

STATE OF TEXAS §
§
COUNTY OF DALLAS §

PURCHASE AND SALE AGREEMENT

Seller: Farmers Branch Local Government Corporation, a Texas non-profit local government corporation

Seller's Address: Attn: Benjamin Williamson, City Manager
City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234

Purchaser: Stonewood Investments, Inc.
18484 Preston Road, Suite 208
Dallas, Texas 75252-5475
c/o Robert S. Stone

Property: Tracts 1 ands 2 described in Section 1.2 and Exhibit "A."

Price: Three Million Dollars (\$3,000,000.00)

Title Company: Capital Title of Texas
8333 Douglas Avenue, Ste 1400
Dallas, Texas 75225
c/o Stacie Taylor

Closing Date: The thirtieth (30th) day after the end of the Inspection Period, prior to 5:00 p.m. CDT

Earnest Money: \$10,000.00 to be deposited with Title Company within three (3) days of the Effective Date.

THIS PURCHASE AND SALE AGREEMENT (the “Agreement”) is made and entered into as of the last date of signature hereinbelow (the “Effective Date”) between Stonewood Investments, Inc., a Texas domestic profit corporation (Buyer), and the Farmers Branch Local Government Corporation, a Texas public non-profit Corporation created by the City of Farmers Branch, Texas (Seller).

In consideration of the mutual covenants and representations herein contained, Seller and Purchaser agree as follows:

I.
PURCHASE AND SALE

1.1 Purchase and Sale. The Property is owned by the City of Farmers Branch, Texas, a Texas home rule municipality, and at closing, will be conveyed to the Seller for resale to Purchaser. This Agreement controls the sale of the Property from Seller to Purchaser and is contingent on the conveyance of the Property from the City to Seller at or prior to closing. The terms and conditions of this Agreement pertaining to Seller that predate the closing date shall be performed by the City.

1.2 Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, the following described property and/or rights (herein collectively called the “Property”):

BEING two tracts of land, described as follows:

Tract 1 being 1.3764 acre of land located in the Thomas Keenan Survey, Abstract No. 733, City of Farmers Branch, Dallas County, Texas, and being all of the tract of land conveyed to the City of Farmers Branch, Dallas County, Texas, according to the deed recorded in the Instrument No. 202000237202, of the Deed Records of Dallas County, Texas. Said 1.3764 acre of land being more particularly described by metes and bounds in Exhibit “A,” attached hereto and incorporated herein, together with any improvements currently located thereon, and all and singular Seller’s right, title and interest in and to any of the rights, privileges, advantages, easements benefitting the Property and improvements, rights and appurtenances pertaining to the Property, and any other appurtenances belonging thereto, subject to Permitted Exceptions set forth hereinafter.

Tract 2 being 1.5561 acre of land located in the Thomas Keenan Survey, Abstract No. 733, City of Farmers Branch, Dallas County, Texas, and being two tracts of land conveyed to the City of Farmers Branch, Dallas County, Texas, according to a Court Case Number CC-68-447, described in a deed recorded in Volume 92063, Page 228, and Volume 99088, Page 4543, of the Deed Records of Dallas County, Texas. Said 1.5561 acre of land also including Lot 1, Block 4, Word of Faith Communication Center Addition, to the City of Farmers Branch, Dallas County, Texas, according to the plat recorded in Volume 84140, Page 3145, of the Plat Records of Dallas County, Texas, and said 1.5561 acre of land being more particularly described by metes and bounds in Exhibit “A,” attached hereto and incorporated herein, together with any improvements currently located thereon, and all and singular Seller’s right, title and interest in and to any of the rights, privileges, advantages, easements benefitting the Property and improvements, rights and appurtenances pertaining to the Property, and any other appurtenances belonging thereto, subject to Permitted Exceptions set forth hereinafter.

II.
PURCHASE PRICE

2.1 Purchase Price. The purchase price (the “Purchase Price”) for the Property shall be Three Million and no/100 Dollars (\$3,000,000.00), which shall be paid by Purchaser to Seller in immediately available funds at the Closing.

