling Associate's Email Address

Phone

Licensed Supervisor of Selling Associate

License No.

Selling Associate's Office Address

City

State

Zip

represents



Seller Only



Buyer Only



Seller and Buyer as an intermediary

Upon closing of the sale by Seller to Buyer of the Property described in the contract to which this fee agreement is attached: (a) ☒ Seller ☐ Buyer will pay Listing/Principal Broker ☐ a cash fee of \$ _____ or ☒ **1.5** % of the total Sales Price; and (b) ☒ Seller ☐ Buyer will pay Other Broker ☐ a cash fee of \$ _____ or ☒ **1.5** % of the total Sales Price. Seller/Buyer authorizes and directs Escrow Agent to pay the brokers from the proceeds at closing.

Brokers' fees are negotiable. Brokers' fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested or maintained by the Texas Real Estate Commission.

Seller

Buyer

7/13/2021

Seller

Buyer

Do not sign if there is a separate written agreement for payment of Brokers' fees.

OPTION FEE RECEIPT

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

Escrow Agent_____
Date**EARNEST MONEY RECEIPT**

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

Escrow Agent_____
Received by_____
Email Address_____
Date/Time_____
Address_____
Phone_____
City_____
State_____
Zip_____
Fax**CONTRACT RECEIPT**

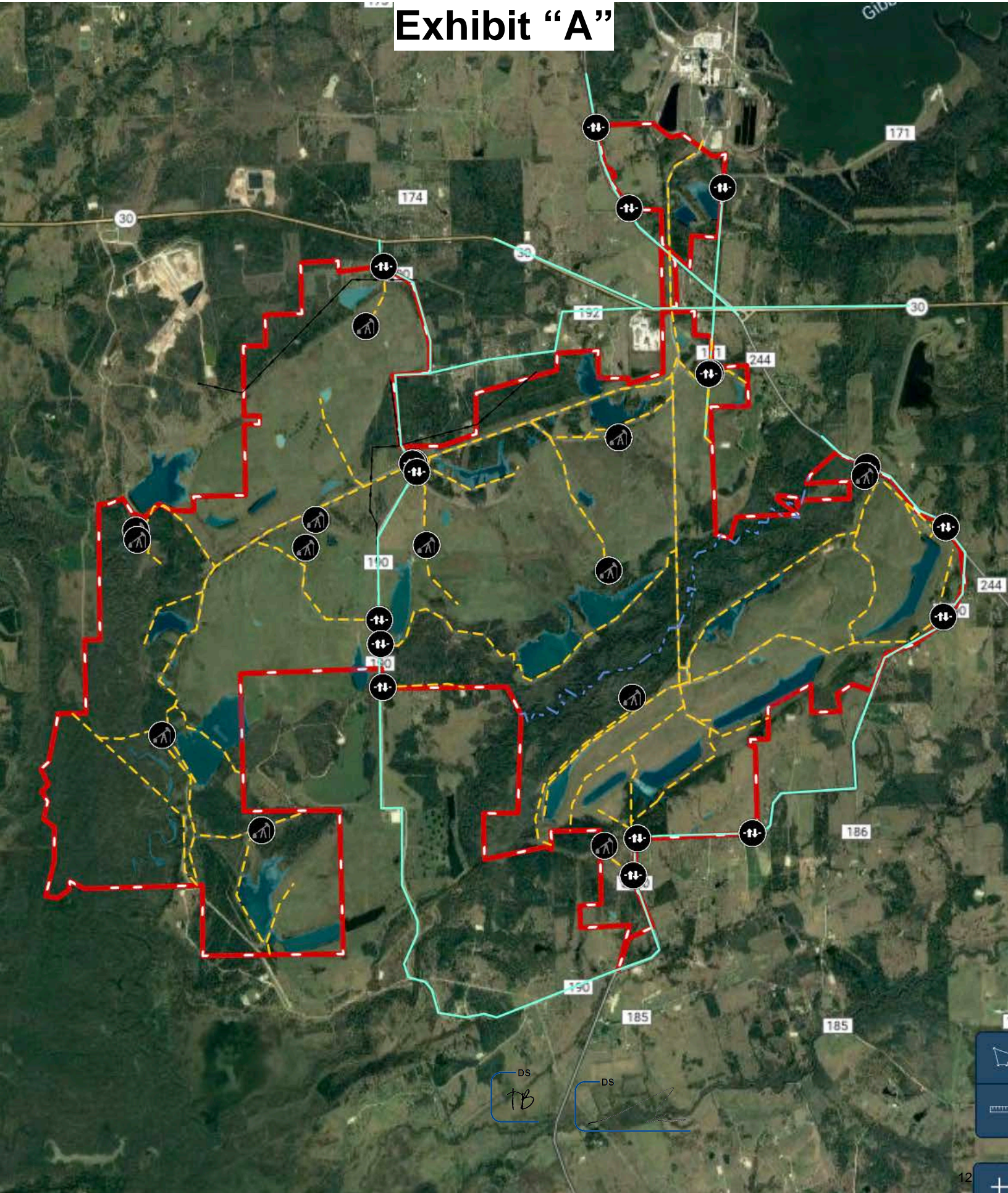
Receipt of the Contract is acknowledged.

