

COMMERCIAL CONTRACT OF SALE

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**”: **Molsen Farms Real Estate, Ltd.**

Address: 3427 Drexel Drive
Dallas, Texas 75225

Phone: (214) 528-6573

Email: samsongr@sbcglobal.net

“**Purchaser**”: **City of Allen, Texas**

Attention: Mr. Peter H. Vargas
Address: 305 Centruy Parkway
Allen, Texas 75013

Phone: (214) 509-4110

Email: pvargas@cityofallen.org

2. PROPERTY. The Property is an approximately 14.0 Acre portion of a 29.9657± acre tract of land located in the Jamison McBain Survey, Abstract No. 491, City of Allen, Collin County, Texas, (“**Seller’s Tract**”) as generally depicted in **Exhibit “A”, SITE PLAN**. The Property includes, all and singular, all improvements and fixtures situated thereon, and all rights and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, or rights-of-way (such land, improvements, fixtures, rights and appurtenances being collectively herein referred to as the “**Property**”), provided, however, Purchaser agrees that Seller, for itself and its successors and assigns, as their interests may appear, reserves from this conveyance unto Seller all oil, gas and other minerals owned by Seller located in and under and that may be produced from the Property to the extent not reserved by prior grantors. The following language regarding Seller’s reservation of minerals and waiver of surface rights shall be included in substance in the special warranty deed:

“There is hereby reserved for Grantor and Grantor’s successors and assigns, all of Grantor’s interest in the oil and gas minerals that are in, on and under the Property and that may be produced from it (“Grantor’s Mineral Interest”). Grantor, hereby agrees that no wells will be drilled on the surface of the Property, and no facilities of any kind (including, but not limited to, roads, pipelines, flow lines, electric power lines, tank batteries or treaters) will be placed on the surface of the Property by Grantor or by any other third party acting pursuant to Grantor’s consent or authority; provided, that such facilities are permitted at levels below 500 feet below the surface of the Property to the extent that such facilities do not, in any manner whatsoever, interfere with the surface or subsurface support of the surface of the Property, including any improvements thereon. Grantor further hereby agrees that Grantor shall not have the right to use the surface of the Property and Grantor hereby waives all rights to use the surface of the Property for any purpose, including, but not limited to the right of ingress and egress upon, across and over the surface of any of the Property for the purpose of mining, drilling, accessing, exploring, operating, treating, transporting or developing the Grantor’s Mineral Interest or performing seismic or other testing on the Property; provided, however, nothing herein contained shall be construed as waiving or preventing Grantor from exploring for, developing or producing the Grantor’s Mineral Interest or lands pooled or unitized therewith, by pooling, by directional or horizontal drilling (including, without limitation, fracturing and other completion techniques) under the Property from surface sites located on tracts other than the Property or by any other method that does not require ingress, egress or use of the surface of the Property; provided further, however, that the well bore for any oil or gas well or any other equipment that enters the subsurface of the Property shall be and remain at a depth of at least 500 feet below the surface of the Property; provided, however, that those operations shall in no manner interfere with the surface or subsurface support of the Property, including any improvements thereon.”

3. PURCHASE PRICE. The purchase price for the Property shall be an amount equal to \$5 Million multiplied by the percentage of the gross area of the Seller’s Tract that Purchaser is going to purchase from Seller as determined by the Survey (the “**Purchase Price**”), payable in cash at the Closing (with the Earnest Money to be applied to the Purchase Price).

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”):

Chicago Title of Texas, LLC
Attn: Jeri Phillips, Escrow Officer
700 Central Expwy. S, Ste 100
Allen, TX 75013

Telephone: (214) 644-1930
Facsimile: (214) 644-1940
E-Mail: jeri@chicagotitletx.com

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. Not later than five (5) Business Days after the Effective Date, Purchaser shall deliver an earnest money deposit in the amount of \$1,000.00 (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). The Title Company will not be required to deposit the Earnest Money in an interest bearing account, provided, that if the Earnest Money is deposited into 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.