III.
SURVEY, TITLE, INSPECTION, PROPERTY
INFORMATION AND PURCHASER'S REQUIREMENTS

3.1 Survey. Seller shall furnish to Purchaser, at Seller's expense, the most recent survey of the Property in Seller's possession, if such exists. Within fifteen (15) days after the Effective Date, Purchaser, at Seller's expense, may obtain a new survey of the Property which survey shall satisfy the following requirements: (i) prepared by a surveyor or engineer licensed in the State of Texas; (ii) in such form that the Title Company will amend the survey exceptions from the Owner's Title Policy (as hereinafter defined) to delete all portions thereof save "shortage in area"; (iii) certified to Purchaser and Seller by such surveyor or engineer in a manner reasonably satisfactory to Purchaser as being true and accurate and showing thereon all buildings, structures and other improvements, easements, building lines (together with the recording information concerning the documents creating any such easements and building lines), sewage, water, electricity, gas and other utility facilities, roads, and means of ingress and egress to and from the Property to a public road; and (iv) revealing no encroachments onto the Property from any adjacent property, no encroachments by or from the Property onto any adjacent property, nor any violation by any of the improvements on the Property of any recorded building line or easement or other restrictive covenant or ordinance affecting the Property. Purchaser shall deliver to Seller and the Title Company a copy of the Survey obtained by Purchaser promptly upon receipt by Purchaser, which Survey shall be subject to the reasonable approval of Seller. All matters shown on the Survey shall be included in the term Permitted Encumbrances (as defined below).

3.2 Owner's Title Policy Commitment. Purchaser shall obtain at the Closing (as defined below) an owner's policy of title insurance for the Property (the "Owner's Title Policy") from the Title Company, at Purchaser's cost and expense, based upon a commitment for title insurance for the Property (the "Commitment") to be furnished to Purchaser by the Title Company following the Effective Date. The Commitment shall identify the Property and easements appurtenant thereto by the legal description set forth on the Survey. The Owner's Title Policy shall contain endorsements, unless prohibited by law or indicated by exception to the contrary stating (i) all of the parcels comprising the Property are contiguous and that the Property is contiguous to any property containing easements appurtenant thereto (as applicable), (ii) the Property abuts the public street(s) immediately adjacent thereto and has direct access thereto, and (iii) such other endorsements as Purchaser may reasonably require. Seller will provide to the Title Company any abstracts of title covering the Property and/or any other form of title evidence it may have in its possession, including any attorney's title opinion or any owner's title insurance policy in its possession. The Commitment and Owner's Title Policy shall only contain exceptions for liens, encumbrances, easements or other matters that have not been objected to by Purchaser in writing and cured by Seller prior to Closing (with Seller having no obligation to cure any such objections) (the "Permitted Encumbrances"). Seller shall reasonably cooperate with Purchaser in helping Purchaser to eliminate such exceptions from Purchaser's Commitment as Purchaser may desire eliminated, and further, Seller shall reasonably cooperate with Purchaser in order for all requirements of Closing outlined in the Commitment to be accomplished in all respects. Notwithstanding anything to the contrary in this Section 3.2, Purchaser shall have obtained the Commitment and delivered any objections thereto (the "Objection Notice") to Seller within ten (10) business days after the date of Purchaser's receipt of the Title Commitment. Seller may elect

but shall not be obligated to cure any of the items set forth in the Objection Notice and shall furnish Purchaser with written notice of its response to the Objection Notice. Within ten (10) days after Seller's delivery of its response to the Objection Notice, Purchaser shall notify Seller (based on Seller's response to the Objection Notice, if any) whether Purchaser elects to terminate this Agreement due to Seller's failure to cure the matters set forth in the Objection Notice. If Purchaser so elects to terminate this Agreement, any Earnest Money shall be delivered to Purchaser and the parties shall have no further obligations under this Agreement, except those that specifically survive the termination hereof. If Purchaser fails to deliver a termination notice during such ten (10) day period, Purchaser shall be deemed to have elected not to terminate this Agreement and to proceed with Closing in accordance with the terms hereof.