Escrow Agent_____
Received by_____
Email Address_____
Date_____
Address_____
Phone_____
City_____
State_____
Zip_____
Fax**ADDITIONAL EARNEST MONEY RECEIPT**

Receipt of \$ _____ additional Earnest Money in the form of _____
is acknowledged.

Escrow Agent_____
Received by_____
Email Address_____
Date/Time_____
Address_____
Phone_____
City_____
State_____
Zip_____
Fax

Exhibit "A"



FARM AND RANCH CONTRACT SPECIAL PROVISIONS ADDENDUM

ADDENDUM TO FARM AND RANCH CONTRACT ("Contract") between Texas Municipal Power Agency ("Seller") and 3S Real Estate Investments, LLC ("Buyer") concerning Lakes of Gibbons Creek, 11,025 +/- acres in Grimes County, Texas as further described on Exhibit "A" attached hereto.

The following special provisions apply and will control in the event of a conflict with the other provisions of the Contract, and shall survive the closing and not merge with the provisions of any closing documents:

1. Legal Description. Seller and Buyer acknowledge that the legal description contained in this Contract technically may be, or is, legally insufficient for the purposes of supporting an action for specific performance or other enforcement hereof. As such, Seller and Buyer confirm unto one another that notwithstanding the insufficiency, the parties desire to proceed to sell and purchase the Property. Therefore, since the parties are desirous of executing this Contract and to provide for the right of Buyer to demand and successfully enforce specific performance and to insure such right is not precluded due to the legal description of the Property, the Seller and Buyer agree that (a) they are experienced in transaction of the nature provided for in this transaction, (b) that in fact they specifically are familiar with the location, size, and nature of the Property, and (c) each party waives any and all claims of an insufficient legal description in a cause of action for performance hereunder, The Property shall also be deemed to include all interest, if any, of Seller in (i) any "excess land", if any, (ii) vacancies, if any, (iii) strips or gores, if any, between the Property and adjoining land belonging to Buyer or third parties, (iv) any land lying in or under the bed of any road or highway, opened or proposed, abutting the specifically described property, and (v) any land lying in or under the bed of any creek, stream, or river, if any, running through or abutting or adjacent to the specifically described property. All of the foregoing is hereinafter referred to as the "**Property**". After the survey is completed as set out in Section 6 (C) 2, the new survey will be considered the Property.

2. AS-IS. BUYER ACKNOWLEDGES SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATIONS AS TO THE PHYSICAL CONDITION OR ANY OTHER MATTERS AFFECTING OR RELATING TO THE PROPERTY OR ANY IMPROVEMENTS THEREON (OTHER THAN WARRANTIES OF TITLE AS PROVIDED AND LIMITED HEREIN). BUYER EXPRESSLY AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW THE PROPERTY AND ANY IMPROVEMENTS THEREON ARE COVERED "AS IS" AND "WITH ALL FAULTS", AND SELLER EXPRESSLY DISCLAIMS, AND BUYER ACKNOWLEDGES AND ACCEPTS THAT SELLER HAS DISCLAIMED, ANY AND ALL REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND, ORAL OR WRITTEN, EXPRESS OR IMPLIED (EXCEPT AS TO TITLE AS HEREIN PROVIDED AND LIMITED) CONCERNING THE PROPERTY AND ANY IMPROVEMENTS THEREON, INCLUDING WITHOUT LIMITATION, (i) THE PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY AND ANY IMPROVEMENTS THEREON, (ii) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY SUCH IMPROVEMENTS, (iii) ANY ENVIRONMENTAL MATTERS RELATING TO THE

PROPERTY, AND (iv) THE MANNER, QUALITY, STATE OF REPAIR, OR LACK OF REPAIR OF THE PROPERTY AND ANY IMPROVEMENTS THEREON. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH AS REFERRED TO HEREIN.

