

RESOLUTION NO. 16009

**A RESOLUTION APPROVING THE CITY OF PORT
ARTHUR SECTION 4A ECONOMIC DEVELOPMENT
CORPORATION TO ENTER INTO A PURCHASE
AGREEMENT WITH GERALD CONDON PROPERTIES,
LTD. FOR THE PURCHASE OF A VACANT 141 ACRE
TRACT ON JADE AVENUE NORTH OF FM 365**

WHEREAS, the City of Port Arthur Section 4A Economic Development Corporation (the "PAEDC") has developed an approximately 300-acre state of the art business park located at 9555 West Port Arthur Rd. that is currently more than 50% occupied; and

WHEREAS, the PAEDC Board of Directors has found that the purchase of an available 141-acre tract adjacent to the Spur 93 Business Park would allow for positive future economic growth and new business expansion for the City of Port Arthur; and

WHEREAS, on December 7, 2015, the PAEDC Board of Directors approved the purchase of the 141-acre tract adjacent to the Spur 93 Business Park from Gerald Condon Properties, Ltd. for a purchase price of \$1,025,250.00 to be paid in full at closing and with PAEDC and Gerald Condon Properties, Ltd. paying equal halves of the closing costs; and

WHEREAS, the purchase of the property shall be pursuant to a Purchase Agreement attached hereto as **Exhibit "A"** (the "Agreement").

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF PORT ARTHUR:**

Section 1. That the facts and opinions in the preamble are true and correct.

Section 2. That PAEDC is hereby authorized to enter into a Purchase Agreement with Gerald Condon Properties, Ltd. for the purchase of a 141-acre tract on Jade Ave. for a purchase price of \$1,025,250.00 with PAEDC and Gerald Condon Properties, Ltd. paying equal halves of

the closing costs and with the title to be conveyed by a Special Warranty Deed pursuant to the terms of the Agreement.

Section 3. That a copy of this Resolution shall be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this 12th day of Jan A.D., 2016, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES:

Mayor Prince; Mayor Pro Tem Frank

Councilmembers Scott, Hamilton, Albright,
Lewis, Kwati and Moses.

NOES: None.

Deloris Prince
Deloris "Bobbie" Prince, Mayor

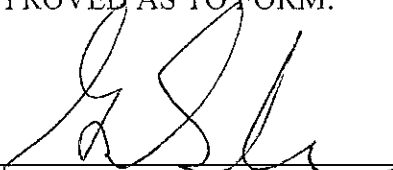
ATTEST:

Sherri Bellard
Sherri Bellard, City Secretary

APPROVED:

Floyd Batiste
Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:



Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:

Valecia R. Tizeno, City Attorney

EXHIBIT “A”

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is entered into, and is effective as of _____, 2016 (the "Effective Date"), by and between **Gerald Condon Properties, Ltd.**, a Texas limited liability company ("Seller") and **City of Port Arthur Section 4A Economic Development Corporation**, ("Buyer").

RECITALS:

A. Seller controls certain real property together with all improvements located thereon, which is located at or near the City of Port Arthur Section 4A Economic Development Corporation Business Park.

B. Seller desires to sell to Buyer and Buyer desires to buy 141.2 acres, surface only without minerals (as described in "RECITAL A" above and as more particularly described on **Exhibit "A"** attached hereto) together with all rights, privileges, servitudes and appurtenances thereunto belonging or appertaining, including all rights, title and interest of Seller in and to the streets, alleys, and rights-of-way adjacent to such parcel (collectively, the "Property") from Seller upon the terms and subject to the conditions contained herein and incorporated by reference herein as if fully set forth.

C. Seller and Buyer acknowledge that the Property consist of both acreage that will be subject to development by Buyer and acreage that is encumbered and will not be subject to development by Buyer. Buyer has agreed to acquire the Property including development and encumbered areas for the Purchase Price as set forth below.

D. Seller has agreed at or prior the closing to designate with the concurrence, as required, of mineral interest owners in the Property of a three (3) acre drilling site and a thirty (30) foot wide road, utility, and pipeline easement as depicted in Exhibit A and described in the survey for the purposes of ingress and egress at all times and for the purposes of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals and removing the same therefrom, and to acknowledge in the Deed, the waiver of drilling rights on the Property except within the drill site location.

