

EXHIBIT "C"

TERMS OF NUTCRACKER GOLF CLUB OPTION

I. Property Subject to Option.

All of the real property described on Schedule I attached hereto and all improvements and fixtures located thereon, including the clubhouse, cart barn and all pumps, motors and irrigation systems used solely in connection with the operation of the Nutcracker Golf Course, and all furniture, appliances, equipment (except as hereafter provided), and tools used in connection with the operation and maintenance of the Nutcracker Golf Club and Health Club (collectively, the "Property"), except the Property shall not include any rolling stock equipment or vehicles such as golf carts, maintenance carts, tractors, and riding mowers unless otherwise agreed by both parties. The Association may purchase any of the rolling stock equipment excluded above at a mutually agreeable price (if such equipment is owned by the Anthony Group) or the Association may assume any existing leases covering such equipment. All golf pro shop inventory and inventories of food, chemicals and fertilizer existing as of the Closing Date shall be purchased by the Association at the Anthony Group's actual cost of such inventories. The Anthony Group shall retain water rights to all water held in all lakes located on the Nutcracker Golf Course (the "Nutcracker Lakes").

II. Purchase Terms.

A. Purchase Price – The total Purchase Price shall equal the sum of the following amounts: (i) \$1,750,000.00 (as hereafter adjusted), (ii) the agreed price of any rolling stock equipment purchased by the Association, and (iii) the cost of the inventories. Beginning two (2) years after the Effective Date, the amount set forth in (i) above shall be increased by 3% on an annual basis.

B. Payment of Purchase Price. - The Purchase Price shall be payable to the Anthony Group either in cash or, at the Association's election, the execution and delivery by the Association to the Anthony Group of a promissory note (the "Note") in the amount of the Purchase Price (subject to closing adjustments). The Note will mature in twenty (20) years and monthly payments of principal and interest will be based on a twenty (20) year amortization. Interest shall accrue at an annual rate equal to the prime rate (as published by The Wall Street Journal) plus 1%, and shall be adjusted every four years. In no event shall the interest rate exceed 12% or be less than 7%. The Note may be prepaid at any time without penalty. The Note will be secured by a first lien deed of trust against the Property and a vendor's lien retained in the conveying deed.

C. Closing Date – The Closing of the purchase of the Property shall be on such date as is mutually agreed upon by the Association and the Anthony Group; provided, however, in no event shall Closing be later than 90 days after the date of execution of the Contract of Sale. If Closing does not occur within such 90-day period (unless such failure to close is caused by the Anthony Group's default), the Option shall terminate unless an extension to close is agreed to by both parties.

D. Closing – At Closing, the Anthony Group shall deliver the following documents:

(1) A Special Warranty Deed conveying the Property to the Association, subject to no liens and only those exceptions identified in the title commitment to be issued in connection with the closing of this transaction.

(2) A Bill of Sale conveying the equipment and personal property purchased by the Association.

(3) At the Anthony Group's expense, a standard Texas Owner Policy of Title Insurance covering the Property in the amount of \$1,500,000 insuring that the Association has fee simple title to the Property, subject only to the exceptions described in the title commitment. The Association shall pay the premium charged for amending the standard survey exception, if requested by the Association.

E. Survey – The Anthony Group shall deliver to the Association all maps, plats or surveys in its possession covering the Property or any part thereof; however, the Anthony Group shall have no obligation to deliver a current or revised survey of the Property. Any new or revised survey shall be obtained by the Association at its sole expense.

F. Closing Adjustments – Ad valorem taxes relating to the Property for the calendar year in which the Closing shall occur shall be prorated between the Anthony Group and the Association as of the Closing Date. All other income and ordinary operating expenses of the Property shall be prorated effective as of the Closing Date.

G. Condition of Property – The Property shall be conveyed to the Association "AS IS," "WHERE IS" and "WITH ALL FAULTS," and the Association expressly acknowledges that the Anthony Group will make no warranty or representation, express or implied, or arising by operation of law, with respect to the Property or any portion thereof.

