

C O N T R A C T

Developer of 5p World Subdivision → LANDAR CORPORATION ("Landar"), a Texas business corporation, and BRAZOS RIVER AUTHORITY ("Authority"), a river authority of the State of Texas, contract as follows:

I.

RECITALS

Landar is the owner of land adjoining Possum Kingdom Lake in the David Strong A-399 Survey, the B.B.B. & C.R.R. Co. A-99 Survey, and the C.E.P.I. & M. Co. A-1229 Survey, in Palo Pinto County, Texas. Authority owns and operates Possum Kingdom Lake ("The Lake") in Palo Pinto, Stephens and Young Counties, Texas. The area of The Lake to which the aforesaid land of Landar is adjacent is an area of great scenic beauty. The Board of Directors of Authority is greatly concerned that the scenic beauty of that area and other areas of The Lake be preserved and that it not be disturbed by the presence of man-made facilities on the surface of The Lake. To this end, it has under development a plan for restricting the placing of boat docks, boat houses and other facilities on The Lake in areas where the presence of said facilities would impair scenic and aesthetic values of particular importance. Pending the completion of such study, it has adopted the policy of refusing permission to owners of property adjacent to The Lake to place such facilities on The Lake. Landar expects to develop its properties adjacent to The Lake. It is also concerned with the maintenance of the scenic beauty of the area of The Lake adjacent to its properties because the value of its properties is greatly enhanced by their proximity to The Lake, especially to the area of The Lake in question. In order to have satisfactory development, it is necessary for Landar to have permission to locate facilities for launching, landing and housing boats on some portion of its properties and on the area of The Lake adjoining such portion. The ability of Authority to maintain the scenic beauty of the area of The Lake adjacent to the Landar property will be greatly enhanced if Authority can acquire an island in the area which is part of what is known as Hell's Gate. The purpose of this contract is to provide that Landar will assist the Authority in maintaining the scenic beauty of the area of The Lake in question by placing restrictions in the deeds of certain lots which it expects to sell which will forbid the maintenance of boat docks, boat houses and other facilities on the waters of The Lake adjacent to such lots and will notify the successors in title to Landar that no such facilities will be permitted on The Lake by Authority; that Landar will convey the island which is part of Hell's Gate to Authority; that Authority will permit facilities for launching, landing and housing boats which conform to its regulations in a certain area of The Lake adjacent to Landar's properties; and that purchasers of lots other than those restricted as hereinabove indicated will be notified by Landar that they may not locate facilities on the waters of The Lake without permission from Authority, which may or may not be granted.

II.

RESTRICTIONS

Landar agrees that in all deeds from it conveying any portion of its properties fronting The Lake along the line represented in red on the attached plat, it will include restrictions on use which will restrict its grantees and their successors in title from maintaining any facilities on the surface of The Lake, including but not limited to facilities for launching, landing or housing boats, and that each said deed shall contain a statement to the effect that no such facilities will be permitted on the waters of The Lake by Authority. Each said deed shall also provide that no structures shall be located nearer than fifty (50) feet horizontally to The Lake shoreline (i.e., the 1,000-foot contour line).

(3)

III.

CONVEYANCE OF ISLAND

Landar agrees to convey to Authority by special warranty deed an island which is part of Hell's Gate and which is that certain 8.08 acres above the 1,000-foot contour line of elevation which was reserved by the grantors in deed from W. H. Belding, et al, to Brazos River Conservation and Reclamation District, dated May 2, 1940, and recorded in Volume 183, Page 418 of the Deed Records of Palo Pinto County, Texas.

IV.

BOATING FACILITIES

Authority agrees that Landar and its successors in title may erect and permanently maintain facilities for launching, landing and housing boats generally in the area of The Lake adjoining the area colored in yellow on the attached plat, with The Lake frontage in question to extend a distance of 800 feet in an easterly direction from the most westerly point extending into The Lake in the area colored in yellow, and a distance of 1,000 feet in a southerly direction from said point. It is anticipated that the facilities to be erected and maintained pursuant to this paragraph will be gradually developed over a period of time in accordance with need. Said facilities, as developed, shall be developed in accordance with regulations of the Authority for the governance of Possum Kingdom Lake and subject to approval by the Authority, which approval shall not be unreasonably withheld. Said facilities shall be open to the public. Landar shall pay to Authority the periodic fees for maintenance of such facilities on waters of The Lake under the schedule of fees, as amended from time to time, promulgated by the Board of Directors of the Authority which is applicable to all similar facilities maintained by parties other than Authority lessees. No facility may extend further than 150 feet into The Lake from the shoreline nor more than one-third of the distance between opposite shorelines of any area of The Lake; in narrow sections of The Lake where the distance between opposite shorelines is 120 feet or less, a clear channel at least 40 feet in width shall be maintained between the facilities on opposite shorelines with the location of such channel being as nearly as practical over the deepest portion of that section of The Lake.

(4)

V.