3.3 Inspection. (a) The Inspection Period under this Agreement commences on the Effective Date and ends on the thirtieth (30th) day thereafter. On reasonable notice and at reasonable times, the Purchaser shall have the right to conduct an inspection of the Property and any and all improvements thereon. If Purchaser obtains an inspection report that shows the improvements to be in need of structural repair or reveals the need for remediation or correction of a condition on the Property, Purchaser shall provide a copy of the inspection report to Seller. Seller elects not to perform repairs or corrections shown in the inspection report, and Purchaser accepts the Property and improvements AS IS, WHERE IS, AND WITH ALL FAULTS.

(b) During the Inspection Period, Purchaser may review and conduct any studies relating to engineering and environmental matters associated with the Property; provided, however, no invasive testing (such as a Phase II ESA) shall be permitted without Seller's prior written consent, given in Seller's sole and absolute discretion. Notwithstanding the foregoing to the contrary, if a Phase I Environmental Site Assessment (a "Phase I ESA") is performed on behalf of Purchaser by a reputable and licensed environmental engineer or professional engineering firm (as applicable, "Environmental Consultant"), and, in the reasonable opinion of said Environmental Consultant, the findings of such Phase I ESA discloses materials and/or conditions affecting the Property such that the performance of a Phase II Environmental Site Assessment (a "Phase II ESA") is recommended in order to fully assess same, then Seller agrees to not unreasonably withhold its consent to the performance of a Phase II ESA at the Property on conditions, in locations and with a scope approved in advance in writing by Seller. Upon completion of any Phase I ESA and/or Phase II ESA, Purchasers shall promptly provide a copy of same to Seller. No Phase II ESA shall commence prior to the delivery of the Phase I ESA to Seller.

(c) Purchaser shall repair, or cause to be repaired, any damage to the Property caused by Purchaser, and/or its agents, contractors, representatives, consultants, or employees. Purchaser shall indemnify and defend Seller and City and hold Seller and City harmless from and against any and all claims, liabilities, or damages to the Property or against Seller caused by intentional or negligent acts or omissions of Purchaser and/or Purchaser's authorized agents, representatives or employees during the Inspection Period or as a result of any inspection of the Property by such parties.

IV.

REPRESENTATIONS AND WARRANTIES; DISCLAIMER

4.1 Representations and Warranties of Seller. As an inducement to Purchaser to enter into this Agreement and to purchase the Property, Seller warrants, represents and covenants to Purchaser as of the Effective Date and as of the Closing, the following:

(a) Authority. Seller (i) has the authority and power to enter into this Agreement and to consummate the transactions contemplated therein and herein; and (ii) upon execution hereof will be legally obligated to Purchaser in accordance with the terms and provisions of this Agreement.

(b) Conflicts. The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Seller on the Closing Date, and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under, any contract, agreement or other instrument to which Seller is a party, any judicial order or judgment of any nature by which Seller is bound.

(c) Condemnation. Seller has not received any written notice of, nor is Seller aware of, any pending, threatened or contemplated action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.

(d) Litigation. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened, by or against or affecting Seller or the Property or any portion thereof which does or may affect any portion of the Property or title thereto. Seller will, promptly upon receiving any such written notice or learning of any such contemplated or threatened action, give Purchaser prompt written notice thereof.

(e) No Violations. To Seller's knowledge, there are no violations of state, federal or local laws, ordinances, or other legal requirements with respect to the Property or any portion thereof. Seller has not received notice (oral or written) that any municipality or governmental or quasi-governmental authority has determined that there are such violations. In the event Seller receives notice of any such violations prior to the Closing, Seller shall promptly notify Purchaser thereof.

(f) Prior Options. No prior options or rights of first refusal have been granted by Seller to any third parties to purchase or lease any interest in the Property, or any part thereof.

When used herein, the phrase "to Seller's knowledge," "nor is Seller aware of" or derivations thereof shall mean the current actual knowledge of Seller without the duty of inquiry. Seller will execute any documents as may be reasonably required by Purchaser at Closing to evidence the continued effectiveness of the warranties, representations and covenants contained within this Section.

4.2 Representations and Warranties of Purchaser. As an inducement to Seller to enter into this Agreement and to sell the Property, Purchaser warrants, represents and covenants to Seller as of the Effective Date and as of the Closing, the following:

(a) Authority. Purchaser (i) has the authority, power, and sufficient funding, to enter into this Agreement and to consummate the transactions contemplated therein and herein; and (ii) upon execution hereof will be legally obligated to Seller in accordance with the terms and provisions of this Agreement. Purchaser shall provide, to Seller's reasonable satisfaction, verification of its ability to fund the purchase contemplated herein.