5. SURVEY AND TITLE.

A. Survey. Within twenty (20) days after the Effective Date, Purchaser, in coordination with AISD, shall pay for the cost of a new survey (the “**Survey**”). Seller will not be required to pay for any portion of the cost of the new Survey.

Any new Survey must: (1) be prepared by a Registered Professional Land Surveyor; (2) be in a form reasonably acceptable to Purchaser, Seller and the Title Company; (3) set forth a legal description of (a) the boundary of the portion of the Seller’s Tract to be purchased by Purchaser and (b) the boundary of the portion of the Seller’s Tract to be purchased by AISD (the “**AISD Property**”) pursuant to the AISD Contract (as hereafter defined), both by metes and bounds; (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 Seller’s Tract, 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. 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 both the Property and the AISD Property.

B. Title Commitment. Not later than twenty (20) 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 copy of all recorded instruments affecting the Seller’s Tract and recited as exceptions in the Title Commitment; (b) a current tax certificate; and (c) any written notices required by applicable statutes, including those referenced in Section 17. Seller shall pay any expense for delivery of the Title Commitment and Title Documents.

6. REVIEW OF SURVEY & TITLE.

A. Title Review Period. Purchaser shall have **ten (10)** days (the “**Title Review Period**”) after receipt of the last of the 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 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 which is three (3) 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 and the Parties shall have no further obligations pursuant to this Agreement. 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 cure 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, and subject to the reservation of the Minerals and waiver of surface use as described herein.

(2) Leases. There are no parties in possession of any portion of the Property as lessees, tenants at sufferance or trespassers, other than agricultural tenants, and all of such agricultural leases shall be terminated by Seller at or prior to the Closing.

(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 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, leasing commissions, 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) Contamination. The Property is not contaminated with, nor threatened with contamination from any chemical, material, substance or other Hazardous Material to which exposure is prohibited, limited or regulated by any federal, state, county, local or regional authority or which is known to pose a hazard to health and safety and has never been used for a landfill, dump site, underground improvements, storage of hazardous or regulated substances, or by a manufacturer of any product or for any other industrial use, nor, to the best of Seller's knowledge, is the Property subject to any wetlands or other environmental limitation (collectively, “**Contamination**”).

B. Remedies. If Purchaser discovers, before the Closing, that any of Seller's representations or warranties have 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, thereby waiving any claim for misrepresentation; or (2) terminate this Contract by delivering a written termination notice to Seller, in which case the Earnest Money will be refunded 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 encumbrances, if the encumbrance would still be in effect after Closing; (2) enter into any lease or contract affecting the Property, if the lease or contract would still be in effect after Closing, or (3) alter the condition of the Property as of the Effective Date unless authorized in writing by Purchaser or as otherwise required by court order or other lawful order of a governmental authority.

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, Seller is not aware of pending zoning changes and/or current nonconformance with any Federal, State or local laws, ordinances, codes or regulations, and if, during the pendency of this Contract, Seller becomes aware of any pending zoning changes and/or current nonconformance with any Federal, State or local laws, ordinances, codes or regulations, Seller shall disclose same to Purchaser in writing.