INFORMATION TO PURCHASERS

Landar agrees to inform in writing the purchasers of portions of its properties adjacent to The Lake which adjoin The Lake at places other than the shoreline indicated in red on the attached plat that no facilities for landing, launching or housing boats or for other purposes may be maintained on the waters of The Lake without the written consent of Authority, which may be granted or withheld as Authority's Board of Directors shall from time to time determine. (5)

VI.

RELEASE OF LIEN

Landar shall obtain release of any liens covering the island, above described, prior to closing as hereinafter provided.

VII.

CLOSING

The transaction provided in this contract shall be closed by delivery by Landar of the deed, above described, on or before the 31st day of July, 1979. The undertakings of the parties set forth herein, other than for the delivery of such deed, shall survive the closing.

DATED THIS THE 16th day of July, 1979.:
LANDAR CORPORATION

By Robert H. Lanier
Chairman of the Board

ATTEST:

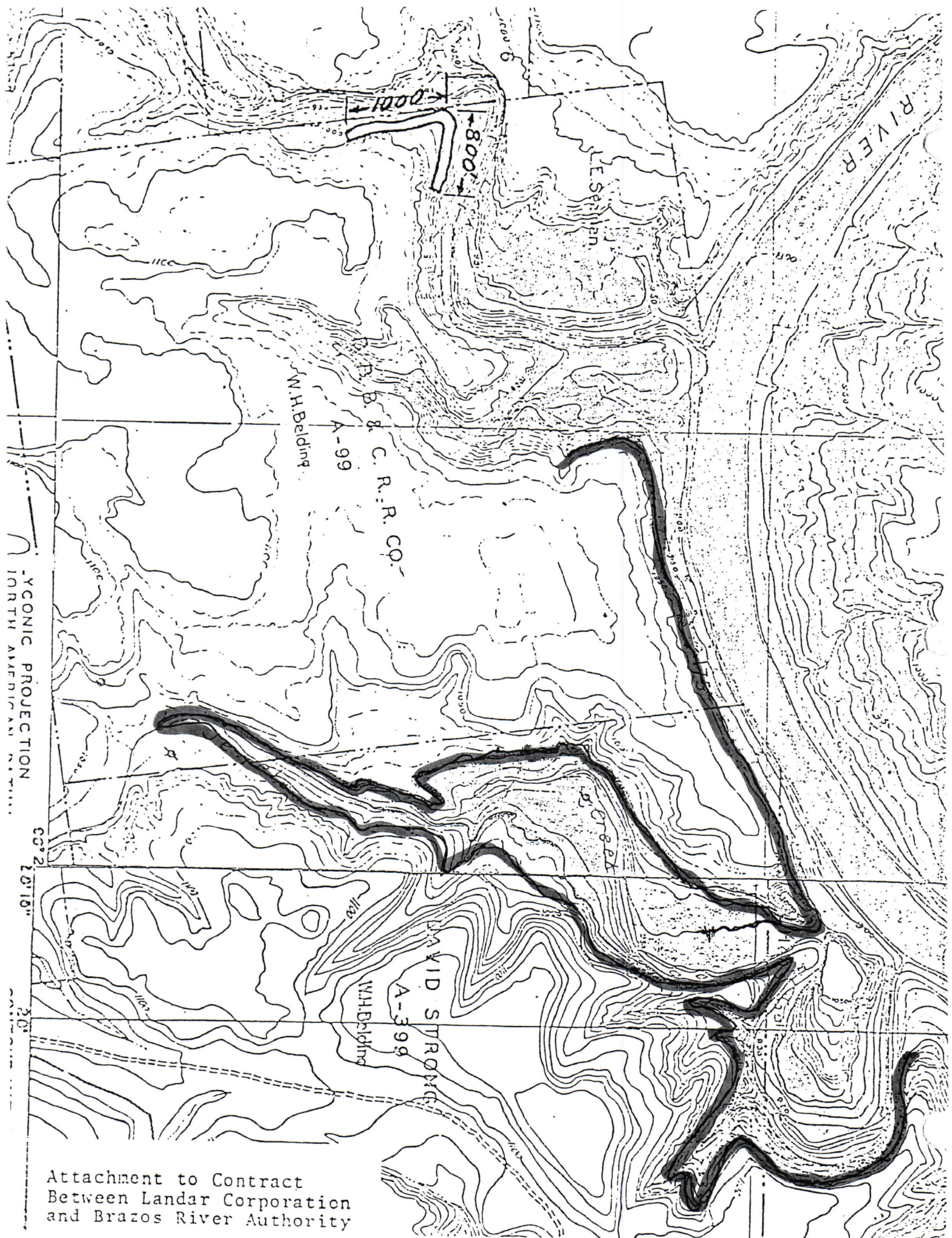
Robert L. Lanier, Jr.
Asst. Secretary

BRAZOS RIVER AUTHORITY

By Walter H. Wells
General Manager

ATTEST:

Jack Woolley
Assistant Secretary



Attachment to Contract
Between Landar Corporation
and Brazos River Authority