(b) Conflicts. The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Purchaser on the Closing Date, and the performance by Purchaser of Purchaser's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under, any contract, agreement or other instrument to which Purchaser is a party, any judicial order or judgment of any nature by which Purchaser is bound.

(c) Organization. Purchaser has been duly organized and is validly existing in good standing in the state in which it was formed and the state where the Property is located.

(d) Prohibited Persons and Transactions. Neither Purchaser nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

Purchaser will execute any documents as may be reasonably required by Seller at Closing to evidence the continued effectiveness of the warranties, representations and covenants contained within this Section.

(e) Sale Subject to Provisions of Tex. Loc. Govt. Code §272.001. Purchaser acknowledges that the City has contracted with Seller as an independent foundation to sell the Property without requiring an auction or solicitation of competitive bids.

4.3 Warranties, Representations and Covenants to Survive Closing. The warranties, representations and covenants made by the parties shall survive the Closing of this Agreement and the Closing Date and shall continue in full force and effect without termination for a period of six (6) months (the "Survival Period"), and no claim shall be allowed on any such representation or warranty unless the claimant both (i) delivers written notice of the claim to the other party within the Survival Period and (ii) thereafter files suit against the other party within two (2) years of when the claimant first discovered the breach. Each party shall have the right to bring an action against the other on the breach of a representation or warranty hereunder so long as such party complies with (i) and (ii) in the preceding sentence. Wherever in this Agreement Seller or Purchaser shall have agreed or promised to perform certain acts or grant certain easements or other rights, where

the context of the Agreement would require such performance to occur after the Closing, then those agreements and covenants shall survive the Closing and continue to bind Seller and Purchaser. The provisions of this Section 4.3 shall survive the Closing. Any breach of a representation or warranty by Seller or Purchaser that occurs prior to Closing shall be governed by Section 8.

4.4 Disclaimer. Except for Seller's representations expressly set forth in this Agreement and Seller's special warranty of title set forth in the Deed delivered at Closing (collectively, "Seller's Representations"), Purchaser is purchasing the Property, and the Property shall be conveyed and transferred to Purchaser, "AS IS, WHERE IS, AND WITH ALL FAULTS" and specifically and expressly without any warranties, representations, or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Seller. Seller further acknowledges and agrees there are no oral agreements, warranties or representations collateral to or affecting the Property by Seller, any agent of Seller or any third party. The terms and provisions of this Section 4.4 shall expressly survive the Closing, not merge with the provisions of any Closing Documents, and shall be specifically incorporated into the Deed.

(b) Except as otherwise specifically set forth in this Agreement and except for the special warranties of title set forth in the special warranty deed, Seller hereby specifically negates and disclaims any representations, warranties or guarantees of any kind or character, whether express or implied, oral or written, past, present, future or otherwise, of, as to, concerning or with respect to the Property, including without limitation (i) the nature and condition of the Property and the suitability thereof for any and all activities and uses which Buyer may elect to conduct thereon, (ii) the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or any other matter relating in any way to the Property, (iii) the compliance of the Property or its operation with any laws, ordinances or regulations of any government or other authority or body, (iv) the existence of any toxic or hazardous substance or waste in, on, under the surface of or about the Property, (v) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water and faulting, (vi) whether or not and to the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, flood prone area, floodplain, floodway or special flood hazard, (vii) drainage, (viii) zoning or land use restrictions rules and regulations to which the Property or any portion thereof may be subject, (ix) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric and including the utility availability capacities allocated to the Property by the relevant governmental or regulatory authority, (x) usages of adjoining property, (xi) access to the Property or any portion thereof, (xii) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, durability, structural integrity, operation, leasing, title to, or physical or financial condition of the Property or any portion thereof, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof, (xiii) the potential for further development of the Property, or (xiv) the merchantability of the Property or fitness of the Property for any particular purpose (Buyer affirming that Buyer has not relied on Seller's skill or judgment to select or furnish the Property for any particular purpose, and that Seller makes no warranty that the Property is fit for any particular purpose).

