



The City of Liberty
Liberty Community Development Corporation

1829 Sam Houston Street
Liberty, TX 77575
www.cityofliberty.org

Meeting
~ Agenda ~

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, November 18, 2014

6:00 PM

City Council Chambers

The Liberty Community Development Corporation of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

Attendee Name	Present	Absent	Late	Arrival
President Dennis Beasley	☐	☐	☐	
Vice-President Mike McCarty	☐	☐	☐	
Board Member Louie Potetz	☐	☐	☐	
Board Member Barbara Norwood	☐	☐	☐	
Board Member Leslie Herndon	☐	☐	☐	
Board Member David Arnold	☐	☐	☐	
Board Member Mark Campbell	☐	☐	☐	
General Manager Gary Broz	☐	☐	☐	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / CITIZENS FORUM

III. PRESENTATIONS / REPORTS

A. LCDC Information Item (ID # 3161)

Project Updates - Gen. Mgr. Gary Broz

B. LCDC Information Item (ID # 3162)

Financial Report - Gen. Mgr. Gary Broz

IV. CONSENT AGENDA

All consent items listed are considered to be routine by the LCDC and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A. Minutes Approval

1. Tuesday, October 21, 2014

V. REGULAR AGENDA

A. Regular Session

1. LCDC Corporation Action (ID # 3163)

Discussion, with Lee College President Dennis Brown, regarding advanced educational initiatives for our community, and take any action deemed necessary.

2. LCDC Corporation Action (ID # 3164)

Consider proposals for landscaping services for the monument at the west entrance to the City, and take any action deemed necessary.

3. LCDC Corporation Action (ID # 3165)

Consider proposals for additional plants in the Hwy. 90 median, and take any action deemed necessary.

4. LCDC Corporation Action (ID # 3166)

Discussion of proposal for placement of Way-Finding signage, and take any action deemed necessary.

5. LCDC Corporation Action (ID # 3167)

Consider purchase of real property from Lon Morris College for the Street Project, and take any action deemed necessary.

- Property Sale Contract-Lon Morris (PDF)
- Warranty Deed-Lon Morris (PDF)

6. LCDC Corporation Action (ID # 3168)

Consider purchase of real property from Methodist Hospital, Houston, for the Street Project, and take any action deemed necessary.

- Property Sale Contract-Methodist Hosp (PDF)
- Warranty Deed-Methodist Hosp (PDF)

VI. ADJOURNMENT

A. Motion To: Adjourn

CERTIFICATION

I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 14th day of November, 2014 at 3:00 p.m. This notice will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

Dianne Tidwell, Corp. Secretary

NOTICE

In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.

I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the _____ day of _____, 2014.



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

3.A

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Reports

LCDC INFORMATION ITEM (ID # 3161)

DOC ID: 3161



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

3.B

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Reports

LCDC INFORMATION ITEM (ID # 3162)

DOC ID: 3162



The City of Liberty

Liberty Community Development Corporation

1829 Sam Houston Street
Liberty, TX 77575
www.cityofliberty.org

Meeting

~ Minutes ~

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, October 21, 2014

6:00 PM

City Council Chambers

The Liberty Community Development Corporation of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Dennis Beasley	President	Present	
Mike McCarty	Vice-President	Present	
Louie Potetz	Board Member	Present	
Barbara Norwood	Board Member	Present	
Leslie Herndon	Board Member	Present	
David Arnold	Board Member	Present	
Mark Campbell	Board Member	Absent	
Gary Broz	General Manager	Present	
Dianne Tidwell	Corp. Secretary	Present	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / CITIZENS FORUM

President Beasley welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Board.

III. PRESENTATIONS / REPORTS

A. LCDC Information Item (ID # 3127)

Project Updates - Gen. Mgr. Gary Broz

COMMENTS - Current Meeting:

General Manager Gary Broz reported on a handout reflecting the status of the Street Project as follows:

Water Line - 92% complete

Gate Valves - 17 installed

Fire Hydrantas - 16 installed

Sewer Line - 76% complete

Manholes - 98% complete

Lift Station - 38% complete

Minutes Acceptance: Minutes of Oct 21, 2014 6:00 PM (Minutes Approval)

5X3 Box Culverts - completely installed

Mr. Broz further reported that there were 341 days for project completion, with 213 days remaining. Project cost to date is \$1,139,130.00.

Further discussion was held to include that construction has begun on the Fuel Maxx Convenience Store at FM 1011 & Hwy. 146, Stripes Convenience Store at the Bypass and Hwy. 146 will begin clearing brush on November 3rd, and management is continuing work with other businesses to locate in the City of Liberty.

Mr. Broz also mentioned that according to the 2014 Edition of the Texas Retail Survey, of the top 50 counties ranked by retail sales, Liberty County is No. 18.

B. LCDC Information Item (ID # 3128)

Financial Report

COMMENTS - Current Meeting:

General Manager Gary Broz reported on the Corporation's financials ending September 30, 2014. Mr. Broz reviewed the balance sheet and financial statement, commenting on the various revenues and expenditures. It was also noted that there is \$725,435.00, in revenue over expenses, of non-committed funds. Mr. Broz concluded by stating that the Corporation's fund balance is \$4,094,442.

IV. CONSENT AGENDA

All consent items listed are considered to be routine by the LCDC and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Mike McCarty, Vice-President
SECONDER:	Leslie Herndon, Board Member
AYES:	Beasley, McCarty, Potetz, Norwood, Herndon, Arnold
ABSENT:	Mark Campbell

A. Minutes Approval

1. Tuesday, July 08, 2014

V. REGULAR AGENDA

A. Regular Session

1. LCDC Corporation Action (ID # 3129)

Presentation by Mr. Jay Knight regarding upgrades to the west entrance to the City of Liberty, and take any action deemed necessary.