9. NO INSPECTIONS REQUIRED. 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. The representations and warranties of Seller in the Contract and the special warranty of title that Seller will make in the warranty deed delivered at Closing are the sole representations and warranties of Seller with respect to the transaction contemplated by the Contract. Seller makes no representation or warranty other than those expressly set forth herein and, except for the warranties and representations expressly set forth herein, the sale of the Property is made on an "as-is" basis, without warranty. Notwithstanding anything in the Contract to the contrary, in the event that any of the Seller's representations or warranties in the Contract becomes untrue or inaccurate between the Effective Date and the date of Closing, Seller shall promptly notify Purchaser of same before Closing, whereupon Purchaser shall, as its sole and exclusive alternative remedies, have the right to either (i) terminate the Contract within ten (10) business days following receipt of notice of such fact by giving written notice of termination to Seller within said period, whereupon the Earnest Money shall be promptly returned to Purchaser, and the parties shall have no further obligations hereunder, (ii) waive any claim or cause of action relating to such fact and proceed to Closing or (iii) extend the Closing for a period of time not to exceed thirty (30) days in order that Seller may attempt to cure the default. Purchaser shall not have the right to make a claim under any particular representation or warranty of Seller to the extent that, prior to Closing, Purchaser becomes aware that the representation or warranty is not accurate and elects to proceed to close. Seller's representations and warranties in the Contract and in any other document delivered in connection therewith (other than the Warranty Deed) shall survive the Closing solely for a period of one (1) year.

10. CASUALTY LOSS AND CONDEMNATION.

A. Damage or Destruction. All risk of loss to the Property will remain upon Seller before the Closing. If, before the Closing, the Property is damaged or destroyed by fire or other casualty to a Material Extent (defined below), then Purchaser may either 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 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; provided, however, in the event that the extent of damage or the amount of insurance proceeds to be made available cannot be determined, or the repairs cannot be completed, prior to the expiration of thirty (30) days after the previously scheduled Closing Date, then Purchaser, at its sole option and discretion, may elect to terminate this Contract, in which event all of the Earnest Money will be immediately returned to Purchaser.

B. Condemnation. If condemnation proceedings are commenced before 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 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 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. 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.

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 or before the later of (i) the forty-fifth (45th) day after the Effective Date of this Contract and (ii) the forty-fifth (45th) day after the Effective Date of the AISD Contract (the “Closing Date”). However, if any objections that were timely made by Purchaser in writing pursuant to Section 6A (Title Review Period) that Seller has agreed to cure or correct 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 which is not more than thirty (30) days after the previously scheduled Closing Date. The Closing Date may also be extended as provided elsewhere in this Contract. The parties acknowledge and agree it is the intent of Seller to sell the entirety of the Seller’s Tract, with the Property being conveyed to Purchaser and the AISD Tract being conveyed to AISD in substantially concurrent closings. Notwithstanding anything in this Agreement to the contrary, the Closing Date of this Contract shall be extended to coincide with the Closing Date of the AISD Contract, regardless of whether or not any other provision of this Contract provides for an extension of the Closing Date.

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

(1) A duly executed Special Warranty Deed 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, the reservation of the Minerals, and waiver of surface use described herein;

(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) with the survey exception modified at Purchaser’s expense to read “any shortages in area;

(3) Possession of the Property, subject to applicable Permitted Exceptions;

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

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

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

(1) The Purchase Price (with the Earnest Money being applied to the Purchase Price);

(2) Evidence of Purchaser's authority and capacity to close this transaction; and

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

D. Closing Costs..

(1) Seller hereby agrees to pay and be responsible for the following closing costs:

(a) the cost of all tax certificates relating to all taxes and other assessments incurred or arising in relation to the Property;

(b) one-half (½) of the Title Company’s escrow fees;

- (c) the basic premium for the Title Policy as provided in Paragraph B(2) of this Section;
- (d) all costs related to obtaining releases of any liens and encumbrances identified in Schedule C of the Title Commitment, including the recording fees for any releases;
- (e) all costs and expenses incurred by or on behalf of Seller, including Seller's attorney's fees; and
- (f) such other incidental costs and fees customarily paid by sellers of real property in Collin County, Texas, for transactions of a similar nature to the transaction contemplated herein.