(c) Buyer agrees that prior to the expiration of the Inspection Period it will have the opportunity to examine and investigate the Property and that, in purchasing the Property, Buyer will rely solely upon its independent examination, study, inspection and knowledge of the Property and Buyer's determination of the value of the Property and uses to which the Property may be put, and not on any information provided or to be provided by Seller, except for representations and warranties specifically set forth herein and the special warranties of title set forth in the special warranty deed, knowledge of the Property.

EXCEPT AS EXPRESSLY INCORPORATED INTO SELLER'S REPRESENTATIONS, SELLER HAS NOT, DOES NOT, AND WILL NOT, WITH RESPECT TO THE PROPERTY, MAKE ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE, OR WITH RESPECT TO THE VALUE, PROFITABILITY, OR MARKETABILITY OF THE PROPERTY.

V.
CLOSING

5.1 Conditions Precedent. Seller's and Purchaser's obligation to consummate this transaction is expressly conditioned upon the conditions precedent set forth in Section 5.1(a) through Section 5.1(f) below. In the event that all of the conditions precedent are not satisfied or waived by the applicable party in writing by the Closing Date, such party may terminate this Agreement.

(a) All the representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects as of the Effective Date and on the Closing Date.

(b) All the representations and warranties of Purchaser set forth in this Agreement shall be true and correct in all material respects as of the Effective Date and on the Closing Date.

(c) Seller shall have duly performed or complied with all covenants, acts and agreements to be performed or complied with by Seller on or prior to the Closing Date in all material respects.

(d) Purchaser shall have duly performed or complied with all covenants, acts and agreements to be performed or complied with by Purchaser on or prior to the Closing Date in all material respects.

(e) On the Closing Date, there will be no third-party injunction, writ, preliminary restraining order or any order of any nature issued or threatened by a court of competent jurisdiction directing that the transaction contemplated by this Agreement not be consummated, and there shall be no litigation affecting the Property or Seller's interest therein other than the Lawsuit.

(f) The Title Company will have irrevocably committed to issue the Owner's Title Policy.

5.2 Closing. Provided all conditions and requirements hereunder have been satisfied as set forth in this Agreement, closing of the transactions contemplated hereby (the "Closing") shall occur in the thirtieth (30th) day after the end of the Inspection Period, prior to 5:00 p.m. CDT (the "Closing Date") through the offices of the Title Company.

5.3 Items to be Delivered by Seller at the Closing. At the Closing, Seller shall deliver or cause to be delivered to Purchaser, at Seller's expense, each of the following items:

(a) A special warranty deed (the "Deed") in form attached hereto as Exhibit B and incorporated herein by reference, duly executed and acknowledged, granting, conveying and warranting to Purchaser indefeasible fee simple title to the Property, free and clear of any liens, encumbrances, easements, restrictions or other matters except the Permitted Exceptions, and otherwise in form acceptable to the Title Company.

(b) Such evidence that may be reasonably required by Purchaser or the Title Company to evidence the status and capacity of Seller and the authority of the persons who are executing the various documents on behalf of Seller.

(c) A Foreign Investment in Real Property Tax Act Affidavit executed by Seller.

5.4 Items to be Delivered by Purchaser at the Closing. At the Closing, Purchaser shall deliver or cause to be delivered to Seller, at Purchaser's expense, each of the following items:

(a) The Purchase Price.

(b) An updated Title Commitment irrevocably committing the Title Company to issue as soon as practical after Closing the Owner's Title Policy.

(c) Such evidence that may be reasonably required by Seller or the Title Company to evidence the status and capacity of Purchaser and the authority of the persons who are executing the various documents on behalf of the Purchaser.

5.5 Prorations. Purchaser is responsible for ad valorem taxes, if any, allocated to the time period after the Closing Date. Seller is responsible for any and all "rollback taxes" or other taxes resulting from any change in land usage or ownership that may become due with respect to the Property arising from Seller's ownership prior to the Closing Date. If the final amounts for all items to be prorated are not known at the Closing, the parties will use the amounts that are most current and available, and to the extent of any differences with such amounts after the actual amounts for the prorated items are received, the parties will re-prorate such items after such Closing. All other prorations will be as of the Closing Date on an accrual basis in accordance with generally accepted accounting principles.