COMMENTS - Current Meeting:

Mr. Broz reported that he was approached by Clayton Bracey, Precision Lawns, regarding a project to upgrade the west entrance to the City of Liberty. A presentation was made by Mr. Bracey and Jay Knight regarding a landscape plan depicting the various types of vegetation and foliage proposed. Lengthy discussion was held regarding plant descriptions, crepe myrtles in the Hwy. 90 median, maintenance, various costs and other related issues.

The Board's consensus was to put this project out for proposals, to give others the opportunity to participate.

RESULT:	NO ACTION TAKEN
----------------	------------------------

2. LCDC Corporation Action 2014-11

Discussion of proposed hike and bike trails in the City, and take any action deemed necessary.

COMMENTS - Current Meeting:

The Liberty Bike Club addressed the Board regarding a project to create bike routes and related signage, in the City of Liberty. Laurie Gonzales, Trinity River National Wildlife Refuge biologist, working with the bike club, detailed the proposed bicycle routes, crossings, signage and other issues related to this project.

After further discussion of the routes, map review, and related topics, a motion was made that LCDC agrees to pay for the supplies presented, at a cost of \$4,244.00, that this request be presented to City Council, and that the City join in the project by providing the necessary labor.

Also, relating to hike and bike trails, Ms. Gonzales further reported that the Trinity River National Wildlife Refuge is constructing a boardwalk through the refuge to serve as a walking trail. Ms. Gonzales has received \$85,000 in funding to complete this "Crosswalks to Boardwalks" Project. However, after believing that the project was 100% funded, it was brought to her attention that soil testing samples would need to be collected. These samples will provide estimated geotechnical soil parameters required for design of the Diamond Pier Pin Foundation system for the boardwalk. Cost of the services for testing, to be provided by Terracon Consultants, is \$3,250.00.

A motion was made by Board Member Herndon, seconded by Board Member Norwood authorizing the Liberty Community Development Corporation to fund the cost of the geotechnical services for this project, at a cost of \$3,250.00.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barbara Norwood, Board Member
SECONDER:	Leslie Herndon, Board Member
AYES:	Beasley, McCarty, Potetz, Norwood, Herndon, Arnold
ABSENT:	Mark Campbell

3. LCDC Corporation Action (ID # 3131)

Minutes Acceptance: Minutes of Oct 21, 2014 6:00 PM (Minutes Approval)

Discussion of proposal for placement of Way-Finding signage and take any action deemed necessary.

COMMENTS - Current Meeting:

General Manager Gary Broz led a discussion regarding proposed way-finding signage to be located in the City of Liberty. Discussion included signage on Hwy. 90 pointing to other areas of interest in the City, to include the Municipal Park, downtown area, courthouse, and other community attractions.

Mr. Broz will bring this topic to a future meeting, to include specific proposed signage and project costs.

RESULT: NO ACTION TAKEN

4. LCDC Corporation Action (ID # 3132)

Discussion of downtown lighting grant and other downtown electric upgrades, and take any action deemed necessary.

COMMENTS - Current Meeting:

General Manager Gary Broz requested that this agenda item be passed on, as he is awaiting additional information and working on a grant with better funding.

RESULT: NO ACTION TAKEN

5. LCDC Resolution 2014-2

Consider a Resolution in support of a boat ramp grant, and take any action deemed necessary.

COMMENTS - Current Meeting:

General Manager Gary Broz reported on a Resolution supporting a grant application for a new boat ramp to be located on the east side of the Trinity River, on the north side of the bridge. Mr. Broz presented a map of the location and a conceptual project budget. This is a 75/25 matching grant, with a proposed project cost of approximately \$666,666.00. Other entities to be involved in the grant are the City of Liberty, Port of Liberty, and Chambers-Liberty Counties Navigation District. If the State awards the bid in the amount of \$500,000 (75%), a total of \$166,666 remains for the various entities to fund. Mr. Broz also stated that this property would need to be purchased and the property owner is willing to negotiate, should the grant be received.

A motion was made to support the grant application to Texas Parks and Wildlife for a boating access facility.

RESULT: APPROVED [UNANIMOUS]
MOVER: David Arnold, Board Member
SECONDER: Barbara Norwood, Board Member
AYES: Beasley, McCarty, Potetz, Norwood, Herndon, Arnold
ABSENT: Mark Campbell

6. LCDC Corporation Action (ID # 3134)

Discussion of billboard advertising on Hwy. 90, and take any action deemed necessary.

COMMENTS - Current Meeting:

General Manager Gary Broz reported that in the past, the LCDC Board had considered placement of a billboard on Hwy. 90 to promote the City of Liberty. Mr. Broz presented a cost of \$1,350.00 per month, from Gilbreath Outdoor Advertising, for a billboard on Hwy. 90, just east of FM 2100. An agreement with Gilbreath would require an expenditure of \$16,200 annually.

After lengthy discussion regarding the use of billboards, artwork, location, and that these proposed funds could be used in a better manner to promote the City, the Board's consensus was not to use billboard signage.

RESULT: NO ACTION TAKEN

VI. ADJOURNMENT

A. Motion To: Adjourn

Dennis Beasley, President

ATTEST:

Dianne Tidwell, City Secretary

Minutes Acceptance: Minutes of Oct 21, 2014 6:00 PM (Minutes Approval)



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

5.A.1

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Miscellaneous

LCDC CORPORATION ACTION (ID # 3163)

DOC ID: 3163



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

5.A.2

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Bids/Proposals

LCDC CORPORATION ACTION (ID # 3164)

DOC ID: 3164



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

5.A.3

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Miscellaneous

LCDC CORPORATION ACTION (ID # 3165)

DOC ID: 3165



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

5.A.4

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Miscellaneous

LCDC CORPORATION ACTION (ID # 3166)

DOC ID: 3166



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

5.A.5

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Misc.