(2) Purchaser hereby agrees to pay and be responsible for the following closing costs:

- (a) all fees and costs for the Survey;
- (b) one-half (1/2) of the Title Company's escrow fees;
- (c) all costs and expenses incurred by or on behalf of Purchaser, including Purchaser's attorneys' fees;
- (d) all premiums and fees for optional endorsements, deletions and amendments to the Title Policy, including the survey exception as provided in Paragraph B(2) of this Section;
- (e) recording fees for the special warranty deed; and
- (f) such other incidental costs and fees customarily paid by purchasers of property in Collin County, Texas, for transactions of a similar nature to the transaction contemplated herein.

E. Prorations; Rollback Taxes. Except for Rollback Taxes, Seller shall pay at or before Closing all ad valorem taxes, plus any penalties, interest, court costs, and attorneys fees, if any, due on delinquent amounts not paid, for tax years prior to the year in which Closing occurs. In addition, Seller will pay at Closing the pro-rated amount of ad valorem taxes for the Property for the calendar year of Closing in accordance with Texas Tax Code §26.11. All such taxes shall be prorated at Closing using the special use agricultural valuation for the Property and not the full appraised value. PURCHASER IS A POLITICAL SUBDIVISION OF THE STATE OF TEXAS AND EXEMPT FROM PAYMENT OF AD VALOREM TAXES ON PROPERTY OWNED BY IT FROM AND AFTER THE DATE OF ITS CONVEYANCE TO PURCHASER. If the Property has been the subject of special valuation and reduced tax assessments pursuant to the provisions of Chapter 23, Subchapter D, of the Texas Tax Code or under any other provision of law with respect to any period before the Closing, and if additional taxes, penalties, or interest are assessed pursuant to Texas Tax Code §23.55 or under the other provision of law ("Rollback Taxes"), the following will apply:

(1) If Seller changes the use of the Property before Closing, resulting in the assessment of additional taxes for periods before Closing, Seller will be responsible for the payment of the additional taxes; and

(2) If this sale or Purchaser's use of the Property after Closing results in the assessment of additional taxes for periods before Closing, Purchaser will be responsible for the payment of the additional taxes and assessments, if any, and Seller shall not be liable for payment of the additional taxes or assessments.

The obligations of the parties set forth in this paragraph shall expressly survive the Closing.

F. 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 non-foreign affidavit from Seller must 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.

13. DEFAULT AND REMEDIES.

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 terminate this Contract by delivering a written notice to Seller. If Purchaser elects to terminate this Contract due to Seller's default, then, except with respect to Purchaser's remedies as provided for in Section 13C below, Purchaser will be deemed to have waived any other remedies available to Purchaser and the Earnest Money will be returned to Purchaser.

Subject to the remedies of Purchaser as provided for Section 13C below, the foregoing will be Purchaser's sole and exclusive remedies for Seller's default.

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.

C. Post-Closing and Post-Termination Remedies. Notwithstanding any contrary term or provision hereof, if either Purchaser or Seller defaults in the performance of any obligations hereunder that are performable after the termination of this Contract or the Closing hereunder, then, in such event, either party may pursue all available legal or equitable remedies due to any such default.

14. NO REAL ESTATE COMMISSIONS. 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, and no real estate broker, agent, attorney, person, firm or entity 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. To the extent authorized by law, 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 by reason of any dealings or acts of the indemnifying party.

15. 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**") or email ("**Email**") transmission with confirmation of delivery to the Fax numbers or Email addresses 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 in this Contract. 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 Title Company, but failure to notify 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 reasonable 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 15C will survive the termination of this Contract. The terms of any mutual termination agreement will supersede and control over the provisions of this Section 15C 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 will be used, modified as necessary to conform to the terms of this Contract.

E. Attorneys' Fees. The prevailing party in any legal 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 that 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, warranty or covenant contained in this Contract not otherwise discharged at the Closing will survive the Closing.

H. Binding Effect. This Contract will inure to the benefit of, and will 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 and Purchaser's representatives 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.

L. Governing Law; Venue. 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. Venue for any dispute between the parties arising from or related to this Contract shall be in a state court of competent jurisdiction in Collin County, Texas, the personal jurisdiction to which the parties agree to submit.

