

**SECOND AMENDMENT TO COMMERCIAL CONTRACT- UNIMPROVED
PROPERTY**

This Second Amendment to Commercial Contract-Unimproved Property (this "Second Amendment") is entered into to be effective as of June __, 2017 (the "Effective Date"), by and between LAKEWAY MUNICIPAL UTILITY DISTRICT ("Seller") and HSD-LAKEWAY HOLDINGS, LTD, OR ASSIGNS ("Buyer").

R E C I T A L S:

A. Contract: Buyer and Seller are parties to a Commercial Contract-Unimproved Property dated effective March 31, 2016, as amended by First Amendment dated September 27, 2016 (collectively, the "Contract") concerning certain real property situated at 1931 Lohmans Crossing, Lakeway, Texas, and being more particularly defined in the Contract (the "Property").

B. Amendment. Buyer and Seller desire to amend the Contract as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree and amend the Contract as follows:

1. Defined Terms. All capitalized terms in this Second Amendment shall have the same meanings as in the Agreement, unless otherwise defined herein.

2. Closing; Closing Extensions.

a. Seller and Buyer acknowledge and agree that as of the Effective Date of this Second Amendment, and pursuant to Section 7 of the Special Provisions Addendum to the Contract, Buyer has (i) exercised the first Closing Extension and has deposited with the Title Company the first Closing Extension Payment of \$10,000,00 which extended Closing to April 2, 2017; (ii) exercised the second Closing Extension and has deposited with the Title Company the second Closing Extension Payment of \$10,000,00, which extended Closing to May 3, 2017; (iii) exercised the third Closing Extension and has deposited with the Title Company the third Closing Extension Payment of \$15,000,00, which extended Closing to June 2, 2017; and (iv) exercised the fourth Closing Extension and has deposited with the Title Company the fourth Closing Extension Payment of \$15,000,00, which extended Closing to *July 3, 2017*.

b. Seller and Buyer acknowledge and agree that as of the Effective Date, and pursuant to Section 7 of the Special Provisions Addendum to the Contract, Buyer retains the right under the Contract to exercise one additional Closing Extension option to extend the Closing for an additional period of thirty (30) days (the "Fifth Closing Extension"), which, if validly exercised, would mean that Closing would occur on *August 2, 2017*.

c. In addition to the above Closing Extensions, Seller hereby grants Buyer the right to further extend the Closing Date for up to four (4) additional periods of thirty (30) days each (the "Sixth Closing Extension", the "Seventh Closing Extension", the "Eighth Closing Extension" and the "Ninth Closing Extension", respectively). Each such Closing

Extension shall be exercised by (i) notifying Seller in writing of such extension and (ii) by depositing the applicable Closing Extension Payment with the Seller, both of which must occur at least five (5) days prior to the scheduled Closing Date (as same may have been previously extended pursuant to the valid exercise of a prior Closing Extension). The Closing Extension Fee for the Sixth Closing Extension, the Seventh Closing Extension, the Eighth Closing Extension and the Ninth Closing Extension shall be \$20,000.00 each; all of which shall be non-refundable to Buyer in all instances, and shall be IN ADDITION TO and NOT APPLICABLE TO the Sales Price at Closing. If all of the aforesaid Closing Extensions are validly exercised, the Closing shall occur no later than *December 2, 2017*.

3. Interim Closing on 4- acre tract. Section 5 of the First Amendment to the Contract is hereby deleted in its entirety and is of no further force or effect.

4. Option for Two Closings.

a. Notwithstanding anything to the contrary contained within the Contract, Seller and Buyer hereby agree that provided the Initial Closing Conditions (as defined below) are satisfied, Buyer may elect to close on the Property in two separate closings, the first of which (the "Initial Closing") shall be only on that portion of the Property comprised of (i) that certain tract of land containing approximately 4.88 acres, and being more particularly identified on Exhibit A attached hereto and incorporated herein for all purposes (the "Police Station Tract"); and (ii) that certain tract of land containing approximately 7.683 acres, and being more particularly identified on Exhibit A attached hereto and incorporated herein for all purposes (the "Senior Apartment Site"); and the second of which closings (the "Second Closing") shall include the remainder of the Property (the "Remainder Property"). If Buyer elects to close in two separate closings, as provided for herein, Buyer shall exercise such option by providing Seller with written notice of same at least five (5) days prior to the scheduled Closing Date. In such event, the following shall apply:

i. The Sales Price for the Police Station Tract and the Senior Apartment Site shall be Four Million and No/100 Dollars (\$4,000,000.00) and the Sales Price for the Remainder Property shall be Seven Million and No/100 Dollars (\$7,000,000.00; and

ii. The Earnest Money and any Closing Extension Payments that are applicable to the Sales Price, will NOT be applied to the Sales Price due at the Initial Closing on the Police Station Tract and the Senior Apartment Site, but will be retained on deposit with the Title Company and/or the Seller as applicable, and applied to the Sales Price for the Remainder Property at the Second Closing.