LCDC CORPORATION ACTION (ID # 3167)

DOC ID: 3167

Real Estate Sales Contract

This contract to buy and sell real property is between Seller and Buyer as identified below and is effective on the date ("Effective Date") of the last of the signatures by Seller and Buyer as parties to this.

Buyer: LIBERTY COMMUNITY DEVELOPMENT CORPORATION

Address: 1829 Sam Houston St., Liberty, TX 77575

Phone: (936) 336-3684

Fax: (936) 336-9846

Type of entity: Community Development Corporation

Buyer's Attorney: Fielder, Gunter & Davis

Address: 1517 Trinity St.

Phone: (936)336-4115

Fax: (281)754-4227

Seller: Lon Morris College

Address: 1700 Commerce Street, Suite 810
Dallas, Texas 75201

Phone: 214-269-7850

Property: Being a 50 percent undivided interest in approximately 0.4497 acres of land located in Liberty County and being further described in Exhibit A.

Purchase Price

Cash portion: FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS
(\$5,500.00)

Seller-financed portion (principal amount of note): None

Third-party-financed portion: None

Total purchase price: FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS
(\$5,500.00)

Earnest Money: ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00)

Buyer's Liquidated Damages: ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00)

Seller's Additional Liquidated Damages: ONE THOUSAND AND NO/100 DOLLARS

Attachment: Property Sale Contract-Lon Morris (3167 : Property Acquisition-Lon Morris College)

(\$1,000.00)

County for Performance: Liberty

A. Closing Documents

1. At closing, Seller will deliver the following items:

Special Warranty Deed

2. At closing, Buyer will deliver the following items:

Payment in the amount of \$5,500.00

The documents listed in this section A are collectively known as the "Closing Documents."

B. Purchase and Sale of Property

Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to buy and pay Seller for the Property. The promises by Buyer and Seller stated in this contract are the consideration for the formation of this contract.

C. Earnest Money

The Earnest Money shall be held in the trust account of the Law Offices of Fielder, Gunter & Davis until the time of closing.

D. Title and Survey

1. *Review of Title.* The following statutory notice is provided to Buyer on behalf of the real estate licensees, if any, involved in this transaction: Buyer is advised that it should either have the abstract covering the Property examined by an attorney of Buyer's own selection or be furnished with or obtain a policy of title insurance at Buyer's expense.

2. *Survey.* "Survey" means an on-the-ground, staked plat of survey and metes-and-bounds description of the Land, prepared by Surveyor or another surveyor satisfactory to Title Company, dated after the Effective Date, and certified to comply with the current standards and specifications as published by the Texas Society of Professional Surveyors for the Survey Category.

E. Representations

The parties' representations stated are true and correct as of the Effective Date and must be true and correct on the Closing Date.

F. Condition of the Property until Closing; Cooperation; No Recording of Contract

1. *Maintenance and Operation.* Until closing, Seller will (a) maintain the Property as it existed on the Effective Date, except for reasonable wear and tear and casualty damage; (b) operate the Property in the same manner as it was operated on the Effective Date; and (c) comply

with all contracts and governmental regulations affecting the Property.

2. *Casualty Damage.* Seller will notify Buyer promptly after discovery of any casualty damage to the Property that occurs after the Effective Date. Seller will have no obligation to repair or replace the Property if it is damaged by casualty before closing. Buyer may terminate this contract if the casualty damage that occurs after the effective date and before closing would materially affect Buyer's intended use of the Property, by giving notice to Seller within fifteen days after receipt of Seller's notice of the casualty (or before closing if Seller's notice of the casualty is received less than fifteen days before closing). The casualty damage will be deemed to materially affect Buyer's intended use if the estimated amount of the damage exceeds five percent of the Purchase Price. If Buyer does not terminate this contract, Seller will (a) convey the Property to Buyer in its damaged condition, (b) assign to Buyer all of Seller's rights under any property insurance policies covering the Property, and (c) pay to Buyer the amount of the deductibles and coinsurance provisions under any insurance policies covering the Property, but not in excess of the cost to repair the casualty damage and less any amounts previously paid by Seller to repair the Property. If Seller has not insured the Property and Buyer does not elect to terminate this contract in accordance with this section, the Purchase Price will be reduced by the cost to repair the casualty damage.

3. *Claims; Hearings.* Seller will notify Buyer promptly of any claim or administrative hearing that is threatened, filed, or initiated before closing that affects the Property.

4. *No Recording.* Buyer may not file this contract or any memorandum or notice of this contract in the real property records of any county. If, however, Buyer records this contract or a memorandum or notice, Seller may terminate this contract and record a notice of termination.

G. Termination

1. *Disposition of Earnest Money after Termination*

- a. *To Buyer.* If Buyer terminates this contract in accordance with any of Buyer's rights to terminate, Seller will, within five days of receipt of Buyer's termination notice, authorize the law offices of Fielder, Gunter & Davis to deliver the Earnest Money to Buyer.
- b. *To Seller.* If Seller terminates this contract in accordance with any of Seller's rights to terminate, Buyer will, within five days of receipt of Seller's termination notice, authorize the law offices of Fielder, Gunter & Davis to pay and deliver the Earnest Money to Seller.

2. *Duties after Termination.* If this contract is terminated, Buyer will promptly return to Seller all documents relating to the Property that Seller has delivered to Buyer and all copies that Buyer has made of the documents. After return of the documents and copies, neither party will have further duties or obligations to the other under this contract, except for those obligations that cannot be or were not performed before termination of this contract.