5.6 Possession. Possession of the Property shall be delivered to Purchaser at Closing subject to the Permitted Exceptions.

5.7 Closing Costs. Except as otherwise expressly provided herein, Purchaser shall pay, on the Closing Date, the cost of a survey (if Purchaser obtains a survey) and a tax certificate, all recording costs of the Deed, escrow fees for any earnest money deposit, all premiums for the Owner's Policy of Title Insurance and any modification or endorsement thereto requested by Purchaser, including amendment of the survey exception or the T-19 endorsement, all premiums for any Mortgagee Policy of Title Insurance requested by Purchaser, and any documents of Purchaser's lender, and other customary charges of the Title Company paid by purchasers. Seller shall pay recording costs of releases of any liens to be released by Seller, Seller's attorney's fees, and other costs, charges, and expenses incurred by Seller. Any other costs of Closing not allocated herein shall be paid by Purchaser.

5.8 Close of Escrow. Upon satisfaction or completion of the foregoing conditions and deliveries, the parties shall direct the Title Company to immediately record and deliver the documents described above to the appropriate parties and make disbursements according to the closing statements executed by Seller and Purchaser.

VI. RISK OF LOSS

6.1 Destruction, Condemnation. As any improvements on the Property are not material to the Purchase Price, damage to or destruction of the Property shall not affect the obligations of the parties and Closing shall occur as scheduled with no reduction in the Purchase Price. In such event, Seller shall on the Closing Date pay or assign to Purchaser all insurance proceeds then received or to be received by Seller related to the casualty coverage. In the event of any taking or threat of taking by condemnation (or any conveyance in lieu thereof of the Property or any portion thereof by anyone having the power of eminent domain), Purchaser shall, by written notice to Seller delivered within fifteen (15) days of receiving written notice from Seller of such event, elect to: (i) terminate this Agreement, whereupon the Earnest Money shall be promptly returned to Purchaser (and Seller shall so direct the Title Company), and all of Seller's and Purchaser's obligations under this Agreement and this Agreement shall become null and void and no party shall have any right, duty or obligation under this Agreement, or (ii) consummate the purchase of the Property. In the event Purchaser does not elect to terminate this Agreement, Seller shall on the Closing Date pay to Purchaser all condemnation awards and compensation then received by Seller. In addition, Seller shall transfer and assign to Purchaser, in form reasonably satisfactory to Purchaser, all rights and claims of Seller with respect to payment for damages and compensation on account of such or taking. Seller will not settle any condemnation or eminent domain or any award or payment in connection with a change in grade of any street, road, highway or avenue in respect of or in connection with the Property, or any portion thereof, without obtaining Purchaser's prior consent in each case.

VII. DEFAULT

7.1 Breach by Seller. In the event that Seller shall fail to consummate this Agreement for any reason, Purchaser's default, or a termination of this Agreement by Purchaser or Seller pursuant to a right to do so under the provisions hereof, then Purchaser shall have, as its sole and

exclusive remedy, the right to terminate this Agreement and receive a refund of the Earnest Money. Seller and the City are government entities, each with sovereign/governmental immunity, which is not waived by this Agreement. Seller and Purchaser acknowledge that this Agreement is not a contract for providing goods or services and is not subject to subchapter I, Chapter 271, Texas Local Government Code.

7.2 **Breach by Purchaser.** In the event that Purchaser shall breach any of its obligations hereunder prior to Closing or shall fail to consummate this Agreement at Closing for any reason other than Seller's default or the termination of this Agreement by Purchaser or Seller pursuant to a right to do so under the terms and provisions hereof, then Seller, as its sole and exclusive remedy for such pre-Closing breach, may terminate this Agreement and receive the Earnest Money as liquidated damages.

7.3 Notice and Cure. Seller and Purchaser covenant and agree, each with the other, to give to the other written notice of any default occurring under this Agreement, and such party in default shall have a period of five (5) days following receipt of such notice to cure such default prior to the exercise of any right or remedy provided in this Agreement by the non-defaulting party; provided, however, either party shall be obligated to provide the other party written notice of default and opportunity to cure on account of such party's failure to close the purchase of the Property on the Closing Date prior to the exercise of any right or remedy of either party provided in this Agreement on account thereof. Notwithstanding the above, neither party shall have the right to cure a default involving failure to close this transaction on the Closing Date.