b. As a condition to the exercise by Buyer of the option to close in two separate closings as provided for herein, Buyer shall have satisfied the following (collectively, the "Initial Closing Conditions"):

i. Buyer shall, at Buyer's sole cost and expense, subdivide the Police Station Tract, the Senior Apartment Site, and the Tank Site, so that at the Initial Closing, Seller shall convey the Police Station Tract and the Senior Apartment Site to Buyer as legally subdivided lots. Seller agrees to co-operate with Buyer in processing an

application for subdivision of the Police Station Tract and the Senior Apartment Site, provided that Seller shall not be obligated to incur any costs associated with such subdivision process.

ii. Buyer shall have satisfied all of the Conditions to Closing as detailed in Section 7 of the Special Provisions Addendum to the Contract, including but not limited to the finalization and recordation of a mutually acceptable Pond Agreement and Tank Site Storm Water Easement.

c. With respect to the Remainder Property, the Second Closing shall occur within eighteen (18) months of the Initial Closing (the "Second Closing Extension Period"), on a date to be determined by Buyer by providing Seller with at least thirty (30) days prior written notice. Buyer shall be liable to pay to Seller a closing extension fee (the "Second Closing Extension Fee") for each thirty (30) days period during the Second Closing Extension Period, which Second Closing Extension Fee is payable in advance, and without notice or demand, and is non-refundable in all instances other than a Seller default, and shall be IN ADDITION TO and NOT APPLICABLE to the Sales Price for the Remainder Property. The initial Second Closing Extension Fee shall be due and payable on the Initial Closing date and each subsequent Second Closing Extension Fee shall be due and payable in advance on the expiration of each thirty day period thereafter until the occurrence of the Second Closing date. The Second Closing Extension Fee shall be in the amount of \$30,000.00 for each thirty day period or part thereof during the Second Closing Extension Period.

d. In addition to the Second Closing Extension Period, and provided Buyer is not in default under the Contract, Buyer may elect to further extend the Second Closing for up to six (6) additional periods of thirty (30) days each (the "Additional Second Closing Extension Period") by (i) notifying Seller in writing of such extension and (ii) by depositing the applicable Closing Extension Payment with the Seller, both of which must occur at least five (5) days prior to the scheduled Closing Date (as same may have been previously extended pursuant to the valid exercise of a prior Closing Extension). The Closing Extension Fee for each thirty day period during the Additional Second Closing Extension Period shall be \$35,000.00 each; all of which shall be non-refundable to Buyer in all instances, and shall be IN ADDITION TO and NOT APPLICABLE TO the Sales Price at Closing.

5. Ratification. In all other respects, the Contract shall continue in full force and effect, unmodified except to the extent provided herein, and Seller and Buyer hereby RATIFY and AFFIRM the same.

6. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile or electronic (email) copies of the signature pages to this Second Amendment shall be deemed to be originals for all purposes of this Second Amendment.

7. Conflict. In the event there is any conflict between the terms and provisions of the Contract and this Second Amendment, the terms and provisions of this Second Amendment shall control.

8. Modifications. This Second Amendment and the Contract cannot be modified in any manner other than by written modification executed by Seller and Buyer.

9. Successors and Assigns. This Second Amendment is binding upon and inures to the benefit of Seller and Buyer and their respective successors and assigns.


10. Representations and Warranties. Seller and Buyer represent and warrant to each other respectively that they have the requisite power and authority to enter into this Second Amendment; that all necessary and appropriate approvals, authorizations and other steps have been taken to effect the legality of this Second Amendment; that the signatories executing this Second Amendment on behalf of Seller and Buyer have been duly authorized and empowered to execute this Amendment on behalf of Seller and Buyer, respectively; and that this Second Amendment is valid and shall be binding upon and enforceable against Seller and Buyer and their respective successors and assigns and shall inure to the benefit of Seller and Buyer and their respective successors and assigns.

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Executed to be effective on the Effective Date of this Amendment.

SELLER:

LAKEWAY MUNICIPAL UTILITY DISTRICT

By: 
Name: LARRY BURMEIER
Title: PRESIDENT

BUYER:

