

FIRST AMENDMENT TO COMMERCIAL CONTRACT- UNIMPROVED PROPERTY

This First Amendment to Commercial Contract- Unimproved Property (this "Amendment") is entered into to be effective as of September 27, 2016 (the "Effective Date"), by and between LAKEWAY MUNICIPAL UTILITY DISTRICT ("Seller") and HSD-LAKEWAY HOLDINGS, LTD, OR ASSIGNS ("Buyer").

RECITALS:

A. Contract: Buyer and Seller are parties to a Commercial Contract- Unimproved Property dated effective March 31, 2016 (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 Amendment shall have the same meanings as in the Agreement, unless otherwise defined herein.

2. Sales Price. Section 3A of the Contract is hereby amended such that the Sales Price is adjusted to Eleven Million and No/100 Dollars (\$11,000,000.00), which adjusted Sales Price is confirmed by Seller and Buyer to include the cost of the LUE's.

3. Feasibility Period Extension. Subject to payment of the Feasibility Period Extension Payment (defined below), Seller and Buyer hereby agree to extend the Feasibility Period so as to expire on *January 31, 2017*.

4. Feasibility Period Extension Payment. In consideration for Seller agreeing to extend the Feasibility Period as provided in this Amendment, Seller and Buyer hereby instruct the Title Company to release to Seller within one (1) business day of the mutual execution of this Amendment, the amount of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) from the Earnest Money (the "Feasibility Period Extension Payment"), which amount shall be non-refundable to Buyer in all instances (other than a Seller default), and shall be in addition to and not applicable to the Sales Price at Closing.

5. Interim Closing on 4- acre tract. Seller and Buyer acknowledge and agree that the Property includes a tract of land containing approximately 4.347 acres, and being more particularly identified as "Tract 2a" on Exhibit A attached hereto and incorporated herein for all purposes (the "4-acre tract"). Seller hereby grants to Buyer the option to close the purchase of the 4-acre tract prior to the Closing Date established under the Contract, subject to the terms, covenants, conditions and provisions herein set forth:

a. Buyer shall, at Buyer's sole cost and expense, obtain and deliver to Seller an independent third party appraisal of the 4-acre tract (the "Appraisal") prepared by an appraiser reasonably acceptable to Seller. The Sales Price for the 4-acre tract shall be the appraised value as determined by the Appraisal, provided that in no event shall the Sales

Price be less than Six Hundred Fifty Thousand and No/100 Dollars (\$650,000.00), irrespective of the appraised value.

b. Buyer shall, at Buyer's sole cost and expense, obtain and deliver to Seller for review, a land title survey of the 4-acre tract (the "4-acre survey"). The 4-acre survey shall be subject to the prior written approval of Seller, which approval shall not be unreasonably withheld.

c. Buyer shall, at Buyer's sole cost and expense proceed to apply for and subdivide the 4-acre tract from the remainder of the Property, so that at the closing of the 4-acre tract (the "4-acre tract Closing"), the 4-acre tract shall be conveyed by Seller to Buyer as a legal lot. Seller agrees to co-operate with Buyer in processing an application for subdivision of the 4-acre tract, provided that Seller shall not be obligated to incur any costs associated with such subdivision process.

c. The 4-acre tract Closing shall occur on the later of: (i) fifteen (15) days after recordation of the subdivision plat for the 4-acre tract, or (ii) fifteen (15) days after written notice to Seller from Buyer requesting closing on the 4-acre tract; provided that Buyer may not provide such written notice to Seller prior to expiration of the Feasibility Period.

b. The 4-acre tract shall be conveyed by Seller to Buyer by special warranty deed and, except as expressly provided in this Amendment to the contrary, otherwise subject to all of the terms and conditions of the Contract as applicable to the Property. Notwithstanding anything in the Contract to the contrary, the Conditions to Closing as detailed in Section 7 of the Special Provisions Addendum to the Contract shall not be conditions precedent to the closing on the 4-acre tract.

6. 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.

7. Counterparts. This 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 Amendment shall be deemed to be originals for all purposes of this Amendment.

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

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

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

11. 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 Amendment; that all necessary and appropriate approvals, authorizations and other steps have been taken to effect the legality of this Amendment; that the signatories executing this Amendment on behalf of Seller and Buyer have been duly authorized and empowered to execute this Amendment on

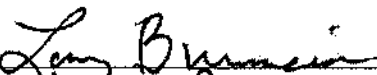
behalf of Seller and Buyer, respectively; and that this Amendment is valid and shall be binding upon and enforceable against Seller and Buyer and their respective successors and assigns and shall inure to the benefit of Seller and Buyer and their respective successors and assigns.

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

SELLER:


LAKEWAY MUNICIPAL UTILITY DISTRICT

By: 
Name: LARRY BURMETER
Title: PRESIDENT

BUYER:

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

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

By: 
Name: Hampton Dawlett
Title: President

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EXHIBIT A
DIAGRAM OF THE 4-ACRE TRACT

[SEE ATTACHED]



Justice Center Location #2
LMUD Tract (1935 Lohmans Crossing)

Tract 1 - 0.681 acres
Tract 2a - 4.347 acres
Tract 2b - 4.448 acres
Future ROW - 1.765 acres

Buildable Area:
Tract 1 & 2a = 182,381 ft²
Tract 2b = 170,197 ft²

Future Street Construction
Cost Estimate = \$530,000