H. Closing

1. *Closing.* At closing, the following will occur:
 - a. *Closing Documents.* The parties will execute and deliver the Closing Documents including a special warranty deed.
 - b. *Payment of Purchase Price.* Buyer will deliver the Purchase Price and other amounts that Buyer is obligated to pay under this contract to the law offices of Fielder, Gunter & Davis in funds acceptable to the law offices of Fielder, Gunter & Davis. The Earnest Money will be applied to the Purchase Price.
 - c. *Disbursement of Funds; Recording; Copies.* The law offices of Fielder, Gunter & Davis will be instructed to disburse the Purchase Price and other funds in accordance with this contract, record the deed and the other Closing Documents directed to be recorded, and distribute documents and copies in accordance with the parties' written instructions.
 - d. *Delivery of Originals.* Seller will deliver to Buyer the originals of Seller's Records.
 - e. *Possession.* Seller will deliver possession of the Property to Buyer at closing.

I. Additional Condition.

1. *Transaction Costs*
 - a. Each Party shall responsible for paying its own costs and attorney's fees.
 - b. *Ad Valorem Taxes.* Ad valorem taxes for the Property for the calendar year of closing will be paid by Buyer as of the Closing Date. Seller will pay the ad valorem taxes and all penalties, interest, and attorney fees for the years prior to the calendar year of closing. All taxes due as of closing will be paid at closing. If the Property has been the subject of special valuation and reduced tax assessments pursuant to the provisions of chapter 23, subchapter D, of the Texas Tax Code with respect to any period before the closing and additional taxes are assessed pursuant to section 23.55 thereof, the following will apply: If this sale or Buyer's use of the Property results in the assessment of additional taxes for periods before closing, Buyer will pay the additional taxes.

J. Default and Remedies

1. *Seller's Default.* If Seller fails to perform any of its obligations under this contract or if any of Seller's representations is not true and correct as of the Effective Date or on the Closing Date ("Seller's Default"), Buyer may elect either of the following as its sole and exclusive remedy:

- a. *Termination; Liquidated Damages.* Buyer may terminate this contract by giving notice to Seller on or before the Closing Date and Closing Time and have the Earnest Money returned to Buyer.

- b. *Specific Performance.* Unless Seller's Default relates to the untruth or incorrectness of Seller's representations for reasons not reasonably within Seller's control, Buyer may enforce specific performance of Seller's obligations under this contract. If title to the Property is awarded to Buyer, the conveyance will be subject to the matters stated in the Title Commitment.

2. *Buyer's Default.* If Buyer fails to perform any of its obligations under this contract ("Buyer's Default"), Seller shall have the following as its sole and exclusive remedy:

- a. *Termination; Liquidated Damages.* Seller may terminate this contract by giving notice to Buyer on or before the Closing Date and Closing Time and have the Earnest Money paid to Seller if Buyer defaults.

3. *Liquidated Damages.* The parties agree that just compensation for the harm that would be caused by a default by either party cannot be accurately estimated or would be very difficult to accurately estimate and that the Earnest Money provided above are reasonable forecasts of just compensation to the non-defaulting party for the harm that would be caused by a default.

4. *Attorney's Fees.* If either party retains an attorney to enforce this contract, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.

K. Miscellaneous Provisions

1. *Notices.* Any notice required by or permitted under this contract must be in writing. Any notice required by this contract will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this contract. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. Copies of each notice must be given by one of these methods to the attorney of the party to whom notice is given.

2. *Entire Contract.* This contract, together with its exhibits, and any Closing Documents delivered at closing constitute the entire agreement of the parties concerning the sale of the Property by Seller to Buyer. There are no oral representations, warranties, agreements, or promises pertaining to the sale of the Property by Seller to Buyer not incorporated in writing in this contract.

3. *Amendment.* This contract may be amended only by an instrument in writing signed by the parties.

4. *Survival.* The obligations of this contract that cannot be performed before termination of this contract or before closing will survive termination of this contract or closing, and the legal doctrine of merger will not apply to these matters. If there is any conflict between the Closing Documents and this contract, the Closing Documents will control.

5. *Choice of Law; Venue; Alternative Dispute Resolution.* This contract will be

construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction. Venue is in the County for Performance, except as otherwise provided by applicable law. Time permitting, the parties will submit in good faith to an alternative dispute resolution process before filing a suit concerning this contract.

6. *Waiver of Default.* It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays taking any action with respect to the default.

7. *No Third-Party Beneficiaries.* There are no third-party beneficiaries of this contract.

8. *Severability.* The provisions of this contract are severable. If a court of competent jurisdiction finds that any provision of this contract is unenforceable, the remaining provisions will remain in effect without the unenforceable parts.

9. *Ambiguities Not to Be Construed against Party Who Drafted Contract.* The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this contract.

10. *No Special Relationship.* The parties' relationship is an ordinary commercial relationship, and they do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship.

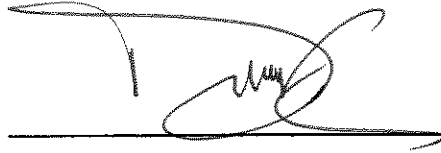
11. *Counterparts.* If this contract is executed in multiple counterparts, all counterparts taken together will constitute this contract.

12. *Confidentiality.* The parties will keep confidential this contract, this transaction, and all information learned in the course of this transaction, except to the extent disclosure is required by law or court order or to enable third parties to advise or assist Buyer to investigate the Property or either party to close this transaction.

13. *Waiver of Consumer Rights.* BUYER WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41 *ET SEQ.* OF THE TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER VOLUNTARILY CONSENTS TO THIS WAIVER.

 Liberty Community Development Corporation
 Dennis Beasley, President
 Date: _____

Buyer



Dawn Ragan on behalf of Lon Morris College

Date: 10-27-14

Seller

The Law Offices of Fielder, Gunter & Davis acknowledges receipt of Earnest Money in the amount of \$1,000.00 and a copy of this contract executed by both Buyer and Seller.