HSD-Lakeway Holdings, Ltd.,
a Texas limited partnership

By: HSD-Lakeway GP, Inc.,
A Texas corporation
Its General Partner


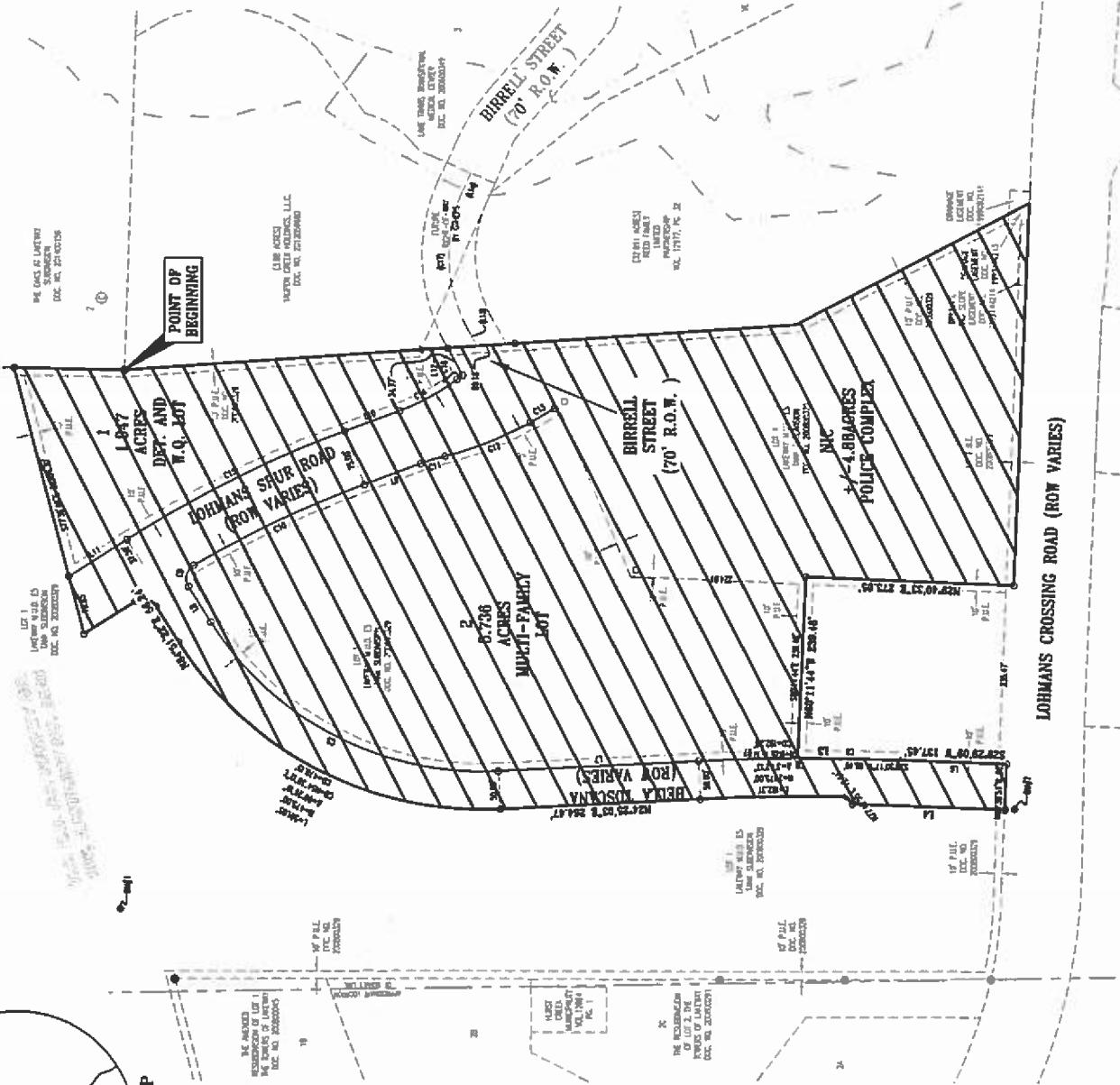
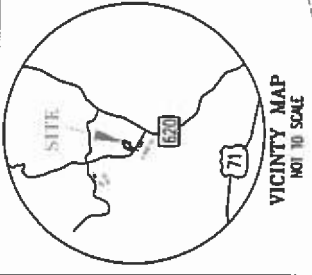
By: 
Name: HAYTHEM DAWLETT
Title: _____

EXHIBIT A
DESCRIPTION OF THE POLICE STATION TRACT
[SEE ATTACHED]

PROPOSED ACQUISITION EXHIBIT LAKEWAY M.U.D. E5 TANK



DATE: JUNE 15, 2017

OWNER:
GENERAL MANAGER
LAKEMOUNT MUNICIPAL UTILITY DISTRICT
c/o EARL L. FOSTER
1057 LOHMAN'S CROSSING ROAD
LAKEWAY, TEXAS 78724
(512) 261-6222 phone
(512) 261-6681 fax

ENGINEER & SURVEYOR:
CARLSON, BRIDANCE & DOERING, INC.
5501 WEST WILLIAM CANNON DRIVE
AUSTIN, TEXAS 78749
(512) 280-5160 phone
(512) 280-5165 fax

FEMA MAP NUMBER: 48453C 0405H
DATE: SEPTEMBER 28, 2008
TRANS COUNTY, TEXAS



APPROX. ACRES: 15.28 ACRES

PROPOSED ACQUISITION EXHIBIT

Carlson, Bridance & Doering, Inc.
1501 West William Cannon
Austin, Texas 78749
Phone: (512) 280-5160
Fax: (512) 280-5165

PATH - Lakeway mud acquisition tract 06152017.dwg