VIII. MISCELLANEOUS

8.1 Notices. All notices, demands and requests which may be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective when (i) personally delivered to the address of the party to receive such notice set forth below or, (ii) whether actually received or not, three (3) days after deposited in any post office or mail receptacle regularly maintained by the United States Government, certified or registered mail, return receipt requested, postage prepaid, addressed as set forth below, or (iii) sent by facsimile, if confirmed with delivery of a copy of the notice sent and the machine generated confirmation of receipt by the recipient of the facsimile transmission by a national overnight courier service the next day with proof of delivery, addressed as set forth below, or (iv) sent for next day delivery by a national overnight courier service with proof of delivery addressed as set forth below:

If to Seller: Farmers Branch Local Government Corporation
City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234
Attn: Benjamin Williamson, City Manager

With a copy to: Nichols, Jackson, Dillard, Hager & Smith, LLP
500 N. Akard Street, Suite 1800
Dallas, Texas 75201
Attention: David Berman

If to Purchaser: Stonewood Investments, Inc.
18484 Preston Road, Suite 208
Dallas, Texas 75252-5475
c/o Robert S. Stone

If to Title Company: Capital Title of Texas
8333 Douglas Avenue, Ste 1400
Dallas, Texas 75225
c/o Stacie Taylor

or such other place as Seller or Purchaser or Title Company, respectively, may from time to time designate by written notice to the other.

8.2 Entire Agreement. This Agreement embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter hereof, which are not expressly set forth herein.

8.3 Amendment. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

8.4 Headings. The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

8.5 Time of Essence. Time is of the essence in the performance of each party's obligations under this Agreement.

8.6 Calculation of Time Periods. Any and all references in this Agreement to time periods which are specified by reference to a certain number of days refer to calendar days, unless "business days" is otherwise expressly provided. In computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday for national banks in the location where the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday.

8.7 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction, to the effect that any ambiguities are to be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

8.8 Governing Law. This Agreement shall be governed by the laws of the State of Texas and the laws of the United States pertaining to transactions in Texas. Exclusive venue shall be in the courts of proper jurisdiction in Dallas County, Texas.

8.9 Successors and Assigns. This Agreement shall bind and inure to the benefit of Seller and Purchaser and their respective legal representatives, successors and permitted assigns. Purchaser may assign Purchaser's rights under this Agreement without the prior written consent of Seller to an affiliate of the Purchaser in which either Purchaser or its members retain majority control. Purchaser shall not otherwise have the right to assign Purchaser's rights under this Agreement without the prior written consent of Seller, which consent shall not be unreasonably withheld. If such assignment is made, then the sale of the Property will be consummated in the name of any such assignee, and, after written notice of any such assignment and assumption by the assignee of Purchaser's obligations hereunder, Seller will look solely to such assignee for the performance and discharge of all the obligations and liabilities of Purchaser hereunder, the Purchaser, in such event, being relieved of any obligation and liability hereunder.

8.10 Invalid Provision. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

8.11 Attorneys' Fees. In the event it becomes necessary for either party hereto to file suit to enforce this Agreement or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided herein, reasonable attorneys' fees incurred in such suit.

8.12 No Third-Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third-party beneficiary, decree, or otherwise.

8.13 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

8.14 Date of this Agreement. As used in this Agreement, the terms "date of this Agreement" or "date hereof" or "Effective Date" shall mean and refer to the latest date of execution of this Agreement by Seller or Purchaser, as indicated on the signature page.

8.15 No Partnership. Nothing in this Agreement shall be deemed in any way to create between the Parties any relationship of partnership, joint venture or association, and the Parties disclaim the existence thereof.

8.16 Waiver. The failure to enforce any particular provision of this Agreement on any particular occasion shall not be deemed a waiver by either party of any of its rights hereunder, nor

shall it be deemed to be a waiver of subsequent or continuing breaches of that provision, unless such waiver be expressed in a writing signed by the party to be bound.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, and the Effective Date is, as of the date of the last signature below.