Law Offices of Fielder, Gunter & Davis

By: _____

Name:

Title:

Date:

Attachment: Property Sale Contract-Lon Morris (3167 : Property Acquisition-Lon Morris College)

Exhibit A

5.A.5.a

DESCRIPTION OF PROPERTY: Being a 0.4497 acre (19,589 square feet) parcel of land, located in Liberty County, Texas, situated in the Liberty Town East League, Abstract No. 359, and being out of and a part of that portion of Lot 5, Outer Block 6, Map of City of Liberty, recorded in Volume 1, Page 137, Map Records of Liberty County, Texas (M.R.L.C.T.), lying east of Lakeland Drive (Variable Width), no record information found, said 0.4497 acre parcel of land being more particularly described as follows:

COMMENCING at a 3/4-inch iron rod found lying in the commonly recognized survey line between the Liberty Town East League, Abstract No. 359 and the B. C. Franklin Labor, Abstract No. 191, at the southeast corner of a called 0.791 acre tract, conveyed to the Henry O. Ager Family, recorded in Volume 861, Page 851, of the Liberty County Deed Records (L.C.D.R.), and the northeast corner of a tract of land conveyed to Martha Alice Ager Goodwin, called Part of Lot 6, Outer Block 6, recorded in Volume 1833, Page 79, L.C.D.R.;

THENCE, North 01°12'20" West, along survey line, the east line of said 0.791 acre tract, the west line of a called 88-1/2 acres more or less, tract of land conveyed to Chap B. Cain, III, and wife Stacey Cain, recorded in Clerk's File No. 2005010146, of the Official Public Records of Liberty County, Texas, a distance of 245.88 feet to a point, at the northeast corner of said 0.791 acre tract, and the southeast corner of said Lot 5;

THENCE, South 86°16'30" West, along the north line of said 0.791 acre tract, and the south line of said Lot 5, a distance of 61.02 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP" at the southeast corner and **POINT OF BEGINNING** of the herein described parcel, having a coordinate value of N —10,033,081.03, E —4,051,891.81;

"THENCE, continuing South 86°16'30" West, along the common line of said 0.791 acre tract and said Lot 5, a distance of 52.30 feet to a point lying in the southeasterly right-of-way line of Lakeland Drive, at the northwest corner of said 0.791 acre tract, and the southwest corner of the herein described parcel;

THENCE, North 11°45'27" East, along the southeasterly right-of-way line of said Lakeland Drive, a distance of 504.65 feet to a point lying on the east line of Lot 5, at the north corner of the herein described parcel

THENCE, South 01°12'20" East, along the commonly recognized east line of said Liberty Town East League, the commonly recognized west line of the B. C. Franklin Labor, and the east line of said Lot 5, a distance of 225.45 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP", at an angle point;

THENCE, South 11°47'41" West, over and across said Lot 5, a distance of 270.98 feet to the **POINT OF BEGINNING**, and containing 0.4497 acre (19,589 square feet) of land.

Attachment: Property Sale Contract-Lon Morris (3167 : Property Acquisition-Lon Morris College)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY 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.

SPECIAL WARRANTY DEED

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

LON MORRIS COLLEGE, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other valuable consideration to the undersigned paid by the Grantees herein named, the receipt of which is hereby acknowledged, have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY unto the LIBERTY COMMUNITY DEVELOPMENT CORPORATION, of the County of Liberty and State of Texas, all of its interest in the real property located in Liberty County, Texas, being described in Exhibit A.

The above described property is herein conveyed, subject, however, to the restrictions, reservations, easements and other pertinent stipulations affecting same of record in the Official Public Records of Liberty County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantees, their heirs and assigns forever; and I do hereby bind myself, my heirs, executors and administrators to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantees, their heirs 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

EXECUTED this ____ day of _____, A.D. 2014.

Dawn Ragan on behalf of Lon Morris College

Mailing Address of each grantee:

Name: Liberty Community Development Corporation
Address: 1517 Trinity Street
Liberty, TX 77575

THE STATE OF TEXAS §
COUNTY OF LIBERTY §

 This instrument was acknowledged before me on the ____ day of _____, 2014,
by Dawn Ragan, on behalf of Lon Morris College.

Notary Public, State of Texas

Exhibit A

DESCRIPTION OF PROPERTY: Being a 0.4497 acre (19,589 square feet) parcel of land, located in Liberty County, Texas, situated in the Liberty Town East League, Abstract No. 359, and being out of and a part of that portion of Lot 5, Outer Block 6, Map of City of Liberty, recorded in Volume 1, Page 137, Map Records of Liberty County, Texas (M.R.L.C.T.), lying east of Lakeland Drive (Variable Width), no record information found, said 0.4497 acre parcel of land being more particularly described as follows:

COMMENCING at a 3/4-inch iron rod found lying in the commonly recognized survey line between the Liberty Town East League, Abstract No. 359 and the B. C. Franklin Labor, Abstract No. 191, at the southeast corner of a called 0.791 acre tract, conveyed to the Henry O. Ager Family, recorded in Volume 861, Page 851, of the Liberty County Deed Records (L.C.D.R.), and the northeast corner of a tract of land conveyed to Martha Alice Ager Goodwin, called Part of Lot 6, Outer Block 6, recorded in Volume 1833, Page 79, L.C.D.R.;

THENCE, North 01°12'20" West, along survey line, the east line of said 0.791 acre tract, the west line of a called 88-1/2 acres more or less, tract of land conveyed to Chap B. Cain, III, and wife Stacey Cain, recorded in Clerk's File No. 2005010146, of the Official Public Records of Liberty County, Texas, a distance of 245.88 feet to a point, at the northeast corner of said 0.791 acre tract, and the southeast corner of said Lot 5;

THENCE, South 86°16'30" West, along the north line of said 0.791 acre tract, and the south line of said Lot 5, a distance of 61.02 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP" at the southeast corner and POINT OF BEGINNING of the herein described parcel, having a coordinate value of N ---10,033,081.03, E ---4,051,891.81;

THENCE, continuing South 86°16'30" West, along the common line of said 0.791 acre tract and said Lot 5, a distance of 52.30 feet to a point lying in the southeasterly right-of-way line of Lakeland Drive, at the northwest corner of said 0.791 acre tract, and the southwest corner of the herein described parcel;

THENCE, North 11°45'27" East, along the southeasterly right-of-way line of said Lakeland Drive, a distance of 504.65 feet to a point lying on the east line of Lot 5, at the north corner of the herein described parcel

THENCE, South 01°12'20" East, along the commonly recognized east line of said Liberty Town East League, the commonly recognized west line of the B. C. Franklin Labor, and the east line of said Lot 5, a distance of 225.45 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP", at an angle point;

THENCE, South 11°47'41" West, over and across said Lot 5, a distance of 270.98 feet to the POINT OF BEGINNING, and containing 0.4497 acre (19,589 square feet) of land.