III. Other Provisions.

A. Water Rights – The Association shall purchase, or make other arrangements for the delivery of, sufficient quantities of water to adequately irrigate the Nutcracker Golf Course throughout the year. The Association may contract with the Brazos River Authority ("BRA") or any other party for the purchase of its irrigation water or it may purchase its irrigation water from the Anthony Group. The Anthony Group agrees to sell and deliver irrigation water to the Association at a reasonable price based on the Anthony Group's power costs, cost of water, recovery of asset depreciation, repair and maintenance, plus

a reasonable profit not to exceed 15% of such costs. The Anthony Group shall install certified meters, at its expense, at each diversion point for water pumped from the Nutcracker Lakes. The Anthony Group's obligation to sell water to the Association for irrigation of the Nutcracker Golf Course is subject to the Anthony Group's ability to obtain adequate quantities of water from Lake Granbury and the BRA. The Anthony Group does not guarantee that it will be able to provide adequate quantities of water to the Association for such purposes.

If the Association elects to purchase its irrigation water from an alternative source, the Anthony Group agrees to deliver the Association's irrigation water to the Nutcracker Golf Course through its delivery system at a cost equal to the cost determined under the preceding paragraph less the Anthony Group's water costs. Such water shall be delivered to the pumps on the Nutcracker Lakes at the current locations of such pumps. The Anthony Group shall retain ownership of all water in the Nutcracker Lakes until it is pumped through the Association's meters. The Anthony Group shall not be liable to the Association or any other party for any delay or interruption in the delivery of water to the delivery points as a result of any equipment breakdown, repair or maintenance, loss of electrical power, material or equipment shortages, *force majeure* or any other matter beyond the reasonable control of the Anthony Group.

B. Rights of the Anthony Group – Each purchaser of a lot from the Anthony Group shall have access to the Nutcracker Golf Club and the golf course under the same terms and conditions as all other members of the Association, or if the Nutcracker Golf Club continues as a limited or separate membership facility, such lot purchasers shall, at the time of their purchase of a lot, be granted an option to become members of the Nutcracker Golf Club on the same terms and conditions as the other members thereof, until the membership limit of 700 members (or any higher limit subsequently adopted by the Club) is reached. Each new purchaser of a lot from the Anthony Group must exercise their option to join the Nutcracker Golf Club within 60 days after completion of a residence on their lot, after which time such purchaser's option will automatically expire.

The Anthony Group shall have the same rights of access to the Nutcracker Golf Club and the golf course for itself and its customers and prospective customers as is currently provided in Section 14 of the Lenmo Agreement.

If the Nutcracker Golf Club continues to operate with either separate classifications of membership or limited membership, Mr. and Mrs. James E. Anthony and the immediate families of their six children shall retain the highest classification of membership in the Nutcracker Golf Club at no fees or assessment costs.

C. Assumption of Membership Obligations – Upon its purchase of the Nutcracker Golf Club, the Association agrees to assume all rights and obligations of the Owner as set out in the Membership Bylaws and Rules and Regulations of the Nutcracker Golf Club.

D. No Commercial Activity – The Association will not use or permit the use of, or sell or sublease, the Property or any part thereof, for any business or commercial activity or use other than the operation of a first class golf course facility and directly related uses (e.g., pro shop sales, golf cart rentals, green fees, etc.). The deed to the Association shall include restrictions on the use of the Property as provided herein.

E. Easements

(1) The Anthony Group may reserve for itself and its assigns the following easements:

(a) A 30-foot utility, drainage and access easement around the perimeter of the Nutcracker Golf Course and around the perimeter of each of the Nutcracker Lakes.

(b) General utility, drainage and access easements over and across the Property for the following purposes: (i) the installation, maintenance and operation of an alternate water distribution system, including pumps, filters, and other related equipment, (ii) the installation and maintenance of adequate drainage facilities to serve surrounding subdivisions, and (iii) the installation and maintenance of general utilities (e.g., electric, telephone, sewer, water, gas and cable) for the use of surrounding subdivisions. All such easements shall be located so as to minimize, to the extent reasonably practicable, any interference with the operation of the Nutcracker Golf Course.

(c) Easements for all existing utility, drainage and irrigation lines across the Property that service any other property owned by the Anthony Group or other portions of Pecan Plantation shall be reserved for the benefit of the Anthony Group and its assigns