3. Buyer has had opportunity, prior to the award of the bid for the Purchase of the Property, to review information provided by the Seller in the Dropbox, that was made available to all potential buyers on or around 6/22/21. Information in the Dropbox includes but is not limited to documentation on (i) prior ownership and use of the Property; (ii) oil, gas and other mineral matters related to the Property; (iii) the survey of the Property; (iv) litigation related to the Property; (v) the Conservation Agreement related to the Property; (vi) Reclamation requirements of the Texas Railroad Commission required on the Property; (vii) Flood areas of the Property; (viii) Wetlands and Endangered Species on the Property; and (ix) Historical site, etc. requirements of Section 191.092, Texas Natural Resources Code
4. Buyer is a sophisticated party, that has participated in and closed transactions of similar nature as that set out in the Contract. Buyer is represented by counsel and professionals knowledgeable in all areas that affect the Property and/or negotiating and closing transactions similar to the one set out in the Contract. Neither Seller nor any representative of Seller, including Republic Ranches of Texas has any responsibility or duty of any nature or kind to Buyer. Buyer agrees that it will look to and rely **only** on its counsel and professionals in making the decision to close the Contract. Buyer agrees and acknowledges that it may not rely on any verbal or written statements, representation or information furnished by Seller or Republic Ranches or any other party working on behalf of Seller in making its decision to close the Contract.
5. The conveyance will be by special warranty deed. The special warranty deed shall be in substantially the same form as the form of deed attached as Exhibit "B" to this Addendum.
6. The map of Bonded Related Areas attached to the Special Warranty Deed depicts, among other features, "Orchid Safe Sites". Unless Seller's pending request for termination of the Conservation Agreement with U.S. Fish & Wildlife and EPA is granted, or Seller is otherwise released from the obligation to conduct surveys in the Orchid Safe Sites, a provision will be included in the Special Warranty Deed to allow Seller to conduct surveys in the Orchid Safe Sites and otherwise carry out its duties under the Conservation Agreement.

EXHIBIT "B"**ADDITIONAL SPECIAL PROVISIONS ADDENDUM**

This Special Provisions Addendum (hereinafter referred to as the "Addendum") is attached to that certain Farm and Ranch Contract (hereinafter referred to as the "Contract") wherein Texas Municipal Power Agency (hereinafter referred to as the "Seller"), and 3S Real Estate Investments, LLC, and/or Assigns (hereinafter referred to as the "Buyer"). The capitalized terms used in this Addendum shall have the same meaning as ascribed to such terms in the Contract unless defined otherwise herein. To the extent any terms and conditions of this Addendum conflict with any terms of the Contract, the terms of this Addendum shall control.

1. Water Rights Conveyance. Seller shall convey to Buyer all of Seller's right, title and interest, to the water, in, on under and that may be produced from the land (the "Water"), including without limitation (a) the water of every stream, river, spring, lake, storm water, flood water, and rain water of every stream, river, spring, canyon, ravine, depression and watershed in or on the land (the "Surface Water") together with all rights to impound, divert or use the Surface Water, and (b) the water percolating beneath the surface of the land in any subsurface water-bearing reservoir beneath the land (the "Groundwater"), together with all rights to capture, withdraw, or use the Groundwater, and further together without limitation, all permits, certificates of adjudication, certified filings, or applications for permits associated with, related to, or authorizing the use of the Water in, on, or under the land, together with all claims or rights to apply for and obtain permits, certificates or authorization to appropriate and use the Water, including without limitations, claims or rights based on historical use of Water on or from the Property. The interests conveyed in this paragraph include all of Seller's right, title and interest, to Water related facilities and improvements in, on, or under the Property, including without limitation, all wells, pumps, motors, metes, tanks, pipes, irrigation equipment, and Water storage and distribution facilities together with all rights of ingress and egress.

2. Water Well Conveyance/Purchase. Seller agrees to convey all right, title and interest, to all water wells presently existing on Property.