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 PURCHASE PRICE

1.1 Sale and Purchase. Seller shall sell, convey, and assign to Buyer, and Buyer shall purchase, assume and accept from Seller, for the Purchase Price (defined below), and on and subject to the terms and conditions herein, indefeasible fee simple title to the Property.

Buyer and Seller agree that the legal description of the Property shall be determined mutually by Buyer and Seller upon completion of the Survey (defined below). The Property shall be sold, conveyed, and assigned to Buyer at Closing (defined below) free and clear of all liens except for the lien of real property taxes not yet due and payable, and subject to the Permitted Exceptions (defined below).

1.2 Price and Payment. The purchase price for the Property will be One Million Twenty Five Thousand Two Hundred and Fifty Dollars (\$1,025,250.00) ("Purchase Price"). The Purchase Price is composed of \$10,000 per acre for the approximate 95.7 of development acreage (the "Development Area") and \$1,500 per acre for the approximate 45.5 encumbered area (the "Encumbered Area"), the Development Area and the Encumbered Area are collectively referred to herein as the "Property ." On this basis, Seller hereby agrees to sell the Property to Buyer for the Purchase Price, subject to the terms of this Agreement. The Purchase Price, less all other amounts to be credited towards the Purchase Price and subject to adjustments and prorations as provided for in Section 4.5, shall be payable to Seller in cash, by certified or bank cashier's check, or by wire transfer, in full upon closing of the Escrow.

1.3 Deposit. Within five (5) days of the Effective Date, Buyer shall deposit with Texas Regional Title, 3195 Dowlen Road, Suite 108, Beaumont, Texas 77706, (409) 861-7300 (the "Escrow Holder" or "Title Company") a cash deposit, which shall be deposited into an interest-bearing account, in the amount of Five Thousand and 00/100 Dollars (\$5,000.00) (the "Deposit"). The "Deposit" shall mean the amount deposited by Buyer, together with all interest earned thereon. The Deposit shall be applied as a credit against the Discounted Purchase Price at the closing of the Escrow.

1.4 Refund of Deposit. The Deposit shall be fully refundable to Buyer if Seller breaches or defaults in the performance of any of its obligations under this Agreement, or if Buyer elects to terminate this Agreement pursuant to any provision set forth herein.

1.5 Closing Transaction. Consummation of the sale provided herein (the "Closing") shall take place on the Closing Date (as herein defined) through the Escrow Holder at its offices or at such other place Seller and Buyer mutually agree in writing. At or prior to the Closing Date (as herein defined), each of the parties shall execute and deliver such documents and perform such acts as are provided for in this Agreement or as are necessary to consummate the transaction contemplated hereunder. All obligations of either party to be performed at or prior to the Closing Date are mutually concurrent conditions precedent as well as covenants. Time is of the essence with regard to the Closing Date.

1.6 Escrow Instructions. Seller and Buyer shall deliver to the Escrow Holder an executed copy of this Agreement and such additional escrow instructions to Escrow Holder as each party deems appropriate or as Escrow Holder may reasonably require, provided that such instructions are consistent with this Agreement (the "Escrow Instructions"). No Escrow Instruction shall excuse any performance by either Buyer or Seller at the times provided in this Agreement, extend the Closing Date provided for in this Agreement or provide either Buyer or Seller with any grace period not provided in this Agreement, and any Escrow Instruction to the contrary shall be considered of no force and effect.

ARTICLE 2 PRE-CLOSING MATTERS

2.1 Delivery of Due Diligence Materials. On or before seven (7) days following the Effective Date, Seller shall deliver to Buyer the following documents (the "Due Diligence Materials") to the extent such materials are in Seller's possession or subject to Seller's reasonable control and to the extent such materials relate to the Property and/or any improvements thereon: plans and specifications; land Survey(s); all structural, seismic, soils, engineering and geological investigations and reports; all environmental investigations and reports; Reciprocal Easement Agreement(s); Covenants, Conditions, & Restrictions (CC&R's); any leases, licenses or occupancy agreements (with any amendments) and all agreements (including, but not limited to, service and maintenance agreements) relating to the operation, use and maintenance of the Property.