SIGNED AND AGREED this the _____ day of _____, 2026.

SELLER:

**FARMERS BRANCH LOCAL GOVERNMENT
CORPORATION**, a Texas public non-profit local
government corporation

By: _____
Name: _____
Title: _____

SIGNED AND AGREED this the _____ day of _____ 2026.

PURCHASER:

STONEWOOD INVESTMENTS, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of the Land

BEING two tracts of land, described as follows:

Tract 1 being 1.3764 acre of land located in the Thomas Keenan Survey, Abstract No. 733, City of Farmers Branch, Dallas County, Texas, and being all of the tract of land conveyed to the City of Farmers Branch, Dallas County, Texas, according to the deed recorded in the Instrument No. 202000237202, of the Deed Records of Dallas County, Texas. Said 1.3764 acre of land being more particularly described by metes and bounds in Exhibit "A," attached hereto and incorporated herein, together with any improvements currently located thereon, and all and singular Seller's right, title and interest in and to any of the rights, privileges, advantages, easements benefitting the Property and improvements, rights and appurtenances pertaining to the Property, and any other appurtenances belonging thereto, subject to Permitted Exceptions set forth hereinafter.

Tract 2 being 1.5661 acre of land located in the Thomas Keenan Survey, Abstract No. 733, City of Farmers Branch, Dallas County, Texas, and being two tracts of land conveyed to the City of Farmers Branch, Dallas County, Texas, according to a Court Case Number CC-68-447, described in a deed recorded in Volume 92063, Page 228, and Volume 99088, Page 4543, of the Deed Records of Dallas County, Texas. Said 1.5561 acre of land also including Lot 1, Block 4, Word of Faith Communication Center Addition, to the City of Farmers Branch, Dallas County, Texas, according to the plat recorded in Volume 84140, Page 3145, of the Plat Records of Dallas County, Texas, and said 1.5561 acre of land being more particularly described by metes and bounds in Exhibit "A," attached hereto and incorporated herein, together with any improvements currently located thereon, and all and singular Seller's right, title and interest in and to any of the rights, privileges, advantages, easements benefitting the Property and improvements, rights and appurtenances pertaining to the Property, and any other appurtenances belonging thereto, subject to Permitted Exceptions set forth hereinafter.

EXHIBIT B

Form of Special Warranty Deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS:

YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

After Recording Return To:

SPECIAL WARRANTY DEED

STATE OF TEXAS § KNOW ALL MEN BY THESE PRESENTS:
§
COUNTY OF TARRANT §

That Farmers Branch Local Government Corporation (“Grantor”), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration to Grantor paid by the Grantee named below, the receipt of which is hereby acknowledged, by these presents does GRANT, SELL and CONVEY unto Stonewood Investments, Inc., (“Grantee”), all Grantor’s right, title and interest in and to all of that certain real property in Dallas County, Texas, described on Exhibit “A” attached hereto and made a part hereof for all purposes (the “Land”), together with all improvements located thereon (the “Improvements”), all easements, if any, benefiting the Land or the Improvements, and without warranty, all rights and appurtenances pertaining to the foregoing (collectively, the “Property”).

This conveyance is made subject to the following Permitted Exceptions:

1. Rights of the public to any portion of the above described property lying within the boundaries of dedicated or existing roadways or which may be used for road or street purposes.
2. Visible and apparent easements over or across subject property.
3. Any and all licenses, easements, restrictions, covenants, conditions and reservations of record, if any, applicable to the herein conveyed property or any part thereof.

4. 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 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, (a) 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; and (b) that those operations shall in no manner interfere with the surface or subsurface support of the Property, including any improvements thereon.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, Grantee's successors and assigns forever; and Grantor does hereby bind itself and its successors and assigns to WARRANT and FOREVER DEFEND all and singular the said Property unto Grantee, Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise, subject to the Permitted Exceptions.

EXECUTED this _____ day of _____, 2026.

GRANTOR:

FARMERS BRANCH LOCAL GOVERNMENT CORPORATION, a Texas public non-profit local government corporation

By: _____

its _____

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2026, by _____
_____, the _____ of Farmers Branch Local Government
Corporation, on behalf of said entity.

Notary Public, State of Texas