3. Mineral Conveyance. Seller shall convey to Buyer all of Seller's right, title, and interest in and to all surface located materials or surface mined minerals in, on or under the Land, including but not limited to clay, limestone, building stone, all other stone, coal, water, sand, gravel, caliche, surface shale, near-surface lignite, iron and all metallic and non-metallic mineral ores and substances together with all of Seller's rights of ingress and egress thereto. Seller shall convey to Buyer all of its right, title and interest, to oil, gas and other minerals, in, on, under and that may be produced from the Land including royalty interest, together with all executive and leasing rights in and to the oil, gas and other mineral estate, including all rights of ingress and egress and any rights of reverter,

Seller

Buyer

exploration and development rights, production and drilling rights, mineral lease payments, and all related rights and benefits.

4. Conveyance of Wind and Solar Rights. Seller shall convey to Buyer all of its right, title and interest, to wind rights and solar rights in connection with the Property.

5. TPWD Permits. Seller shall cooperate with Buyer during its enrollment in the TPWD MLDP Program, if applicable.

6. Property Tax Exemption. Seller shall cooperate with Buyer during its application for the Agricultural Exemption with Grimes County Central Appraisal District.

7. Conservation Agreement. Upon execution of contract, Seller shall terminate the Conservation Agreement referenced in Exhibit J, item 3.

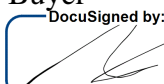
8. Escrow Holdback. As referenced in Exhibit "J" (1) approximately 320 acres are affected by pending bond release (2) approximately 38 acres are subject to pending and ongoing litigation, and (3) approximately 73 acres are subject to a Conservation Agreement. Seller and Buyer hereby agree that Two Million Nine Hundred Thirty-Eight Thousand Four Hundred Sixty-Four and 00/100 Dollars (\$2,938,464.00) (\$6,802.00 per Acre) (the "Holdback Funds") shall be withheld by the Escrow Agent (University Title) from the proceeds deliverable to Seller under the Contract at Closing for (i) a period not to exceed 12 months from the Closing Date, (ii) or such time as (x) Seller has successfully completed reclamation and the bond releases off all of the outstanding acreage, (y) the ongoing litigation of title is resolved to Buyer's reasonable satisfaction, and (z) the Conservation Agreement has been terminated. In the event that all of the matters as set out in Exhibit "J" by 12 months from Closing, then Escrow Agent is authorized to immediately return the Holdback Funds to Buyer and all agreements between Seller and Buyer related to the Holdback Funds shall become void and non-enforceable. When all matters have been resolved to Buyer's reasonable satisfaction and Buyer has executed a release of the Holdback Funds, then Escrow Agent shall pay the Holdback Funds to Seller. The Holdback funds shall be deposited in an interest bearing escrow account under the name of the Seller selected by Escrow Agent and subject to the terms set forth herein. All interest earned on the account shall be the sole property of the Seller as part of the consideration of the Contract. All costs and expenses directly related to escrowing of the Holdback Funds shall be payable by Seller.

9. Conveyance of any Uninsurable Land. If the Title Company refuses to issue title insurance regarding any specific acreage that is set forth on the Survey, then Seller agrees to convey said acreage by Deed Without Warranty at Closing for no additional consideration, and Sales Price shall be reduced by \$6,802/acre for uninsurable acreage.

10. Rail Spur Conveyance. Seller shall convey all Seller's interest in the rights of way, easements, or fee title land included in Seller's Railway Spur connecting property to Highway 6.

Signed this _____ day of July, 2021.

3S Real Estate Investments, LLC, and/or its assigns,
"Buyer"

DocuSigned by:
 7/13/2021
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Name:

Title:

Signed this _____ day of July, 2021.

Texas Municipal Power Agency, "Seller"

Name:

Title:

ADDENDUM "J"
PARAGRAPH 15 AND PARAGRAPH 20 INFORMATION

1. On February 7, 2018, TMPA filed, in relation to Tract 412, a 22.5-acre tract, an Original Petition For Trespass To Try Title And Alternative Cause Of Action For Condemnation. The lawsuit is styled TMPA v. Robin Trant Johnson, Cause No. 34406 In The 12th District Court of Grimes County, Texas. In the Petition, TMPA alleges that it owns title pursuant to the 5-year, 10-year, and 25-year statutes of limitation. In the alternative, in the event the Court does not rule that TMPA owns title, the Petition seeks through eminent domain a reclamation easement encumbering the tract. While the original named defendant has executed documentation, filed with the Court, disclaiming any interest in the tract, and has quitclaimed any interest to the named record title owners, the named record title owners are deceased and any successor record title owners are unknown. The case remains pending against the unknown owners, if any.