2.2 Survey. On or before Twenty (20) days from the Effective Date, Buyer shall obtain and cause to be delivered to both the Escrow Holder and the Seller a current and updated Category 1A, Condition II survey of the Property, with **Exhibit "A"** being conformed hereto, which survey shall be prepared by a Texas licensed professional land surveyor and shall be certified to Seller and Buyer, and which shall include a metes and bounds legal description of the Property, a calculation of the land area of the Property to the nearest one-thousandth (.001) of an acre (together with the number of square feet of area contained therein), and the area, dimensions and locations of all recorded easements affecting or benefiting the Property (the "Survey").

2.3 Title Commitment. Within Fifteen (15) days of the effective date, Seller shall provide a current commitment ("Title Commitment") from the Title Company for issuance to Buyer of a standard Texas form (Form T-1) Owner's Policy of Title Insurance in the amount calculated at \$10,000 per acre for the approximate 95.7 acres of Development Area and \$1,500 per acre for the approximate 45.5 acres of the Encumbered Area (the "Title Policy"). Buyer shall have until twenty (20) days from the Effective Date (the "Title Review Period") to object in writing to any exceptions stated in the Title Commitment. In the event that Buyer shall so object to any exceptions, Seller shall have ten (10) days from its receipt of such written objections (the "Response Deadline") within which to resolve or eliminate such exceptions or to notify Buyer in writing of its inability or unwillingness to remove such exceptions. In the event Seller shall so notify Buyer of its inability to unwillingness to resolve or eliminate such exceptions prior to the Response Deadline, Buyer, by written notice to Seller, may do one of the following: (i) terminate this Agreement and be released from all duties and obligations hereunder and the Deposit shall be returned to the Buyer; or (ii) waive such exceptions and proceed with the transaction contemplated herein. Any exceptions listed in the Title Commitment to which Buyer shall not object prior to the expiration of the Title Review Period (or which Buyer shall have approved or waived affirmatively) shall be deemed to be "Permitted Exceptions."

2.4 Right of Entry and Indemnification. From the Effective Date to the Closing Date, Buyer and its agents shall have the right to enter upon the Property upon reasonable notice to Seller for the purpose of making such surveys, examinations, soil and engineering tests and other tests and determinations as Buyer shall elect (collectively "Tests"). Buyer and its representatives shall have the right to make test borings or to remove samples of materials as Buyer shall deem appropriate, provided that, in the event Buyer terminates this Agreement and

fails to close the purchase of the Property, Buyer shall repair at its cost any damage to any of the Property resulting from the Tests. Buyer shall indemnify, defend and hold Seller harmless from (i) any and all liabilities, claims, damages and expenses (including attorneys' fees, court costs, and costs of investigation) arising out of or in connection with the Tests or the entry unto the Property by Buyer or its agents and (ii) any mechanics' liens on the Property arising from the Tests.

2.5 Feasibility Period. No later than February 7, 2015 Buyer, at Buyer's expense, shall complete or cause to be completed inspections of the Property (including all improvements and fixtures) by inspectors of Buyer's choice. Inspections may include but are not limited to: (i) physical property inspections including, but not limited to, structural pest control, mechanical, structural, electrical, or plumbing inspections; (ii) economic feasibility studies; (iii) any type of environmental assessment or engineering study including the performance of tests such as soils tests, air sampling, or paint sampling; and (iv) compliance inspections to determine compliance with zoning ordinances, restrictions, building codes, and statutes (e.g., ADA, OSHA, and others). Seller shall permit Buyer and Buyer's inspectors access to the Property at reasonable times. If Buyer determines, in Buyer's sole judgment, that the Property is not suitable for any reason for Buyer's intended use or is not in satisfactory condition, then Buyer may terminate this contract by providing written notice of termination and copies of all reports of inspections, within the time required to complete the inspections, studies, or assessments under this paragraph, and the Earnest Money shall be refunded to Buyer less the sum of \$1,000.00 to be retained by Seller as independent consideration for Buyer's right to terminate under this paragraph. If Buyer does not terminate this contract within the time required any objections with respect to the inspections, studies and assessments under this paragraph shall be deemed waived by Buyer. If this contract does not close through no fault of Seller, Buyer shall restore the Property to its original condition if altered due to inspections, studies, or assessments completed by Buyer or Buyer's inspectors.