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. Counterparts; Electronic Signatures. 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. Any counterpart of this Contract may be executed by any party using electronic or facsimile signatures, and such electronic signatures shall be deemed effective as the original signature of such party for all purposes.

16. AISD CONTRACT. Purchaser and Seller understand, acknowledge, and agree that:

A. Seller desires and intends to sell and convey the entirety of the Seller's Tract to Purchaser and the Allen Independent School District ("AISD"); provided, however, such conveyance shall result in the conveyance of two (2) distinct parcels (i.e. the Property being conveyed to Purchaser pursuant to this Contract and the AISD Property being conveyed to AISD pursuant to the AISD Contract);

B. Purchaser and AISD shall be solely responsible for agreeing on what portions of the Seller's Tract each will be purchasing pursuant to this Contract and the AISD Contract and the establishment of the boundaries between the Property and the AISD Property, which agreement shall be memorialized in the boundaries set forth in the Survey and acknowledged in writing by Purchaser and AISD prior to Closing;

C. Seller is seeking to negotiate and execute an agreement with AISD to purchase the AISD Property (the "AISD Contract") containing substantially similar, but not exactly the same, provisions as this Contract;

D. Unless otherwise agreed in writing by Seller and Purchaser, and notwithstanding anything to the contrary in this Contract, this Contract shall terminate immediately upon any termination of the AISD Contract;

E. If this Contract terminates pursuant to paragraph (d), above, Purchaser shall be entitled to reimbursement of the Earnest Money if such termination is not the result of any act or omission by Purchaser and Purchaser is not otherwise in default of this Contract;

F. Closing of the transaction contemplated and described in this Contract and the transaction contemplated and described in the AISD Contract shall occur on the same date;

G. At no time shall this Contract be construed as obligating Purchaser to purchase the entirety of the Seller's Tract.

17. DISPUTE RESOLUTION.

If any dispute (the "Dispute") arises between any of the parties to this Contract, then any party 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 any other action. Within fifteen (15) 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 twenty (20) 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 district 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 2009 of the Texas Government Code and 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.

18. ATTORNEY REPRESENTATION. The parties acknowledge that they have been advised to have this Contract reviewed by legal counsel before signing this Contract.

19. 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.

EXECUTED to be effective as of the Effective Date.

SELLER: **MOLSEN FARMS REAL ESTATE, LTD., a Texas limited partnership**

PURCHASER: **CITY OF ALLEN, TEXAS, a Texas home rule municipality**

By: Molsen Farms, LLC., a Texas limited liability company, its general partner

By: _____
Barbara Kandel, Manager

By: _____
Peter H. Vargas, City Manager

Signed: _____, 2016

Signed: _____, 2016

SELLER'S ATTORNEY:

Robert M. Allen
Higier Allen & Lautin, PC
2711 N. Haskell Ave., Suite 2400
Dallas, Texas 75204

Telephone: (972) 716-1888 Fax: (972) 716-1899
E-mail.: rallen@higierallen.com

PURCHASER'S ATTORNEY:

Kevin B. Laughlin
Peter G. Smith
Nichols, Jackson, Dillard, Hager & Smith, LLP
500 N. Akard, Suite 1800
Dallas, Texas 75201

Telephone: (214) 965-9900 Fax: (214) 965-0010
Email: klaughlin@njdhs.com or psmith@njdhs.com

RECEIPT OF CONTRACT

Title Company acknowledges receipt of a copy of this Contract executed by both Purchaser and Seller on the ____ day of _____, 2016 ("Effective Date").

By: _____
Jeri Phillips, Escrow Officer
Chicago Title Company
700 South Central Expressway, Suite 100
Allen, Texas 75013

EXHIBIT "A"
SITE PLAN DEPICTING APPROXIMATE BOUNDARIES OF
SELLER'S TRACT, THE PROPERTY AND THE AISD PROPERTY