The City of Liberty
Liberty Community Development Corporation
1829 Sam Houston Street
Liberty, TX 77575

Meeting: 11/18/14 06:00 PM

Department: Administration
Category: LCDC Misc.

LCDC CORPORATION ACTION (ID # 3168)

DOC ID: 3168



Noel R. Rainey
Vice President
Houston Methodist
President & CEO
HM Medical Office Buildings

6565 Fannin, SM 221
Houston, TX 77030
Office: 713-441-6436
Fax: 713-793-7165
nrainey@houstonmethodist.org

September 22, 2014

Fielder, Gunter & Davis
Brandon Davis
1517 Trinity Street
Liberty, TX 77575

Re: Property Contract

Dear Mr. Davis,

Enclosed please find a signed Property Contract for the Liberty County property partially owned by The Methodist Hospital.

If you have any questions regarding this notice please contact Noel Rainey, Vice President of Real Estate, at 713-441-6436 or nrainey@houstonmethodist.org.

Sincerely,

A handwritten signature in black ink that reads "Noel R. Rainey". The signature is written in a cursive, flowing style.

Noel R. Rainey, VP



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

4-28-2014

UNIMPROVED PROPERTY CONTRACT

NOTICE: Not For Use For Condominium Transactions

- 1. PARTIES:** The parties to this contract are The Methodist Hospital Systems (Seller) and Liberty Community Development Corporation (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
- 2. PROPERTY:** Lot See Exhibit A, Block _____, Addition, _____, City of _____, County of _____, Texas, known as _____ (address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property).
- 3. SALES PRICE:**
- A. Cash portion of Sales Price payable by Buyer at closing \$ 2,750.00
- B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ - 0 -
- C. Sales Price (Sum of A and B) \$ 2,750.00
- 4. FINANCING (Not for use with reverse mortgage financing):** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)
- ☐ A. THIRD PARTY FINANCING: One or more third party mortgage loans in the total amount of \$ _____ (excluding any loan funding fee or mortgage insurance premium).
- (1) Property Approval: If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and lender required repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.
- (2) Credit Approval: (Check one box only)
- ☐ (a) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.
- ☐ (b) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.
- ☐ B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.
- ☐ C. SELLER FINANCING: A promissory note from Buyer to Seller of \$ _____, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.
- 5. EARNEST MONEY:** Upon execution of contract by all parties, Buyer shall deposit \$ 500.00 as earnest money with The Law Offices of Fielder, Hunter & Davis, as escrow agent, at 1517 Trinity Street, Liberty, TX 77575 (address). Buyer shall deposit additional earnest money of \$ - 0 - with escrow agent within _____ days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.
- 6. TITLE POLICY AND SURVEY:**
- A. TITLE POLICY: Seller shall furnish to Buyer at ☐ Seller's ☐ Buyer's expense an owner's policy of title insurance (Title Policy) issued by _____ (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
- (1) Restrictive covenants common to the platted subdivision in which the Property is located.
- (2) The standard printed exception for standby fees, taxes and assessments.
- (3) Liens created as part of the financing described in Paragraph 4.
- (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
- (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (6) The standard printed exception as to marital rights.
- (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements: ☐ (i) will not be amended or deleted from the title policy; ☐ (ii) will be amended to read, "shortages in area" at the expense of ☐ Buyer ☐ Seller.

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 9-11

Contract Concerning 4497 acres of land in Liberty, Texas Page 2 of 8 4-28-2014
(Address of Property)

B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If, due to factors beyond Seller's control, the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)

☐ (1) Within _____ days after the effective date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.** If the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at ☐ Seller's ☐ Buyer's expense no later than 3 days prior to Closing Date.

☐ (2) Within _____ days after the effective date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.

☐ (3) Within _____ days after the effective date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.

D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; or disclosed in the Commitment other than items 6A(1) through (8) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity:

Buyer must object the earlier of (i) the Closing Date or (ii) _____ days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.

E. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property ☐ is ☐ is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners' association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 9-11

Contract Concerning 4497 acres of land in Liberty, Texas Page 3 of 8 4-28-2014
(Address of Property)

Property Subject to Mandatory Membership in a Property Owners Association should be used.

- (3) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (8) **TEXAS AGRICULTURAL DEVELOPMENT DISTRICT:** The Property ☐ is ☐ is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) **TRANSFER FEES:** If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.
- (10) **PROPANE GAS SYSTEM SERVICE AREA:** If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.

7. PROPERTY CONDITION:

- A. **ACCESS, INSPECTIONS AND UTILITIES:** Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.

NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

- B. **ACCEPTANCE OF PROPERTY CONDITION:** "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

(Check one box only)

- ☒ (1) Buyer accepts the Property As Is.
- ☐ (2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 9-11

Contract Concerning 4497 acres of Land in Liberty, Texas Page 4 of 8 4-28-2014
(Address of Property)

following specific repairs and treatments: _____

(Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

C. **COMPLETION OF REPAIRS:** Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days, if necessary, for Seller to complete repairs and treatments.