BUYER WAIVES AND RELEASES ALL CLAIMS AGAINST SELLER FOR INJURY TO OR DEATH OF PERSONS OR DAMAGE TO PROPERTY ARISING IN ANY WAY FROM THE EXERCISE OF RIGHTS GRANTED TO BUYER UNDER THIS PARAGRAPH 2.5 OR THE ACTIVITIES OF BUYER OR ITS EMPLOYEES, CONTRACTORS, OR AGENTS ON THE PROPERTY. BUYER SHALL DEFEND AND INDEMNIFY AGAINST AND HOLD SELLER HARMLESS FROM ANY AND ALL LOSS, COST, DAMAGE, EXPENSE OR LIABILITY, INCLUDING ATTORNEYS' FEES, WHATSOEVER ARISING OUT OF (I) ANY AND ALL STATUTORY OR COMMON LAW LIENS OR OTHER ENCUMBRANCES FOR LABOR OR MATERIALS FURNISHED IN CONNECTION WITH SUCH INVESTIGATIONS AS BUYER MAY CONDUCT WITH RESPECT TO THE PROPERTY, OR (II) ANY INJURY TO OR DEATH OF PERSONS OR DAMAGE TO PROPERTY OCCURRING IN, ON OR ABOVE THE PROPERTY AS A RESULT OF SUCH INVESTIGATIONS (EXCEPT WHERE ANY SUCH INJURY OR DAMAGE MAY BE CAUSED BY THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER). THE FOREGOING OBLIGATION OF DEFENSE AND INDEMNITY SHALL SURVIVE CLOSING OF THE TRANSACTIONS CONTEMPLATED HEREBY OR TERMINATION OF THIS AGREEMENT WITHOUT THE CLOSING OF THE TRANSACTIONS CONTEMPLATED HEREBY.

2.6 PROPERTY CONDITION. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT TO THE CONTRARY, BUYER ACKNOWLEDGES AND AGREES THAT SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, AND SUITABILITY AND FITNESS FOR INTENDED PURPOSE, WITH RESPECT TO ANY ASPECT OF THE PROPERTY. BUYER IS PURCHASING THE PROPERTY STRICTLY IN "AS IS" "WHERE AS" CONDITION, AND BUYER ACCEPTS AND AGREES TO BEAR ALL RISKS REGARDING ALL ATTRIBUTES AND CONDITIONS, LATENT OR OTHERWISE OF THE PROPERTY. BUYER HAS MADE OR WILL MAKE PRIOR TO THE CLOSING ITS OWN INSPECTION AND INVESTIGATION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ITS SUBSURFACE, SOIL, ENGINEERING AND OTHER CONDITIONS AND REQUIREMENTS, WHETHER THERE ARE ANY EMINENT DOMAIN OR OTHER PUBLIC OR QUASI-PUBLIC TAKINGS OF THE PROPERTY CONTEMPLATED, AND ALL ZONING AND REGULATORY MATTERS PERTINENT TO THE PROPERTY AND TO THE PRESENT USE OR OCCUPANCY OF THE PROPERTY. BUYER IS ENTERING INTO THIS AGREEMENT AND PURCHASING THE PROPERTY BASED UPON ITS OWN INSPECTION AND INVESTIGATION AND NOT IN RELIANCE ON ANY STATEMENT, REPRESENTATION, INDUCEMENT OR AGREEMENT OF SELLER EXCEPT AS SPECIFICALLY PROVIDED HEREIN. BUYER AGREES THAT NEITHER SELLER NOR ANYONE ACTING ON BEHALF OF SELLER HAS MADE ANY REPRESENTATION, GUARANTEE OR WARRANTY WHATSOEVER, EITHER WRITTEN OR ORAL, CONCERNING THE PROPERTY EXCEPT AS SPECIFICALLY SET FORTH HEREIN, IN THE INCENTIVE AGREEMENT OR THE DOCUMENTS DELIVERED BY SELLER AT CLOSING. ANY ENGINEERING DATA, SOILS REPORTS, OR OTHER INFORMATION THAT SELLER OR ANY OTHER PARTY MAY HAVE DELIVERED TO BUYER IS FURNISHED WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER. SELLER SHALL HAVE NO RESPONSIBILITY, LIABILITY OR OBLIGATION SUBSEQUENT TO THE CLOSING WITH RESPECT TO ANY CONDITIONS, INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL CONDITIONS, OR AS TO ANY OTHER MATTERS WHATSOEVER RESPECTING IN ANY WAY THE PROPERTY, AND BUYER HEREBY RELEASES SELLER, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS WITH RESPECT TO SUCH CONDITIONS, EXCEPT FOR ANY MATTERS OF FRAUD OR KNOWING MISREPRESENTATION. THIS DISCLAIMER SHALL BE STATED IN THE DEED AND GRANTEE SHALL JOIN IN THE EXECUTION OF THE DEED TO EVIDENCE ITS ACCEPTANCE AND ACKNOWLEDGMENT OF THE TERMS.