2. In September 2017, the TMPA Board of Directors, in addition to authorizing the litigation described in paragraph 1 above, authorized litigation involving 6 other tracts, totaling in the aggregate approximately 15.5 acres. The tracts are similarly situated as Tract 412, in the sense that TMPA purchased the tracts from the same person, the record title owners are deceased, their successors were unknown, and TMPA claims to own the tracts through adverse possession. On October 22, 2020, TMPA filed this lawsuit styled TMPA v. Charles O. Wilson, Jr., ET AL., Cause No. 035229 in the 506th District Court of Grimes County, Texas.

3. In 1992, TMPA, the U.S. Fish and Wildlife Service ("FWS"), and the EPA entered into the "Conservation Agreement For Protection of the Navasota Ladies' Tresses". This endangered species, located in parts of the Mine, is an orchid that TMPA protects under the Agreement. The Agreement gives the FWS and the EPA a right of first refusal to purchase approximately 73 acres on which the orchids are located if and when the Agreement is terminated due to cessation of all reclamation activities in Grimes County, Texas. By letter dated December 27, 2018, TMPA made inquiry of these agencies as to their right of first refusal. By letter dated February 25, 2019, the FWS indicated that it did not have the resources to exercise its right of first refusal. By letter dated March 1, 2019, the EPA indicated that it was not interested in exercising its right of first refusal. Paragraph 13 of the Conservation Agreement requires "consent" from EPA and USFW prior to selling the property. The letter from FWS suggested that FWS might be amenable to terminating the Conservation Agreement and proposed that TMPA submit to FWS a letter to that effect, with a signature block for FWS to signify its agreement to termination. TMPA has decided to attempt to terminate the Agreement in the manner suggested by FWS. If the Conservation Agreement is not terminated, TMPA may need to secure a second letter from each agency stating that each agency "consents" to the sale at this time.

4. Approximately 321 acres of the Mine are still subject to reclamation operations and reclamation bonding under the jurisdiction of the Railroad Commission of Texas. Any conveyance of the Mine property will need to reserve to TMPA reclamation easements to enable TMPA to continue reclamation of this acreage and access easements to reach adjacent areas that are leased for reclamation purposes until final release of its reclamation bonding. The reclamation easements may need to allow TMPA to control the level of one or more end lakes.

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BK

DS
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5. Areas that flood are generally depicted in the attached FEMA flood maps.