D. **ENVIRONMENTAL MATTERS:** Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

E. **SELLER'S DISCLOSURES:** Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;
- (3) any environmental hazards that materially and adversely affect the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. **CLOSING:**

A. The closing of the sale will be on or before September 30, 2014, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
- (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.

10. **POSSESSION:**

A. **Buyer's Possession:** Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

B. **Leases:**

- (1) After the Effective Date, Seller may not execute any lease (including but not limited to mineral leases) or convey any interest in the Property without Buyer's written consent.
- (2) If the Property is subject to any lease to which Seller is a party, Seller shall deliver to Buyer copies of the lease(s) and any move-in condition form signed by the tenant within 7 days after the Effective Date of the contract.

11. **SPECIAL PROVISIONS:** (Insert only factual statements and business details applicable to the sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 9-11

Contract Concerning 4497 acres of Land in Liberty, Texas Page 5 of 8 4-28-2014
(Address of Property)

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed \$_____ to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; ~~loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.~~

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

15. DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEY'S FEES: A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.

18. ESCROW:

A. ESCROW: The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 9-11

Contract Concerning 4491 acres of land in Liberty, Texas Page 6 of 8 4-28-2014
(Address of Property)

- B. EXPENSES: At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties, (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
- C. DEMAND: Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.
- D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- E. NOTICES: Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.
19. REPRESENTATIONS: All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.
20. FEDERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.
21. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Buyer at:

1829 Sam Houston St.Liberty, TX 77575Telephone: (936) 336-3684Facsimile: ()

E-mail: _____

To Seller at:

6565 Fannin, Sm 221Houston, TX 77030Telephone: (713) 441-6436Facsimile: (713) 793-7165

E-mail: _____

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- | | |
|---|---|
| ☐ Third Party Financing Addendum for Credit Approval | ☐ Addendum for Coastal Area Property |
| ☐ Seller Financing Addendum | ☐ Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| ☐ Addendum for Property Subject to Mandatory Membership in a Property Owners Association | ☐ Addendum for Property Located Seaward of the Gulf Intracoastal Waterway |
| ☐ Buyer's Temporary Residential Lease | ☐ Addendum for Sale of Other Property by Buyer |
| ☐ Seller's Temporary Residential Lease | ☐ Addendum for Property in a Propane Gas System Service Area |
| ☐ Addendum for Reservation of Oil, Gas and Other Minerals | ☒ Other (list): <u>Exhibit A - Legal Description</u> |
| ☐ Addendum for "Back-Up" Contract | |

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 9-11

Contract Concerning 4497 acres of land in Liberty, Texas Page 7 of 8 4-28-2014
(Address of Property)

23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$_____ (Option Fee) which Seller or Listing Broker must receive within 3 days after the effective date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within _____ days after the effective date of this contract (Option Period). If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee ☐ will ☐ will not be credited to the Sales Price at closing. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

24. CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate licensees from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's
Attorney is: Randy Gunter

Seller's
Attorney is: Mick Cantu

1517 Trinity St., Liberty, TX 77575

Telephone: (936) 334-4115

Telephone: 713 441-4182

Facsimile: (281) 754-4227

Facsimile: (713) 793-7092

E-mail: Randy@gunterlaw.com

E-mail: MCantu@houstonmethodist.org

EXECUTED the _____ day of _____, 20____ (EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Buyer

Seller

Buyer

Seller

The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (<http://www.trec.texas.gov>) TREC NO. 9-11. This form replaces TREC NO. 9-10.

TREC NO. 9-11

Contract Concerning 4497 acres of land in Liberty, Texas Page 8 of 8 4-28-2014
(Address of Property)

BROKER INFORMATION
(Print name(s) only. Do not sign)

Other Broker Firm _____ License No. _____

represents ☐ Buyer only as Buyer's agent
☐ Seller as Listing Broker's subagent

Name of Associate's Licensed Supervisor _____ Telephone _____

Associate's Name _____ Telephone _____

Other Broker's Address _____ Facsimile _____

City _____ State _____ Zip _____

Associate's Email Address _____

Listing Broker Firm _____ License No. _____

represents ☐ Seller and Buyer as an intermediary
☐ Seller only as Seller's agent

Name of Associate's Licensed Supervisor _____ Telephone _____

Listing Associate's Name _____ Telephone _____

Listing Broker's Office Address _____ Facsimile _____

City _____ State _____ Zip _____

Listing Associate's Email Address _____

Selling Associate's Name _____ Telephone _____

Name of Selling Associate's Licensed Supervisor _____ Telephone _____

Selling Associate's Office Address _____ Facsimile _____

City _____ State _____ Zip _____

Selling Associate's Email Address _____

Listing Broker has agreed to pay Other Broker _____ of the total sales price when the Listing Broker's fee is received. Escrow agent is authorized and directed to pay other Broker from Listing Broker's fee at closing.

OPTION FEE RECEIPT

Receipt of \$ _____ (Option Fee) in the form of _____ is acknowledged.

Seller or Listing Broker _____ Date _____

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of ☐ Contract and ☐ \$ _____ Earnest Money in the form of _____ is acknowledged.