2.7 Deposit Non-Refundable. Upon satisfaction of all of the conditions described elsewhere in Article 2 and below in Article 3.5 of this Agreement, Buyer's Deposit shall become non-refundable (except as specifically set forth in this Agreement or in the event of a Seller default) and applicable to the Purchase Price.

ARTICLE 3 CLOSING CONDITIONS

The obligation of Buyer to purchase the Property is subject to the satisfaction or waiver by Buyer of the conditions set forth below, which conditions are for the sole benefit of Buyer and which may be waived, in whole or in part, by Buyer:

3.1 Title. On or before the Closing Date, the Title Company shall be ready, willing and able to issue to Buyer or Buyer's assignee the Title Policy insuring Buyer in the amount calculated at the rate set forth in Article 2.3 above that fee simple title of the surface only to the Property is vested in Buyer, together with such endorsements as Buyer may reasonably require and subject only to (i) liens for then-current real property taxes, bonds and assessments not delinquent, (ii) the Permitted Exceptions, (iii) any other matters to which Buyer shall agree in writing.

3.2 Assignment. At the Closing, Seller shall assign to Buyer all of Seller's right, title and interest in and to any contracts, leases, permits and warranties specifically identified and relating to the Property which Buyer wishes to assume pursuant to an Assignment of Contracts, Permits and Warranties in the form attached hereto as **Exhibit "C"** (the "Assignment").

3.3 Seller's Warranties and Covenants. On the Closing Date, Seller shall not be in material breach of any of Seller's warranties and representations set forth in Article 6 below. All covenants to have been performed by Seller before or at Closing shall have been satisfied.

3.4 Governmental Approvals. Seller acknowledges that Buyer must secure the approval of the City of Port Arthur, Texas (the "City") for execution by Buyer of this Agreement and authorizing the funding of the Purchase Price.

3.5 Subdivision. Buyer's obligation to close shall be subject to obtaining a Final Plat or Replat of the Property which is acceptable to Buyer. Seller shall cooperate with Buyer in all reasonable respects in obtaining Final Plat or Replat approval for the Property and in recording the Final Plat or Replat. All costs of the platting process will be paid by the Buyer.

3.6 Condition of Property. There shall have been by Closing no material adverse change in the condition of the Property or any elements of the Property from the dates of the inspections conducted in satisfaction of the conditions of this Agreement or in the building, subdivision, or other laws, ordinances, rules, or regulations applicable to the Property from the date of satisfaction of the conditions set forth herein until Closing.

3.7 Drilling Site. Seller shall without cost or expense to Buyer, secure the location of a three (3) acre drilling site and a location as approved by Buyer and/or shall secure a release of surface drilling rights on the balance of the Property from the mineral interest owners and shall convey title to the Property with due notice that drilling rights have been waived for the Property, save and except for in or on the three(3) acre drill site (the "Drilling Site").

ARTICLE 4 CLOSING

4.1 Escrow. The purchase and sale transaction contemplated by this Agreement shall be consummated through the Escrow established by the Escrow Holder.

4.2 Closing Date. Closing of the Escrow (the "Closing Date") shall take place in the offices of the Escrow Holder on or before February 23, 2016.