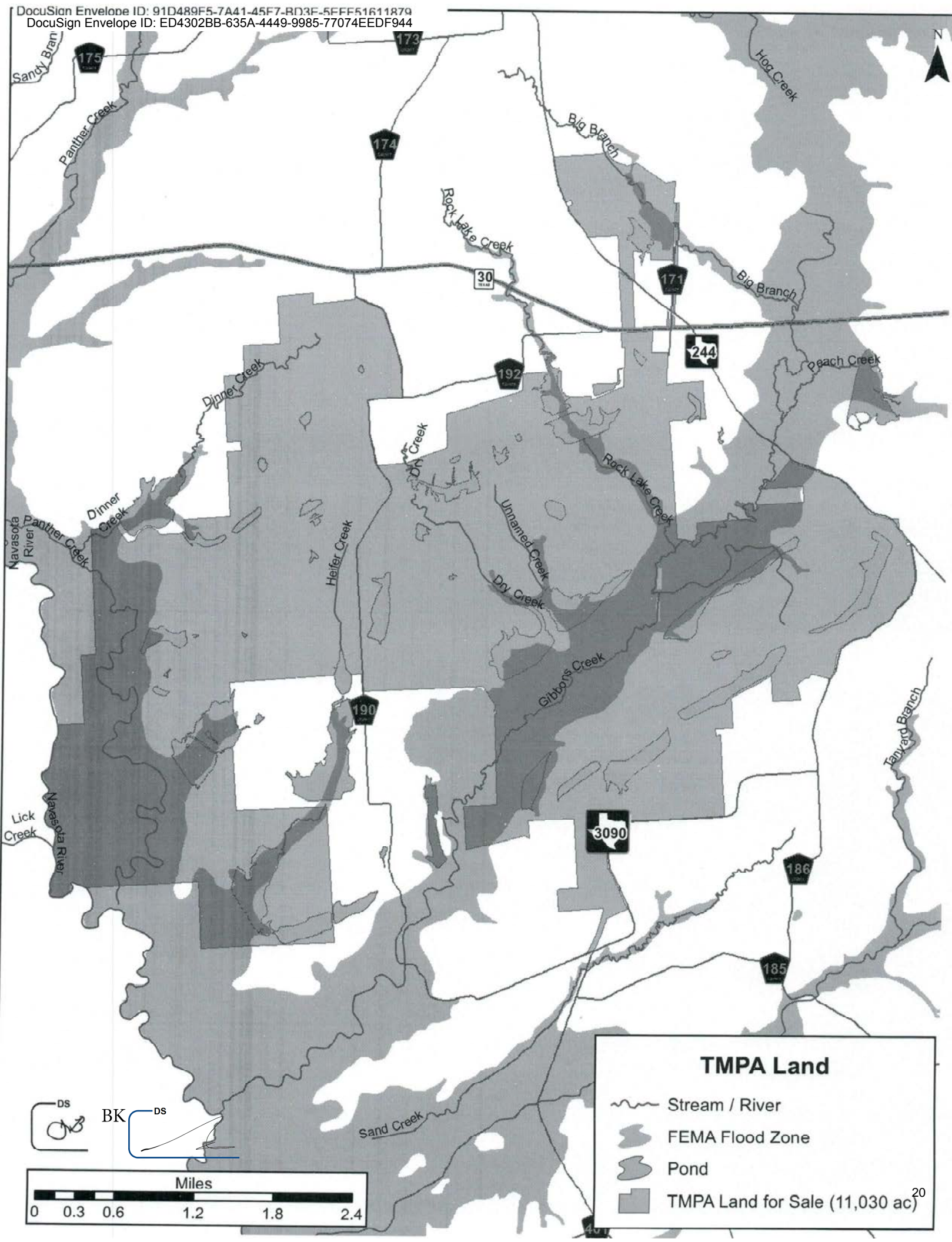
6. The unconsolidated nature of spoil material from mining operations may adversely affect the construction of buildings and other structures on the property.

7. In regard to wetlands, see attached wetlands maps for mine permits 26D and 38D.

8. In addition to the Navasota Ladies Tresses, other species in Grimes County, and potentially on the property from time to time, may be protected in varying degrees by the Endangered Species Act and similar laws. See the attached table of endangered and threatened species in Grimes County, Texas.

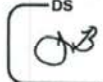
9. Miscellaneous Items:

a. Historical sites, objects, artifacts, and other items described in Section 191.092, Natural Resources Code are owned by the State, not by TMPA. The deed of conveyance will contain an exception to the extent of the State's ownership of such items.



Endangered and threatened species in Grimes County, Texas
(JKH 02/26/21 – based on Texas Parks and Wildlife Department, August 25, 2020 update)

Common Name	Scientific Name	Federal	State
Houston Toad	<i>Anaxyrus houstonensis</i>	Endangered	Endangered
White-faced Ibis	<i>Plegadis chihi</i>		Threatened
Swallow-tailed kite	<i>Elanoides forficatus</i>		Threatened
Wood stork	<i>Mycteria americana</i>		Threatened
Interior least tern	<i>Sternula antillarum athalassos</i>	Endangered	Endangered
Rufa red knot	<i>Calidris canutus rufa</i>	Threatened	Threatened
Piping plover	<i>Charadrius melodus</i>	Threatened	Threatened
Whooping crane	<i>Grus americana</i>	Endangered	Endangered
Black rail	<i>Laterallus jamaicensis</i>	Threatened	Threatened
Red-cockaded woodpecker	<i>Picoides borealis</i>	Endangered	Endangered
Paddlefish	<i>Polyodon spathula</i>		Threatened
Western Creek Chubsucker	<i>Erimyzon claviformis</i>		Threatened
Rafinesque's big-eared bat	<i>Corynorhinus rafinesquii</i>		Threatened
Louisiana black bear	<i>Ursus americanus luteolus</i>		Threatened
Brazos heelsplitter	<i>Potamilus streckersoni</i>		Threatened
Texas fawnsfoot	<i>Truncilla macrodon</i>	Candidate for listing	Threatened
Navasota Ladies'-Tresses	<i>Spiranthes parksii</i>	Endangered	Endangered
Alligator snapping turtle	<i>Macrochelys temminckii</i>		Threatened
Texas horned lizard	<i>Phrynosoma cornutum</i>		Threatened

DS


BK

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