Escrow Agent: _____ Date: _____

By: _____

Address _____ Email Address _____ Telephone _____

City _____ State _____ Zip _____ Facsimile: _____

County, Texas, situated in the Liberty Town East League, Abstract No. 359, and being out of and a part of that portion of Lot 5, Outer Block 6, Map of City of Liberty, recorded in Volume 1, Page 137, Map Records of Liberty County, Texas (M.R.L.C.T.), lying east of Lakeland Drive (Variable Width), no record information found, said 0.4497 acre parcel of land being more particularly described as follows:

COMMENCING at a 3/4-inch iron rod found lying in the commonly recognized survey line between the Liberty Town East League, Abstract No. 359 and the B. C. Franklin Labor, Abstract No. 191, at the southeast corner of a called 0.791 acre tract, conveyed to the Henry O. Ager Family, recorded in Volume 861, Page 851, of the Liberty County Deed Records (L.C.D.R), and the northeast corner of a tract of land conveyed to Martha Alice Ager Goodwin, called Part of Lot 6, Outer Block 6, recorded in Volume 1833, Page 79, L.C.D.R.;

THENCE, North 01°12'20" West, along survey line, the east line of said 0.791 acre tract, the west line of a called 88-1/2 acres more or less, tract of land conveyed to Chap B. Cain, III, and wife Stacey Cain, recorded in Clerk's File No. 2005010146, of the Official Public Records of Liberty County, Texas, a distance of 245.88 feet to a point, at the northeast corner of said 0.791 acre tract, and the southeast corner of said Lot 5;

THENCE, South 86°16'30" West, along the north line of said 0.791 acre tract, and the south line of said Lot 5, a distance of 61.02 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP" at the southeast corner and POINT OF BEGINNING of the herein described parcel, having a coordinate value of N —10,033,081.03, E — 4,051,891.81;

THENCE, continuing South 86°16'30" West, along the common line of said 0.791 acre tract and said Lot 5, a distance of 52.30 feet to a point lying in the southeasterly right-of-way line of Lakeland Drive, at the northwest corner of said 0.791 acre tract, and the southwest corner of the herein described parcel;

THENCE, North 11°45'27" East, along the southeasterly right-of-way line of said Lakeland Drive, a distance of 504.65 feet to a point lying on the east line of Lot 5, at the north corner of the herein described parcel

THENCE, South 01°12'20" East, along the commonly recognized east line of said Liberty Town East League, the commonly recognized west line of the B. C. Franklin Labor, and the east line of said Lot 5, a distance of 225.45 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP", at an angle point;

THENCE, South 11°47'41" West, over and across said Lot 5, a distance of 270.98 feet to the POINT OF BEGINNING, and containing 0.4497 acre (19,589 square feet) of land.

RMC

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY 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.

WARRANTY DEED

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

THE METHODIST HOSPITAL, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other valuable consideration to the undersigned paid by the Grantees herein named, the receipt of which is hereby acknowledged, have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY unto the LIBERTY COMMUNITY DEVELOPMENT CORPORATION, of the County of Liberty and State of Texas, all of its interest in the real property located in Liberty County, Texas, being described in Exhibit A.

The above described property is herein conveyed, subject, however, to the restrictions, reservations, easements and other pertinent stipulations affecting same of record in the Official Public Records of Liberty County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantees, their heirs and assigns forever; and I do hereby bind myself, my heirs, executors and administrators to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantees, their heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this ____ day of _____, A.D. 2014.

Kevin J. Burns
EVP, CFO, and Chief Administrative Officer
The Methodist Hospital

Mailing Address of each grantee:

Name: Liberty Community Development Corporation
Address: 1517 Trinity Street
Liberty, TX 77575

THE STATE OF TEXAS §
COUNTY OF _____ §

 This instrument was acknowledged before me on the ____ day of _____, 2014,
by Kevin J. Burns, on behalf of The Methodist Hospital.

Notary Public, State of Texas

Exhibit A

DESCRIPTION OF PROPERTY: Being a 0.4497 acre (19,589 square feet) parcel of land, located in Liberty County, Texas, situated in the Liberty Town East League, Abstract No. 359, and being out of and a part of that portion of Lot 5, Outer Block 6, Map of City of Liberty, recorded in Volume 1, Page 137, Map Records of Liberty County, Texas (M.R.L.C.T.), lying east of Lakeland Drive (Variable Width), no record information found, said 0.4497 acre parcel of land being more particularly described as follows:

COMMENCING at a 3/4-inch iron rod found lying in the commonly recognized survey line between the Liberty Town East League, Abstract No. 359 and the B. C. Franklin Labor, Abstract No. 191, at the southeast corner of a called 0.791 acre tract, conveyed to the Henry O. Ager Family, recorded in Volume 861, Page 851, of the Liberty County Deed Records (L.C.D.R.), and the northeast corner of a tract of land conveyed to Martha Alice Ager Goodwin, called Part of Lot 6, Outer Block 6, recorded in Volume 1833, Page 79, L.C.D.R.;

THENCE, North 01°12'20" West, along survey line, the east line of said 0.791 acre tract, the west line of a called 88-1/2 acres more or less, tract of land conveyed to Chap B. Cain, III, and wife Stacey Cain, recorded in Clerk's File No. 2005010146, of the Official Public Records of Liberty County, Texas, a distance of 245.88 feet to a point, at the northeast corner of said 0.791 acre tract, and the southeast corner of said Lot 5;

THENCE, South 86°16'30" West, along the north line of said 0.791 acre tract, and the south line of said Lot 5, a distance of 61.02 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP" at the southeast corner and POINT OF BEGINNING of the herein described parcel, having a coordinate value of N ---10,033,081.03, E ---4,051,891.81;

THENCE, continuing South 86°16'30" West, along the common line of said 0.791 acre tract and said Lot 5, a distance of 52.30 feet to a point lying in the southeasterly right-of-way line of Lakeland Drive, at the northwest corner of said 0.791 acre tract, and the southwest corner of the herein described parcel;

THENCE, North 11°45'27" East, along the southeasterly right-of-way line of said Lakeland Drive, a distance of 504.65 feet to a point lying on the east line of Lot 5, at the north corner of the herein described parcel

THENCE, South 01°12'20" East, along the commonly recognized east line of said Liberty Town East League, the commonly recognized west line of the B. C. Franklin Labor, and the east line of said Lot 5, a distance of 225.45 feet to a 5/8-inch iron rod set with cap stamped "CIVILCORP", at an angle point;

THENCE, South 11°47'41" West, over and across said Lot 5, a distance of 270.98 feet to the POINT OF BEGINNING, and containing 0.4497 acre (19,589 square feet) of land.