4.3 Escrow Instructions. The parties hereby instruct Escrow Holder to open and complete Escrow and Closing in accordance with the Escrow Instructions. Buyer and Seller shall deposit with Escrow Holder in a timely fashion all funds, documents, supplemental instructions and instruments necessary to consummate the transactions contemplated by this Agreement prior to the Closing Date.

4.4 Closing Deliveries. At the Closing the following, which are mutually concurrent conditions, shall occur:

4.4.1 Buyer, at its expense, shall deliver or cause to be delivered to Seller the following:

- (a) the Purchase Price, subject to the Earnest Deposit and adjustments and prorations as provided herein, in funds available for immediate value in Seller's accounts;
- (b) evidence satisfactory to Title Company that the person(s) executing the closing documents on behalf of Buyer have full right, power, and authority to do so; and
- (c) such other documents as may be reasonably requested by the Title Company in accordance with this Agreement, or as are customarily executed in the county in which the Property is located to effectuate the conveyance of property similar to the Property.

4.4.2 Seller, at its expense, shall deliver or cause to be delivered to Buyer the following:

- (a) a general warranty deed in the form attached hereto as **Exhibit "D"** (the "Deed"), fully executed and acknowledged by Seller, and otherwise in recordable form as provided in Section 5.1;
- (b) Seller's certificate that the representations and warranties contained in Section 6 hereof are true and correct as of the Closing Date;
- (c) evidence satisfactory to Buyer and Title Company that the person(s) executing and delivering the closing documents on behalf of Seller have full right, power and authority to do so;

- (d) a certificate meeting the requirements of Section 1445 of the Internal Revenue Code of 1986, executed and sworn to by Seller;
- (e) such other documents as may be reasonably requested by the Title Company in accordance with this Agreement, or as are customarily executed in the county in which the Property is located to effectuate the conveyance of property similar to the Property; and
- (f) designation of Drilling Site.

4.5 Closing Costs and Charges. Seller shall pay for Standard Owner's Policy of Title Insurance and half of Escrow Fees. Buyer shall pay for any extended Title Policy Endorsements and half of Escrow Fees. Any and all other charges shall be paid as set forth in this Agreement or if not specified herein as customary in Jefferson County, Texas.

ARTICLE 5 TRANSFER OF TITLE AND POSSESSION

5.1 Deed. Seller shall convey to Buyer or to Buyer's assignee at the Closing, by the Special Warranty Deed, fee simple title to the Property, free and clear of any and all recorded and unrecorded liens, claims, obligations, encumbrances, easements, leases, covenants, restrictions and other matters affecting the Property and/or title thereto except only the Permitted Exceptions, current real property taxes, bonds and assessments not yet due and payable, and any other matters to which Buyer shall agree in writing.

5.2 Possession. Seller shall deliver possession of the Property to Buyer free and clear of the occupancy or possessory rights of all others save and except the Grazing Lease, on the Closing Date.

ARTICLE 6 REPRESENTATIONS AND COVENANTS OF SELLER

Subject to §2.6 above, Seller represents and warrants and covenants as follows, which representations, warranties and covenants shall survive the Close of Escrow and delivery of the Deed to Buyer:

6.1 Authority. Seller has full right, power and authority to execute and deliver this Agreement and to consummate the purchase and sale transactions provided herein on the closing date. No further authorization, whether corporate, partnership, individual or otherwise is necessary or required as a condition precedent to Seller entering into this Agreement or performing its obligations hereunder.

6.2 Code. Seller has no knowledge of and has not received any notice of any code violation. To the best of Seller's knowledge, the Property, including all improvements located thereon (if any), complies with all applicable building, health, fire, safety and similar laws, ordinances, regulations and codes.

6.3 Accuracy of Documents. To the best of Seller's knowledge, Seller represents that all of the documents, information and records provided to Buyer by Seller in connection with the transaction contemplated herein, including the Due Diligence Materials, are true and complete in all material respects.

6.4 Public Improvements; Condemnation. Other than matters recorded in the public record and listed in the Title Commitment, Seller knows of no intended or contemplated public improvements or condemnation or of any condition of the land that will frustrate or interfere with Buyer's intended use of the Property. To the best of Seller's knowledge the Property satisfies all federal, state, and local statutes, ordinances and regulations.

6.5 Litigation. To the best of Seller's knowledge, there are no claims, administrative actions or lawsuits, pending or threatened, against Seller relating in any manner to the Property, or on account of the surface or subsurface physical characteristics of the Property. To the best of Seller's knowledge, there are no violations, threatened or pending, of any local, state or federal law or regulation affecting the Property and there are no pending or contemplated assessments, eminent domain, condemnation or other governmental takings of the Property or any part thereof.

6.6 Hazardous Materials; Unsafe Conditions. Except as otherwise disclosed to Buyer by Seller, Seller has received no notice from any local, state or national governmental entity or agency or other source of any hazardous waste condition existing or potentially existing with respect to the Property. To the best of Seller's knowledge, there has been no use, discharge, release, generation, storage or disposal of in, on, or under the Property of any hazardous waste, toxic substances or related materials ("Hazardous Materials") except in accordance with applicable law. For the purposes of this representation and warranty, Hazardous Materials shall include but shall not be limited to, any substance, material, or waste which is or becomes regulated by any local governmental authority, the State in which the Property is located, or the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) as amended from time to time. Further Seller agrees that it will not discharge, release, use, generate, store or dispose, or permit or suffer the discharge, release, use, generation, storage or disposal of any Hazardous Materials above, in, on, under or around the Property in violation of any environmental law prior to the Closing. Seller further warrants that to the best of its knowledge, there is no underground storage tanks located on the Property.

6.7 Condition. From the Effective Date through Close of Escrow, Seller will maintain the Property in the same condition, reasonable wear and tear excepted.

6.8 New Agreements. From and after the Effective Date, Seller shall not renew, extend or enter into any new lease or service or management contract, or other agreement that affects the Property without the prior written consent of Buyer.

6.9 No Leases. There are no leases, licenses, concessions, or other oral or written agreements affecting the Property that grant to any person or entity the right of occupancy or use thereof with the exception of an unrecorded Grazing Lease with Max Fortenberry, as lessee, dated January 1, 2012, a copy of which is attached hereto.

6.10 Foreign Person. Seller is not a foreign person or entity under the Foreign Investment in Real Property Tax Act of 1980, as amended, and no taxes or withholding under the Foreign Investment in Real Property Tax Act of 1980, as amended, shall be assessed or applied to Buyer in connection with the transaction contemplated hereby.

6.11 Closing Warranties. All warranties and representations contained in this Agreement, except as otherwise disclosed in writing, shall be deemed to have been repeated by Seller as of the Closing, and shall be true and accurate as of the Closing.

ARTICLE 7 TERMINATION AND DAMAGES

7.1 Termination. Except as expressly prohibited in this Agreement, in the event of any default in this Agreement by either of the parties hereto, the other party, in addition to any right or remedy available hereunder, at law or in equity, shall have the right to terminate this Agreement by written notice to the defaulting party and Escrow Agent. If any such termination is the result of default hereunder by Seller, then the Deposit and interest accrued thereon shall be returned to Buyer. If Buyer defaults hereunder, actual damages to Seller will be difficult to calculate but Buyer and Seller agree that the amount of the Deposit designated above is a reasonable approximation thereof. Accordingly, if Buyer defaults, Seller shall be entitled to terminate this Agreement and immediately upon such termination by Seller, Escrow Agent shall pay to Seller, as Seller's sole remedy, the Deposit, together with interest thereon, and any other monies paid on behalf of Seller. Nothing contained in this Section shall prevent Seller from enforcing Buyer's obligations and liabilities which survive a termination of this Agreement.

7.2 No Specific Performance. If either Buyer or Seller breaches this Agreement prior to the Closing and, as a result, the Closing does not occur, each party waives the right to specific performance. Each party agrees that this clause shall constitute an absolute defense to any action filed by one of the parties hereto against the other for specific performance. This clause, if asserted by one of the parties hereto against an action for specific performance, shall enable said party to cause the action for a specific performance to be set aside at any time nunc pro tunc.

7.3 Condemnation and Casualty. If before the Closing, either party receives notice of any condemnation or eminent domain proceeding, any proceeding in lieu of condemnation being initiated against the Property, or the damage or destruction of all or a part of any improvements located at the Property, the party receiving the notice shall promptly notify the other party in writing of that fact. Buyer may elect to either proceed with the sale of the Property or to terminate this Agreement within Thirty (30) days from the date that the notice is received. If Buyer elects to proceed with the acquisition of the Property, then Buyer may, solely at its own discretion, accelerate the Closing to any time prior to the Closing Date set forth hereinabove. If Buyer proceeds with the purchase in accordance with the terms of this Agreement, all condemnation and insurance proceeds shall be paid to Buyer. If any proceeds have not been

collected as of the Closing, then all rights to those proceeds shall be assigned to Buyer at the Closing.

7.4 DAMAGES. SELLER AND BUYER AGREE THAT IF BUYER BREACHES ITS OBLIGATIONS HEREUNDER, SELLER SHALL TERMINATE THIS AGREEMENT AND RETAIN, AS SELLER'S SOLE AND EXCLUSIVE REMEDY, THE AMOUNTS DEPOSITED WITH ESCROW HOLDER PURSUANT TO THIS AGREEMENT, TOGETHER WITH ANY ACCRUED INTEREST THEREON AS OF THE TIME OF DEFAULT AS LIQUIDATED DAMAGES, IT BEING AGREED THAT UNDER ALL THE CIRCUMSTANCES EXISTING AT THE TIME OF THIS AGREEMENT, THIS PROVISION LIQUIDATING DAMAGES IN THE EVENT OF THE BUYER'S DEFAULT IS REASONABLE, THE DAMAGES RESULTING TO SELLER BY REASON OF SUCH BREACH ARE NOW AND THEN WOULD BE DIFFICULT AND IMPRACTICAL TO DETERMINE AND THAT THE BEST ESTIMATE, BASED ON ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, OF THE TOTAL DAMAGES THAT SELLER WOULD SUFFER IS AND SHALL BE AN AMOUNT EQUAL TO THE SUMS DEPOSITED BY BUYER WITH ESCROW HOLDER AS OF THE TIME OF DEFAULT. IN PLACING THEIR INITIALS IN THE SPACES PROVIDED BELOW, THE PARTIES CONFIRM THAT THEY HAVE READ, UNDERSTAND AND AGREE TO THIS PROVISION.

SELLER AND BUYER AGREE THAT IF SELLER BREACHES ITS OBLIGATIONS HEREUNDER, BUYER MAY TERMINATE THIS AGREEMENT AND RETAIN, AS BUYER'S SOLE AND EXCLUSIVE REMEDY, THE LESSER OF \$5,000.00 FROM SELLER OR THE ACTUAL AMOUNT OF EXPENSES PAID TO 3RD PARTIES FOR INSPECTIONS OF THE PROPERTY CONDITION, AS OF THE TIME OF DEFAULT AS LIQUIDATED DAMAGES. IT BEING AGREED THAT UNDER ALL THE CIRCUMSTANCES EXISTING AT THE TIME OF THIS AGREEMENT, THIS PROVISION LIQUIDATING DAMAGES IN THE EVENT OF THE SELLER'S DEFAULT IS REASONABLE, THE DAMAGES RESULTING TO BUYER BY REASON OF SUCH BREACH ARE NOW AND THEN WOULD BE DIFFICULT AND IMPRACTICAL TO DETERMINE AND THAT THE BEST ESTIMATE, BASED ON ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, OF THE TOTAL DAMAGES THAT BUYER WOULD SUFFER IS AND SHALL BE AN AMOUNT EQUAL TO THE SUMS STATED HEREIN. IN PLACING THEIR INITIALS IN THE SPACES PROVIDED BELOW, THE PARTIES CONFIRM THAT THEY HAVE READ, UNDERSTAND AND AGREE TO THIS PROVISION.

BUYER

SELLER

7.5 Waiver. Excuse or waiver of the performance by the other party of any obligation under this Agreement shall only be effective if evidenced by a written statement signed by the party so excusing. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Seller or Buyer of the breach of any covenant of this

Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

ARTICLE 8 MISCELLANEOUS

8.1 Merger. Except as otherwise expressly provided in this Agreement, the representations, warranties and agreements of the parties contained or provided for in this Agreement shall survive the close of Escrow and delivery of the Deed to Buyer.

8.2 Notices. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given to any person or entity shall be in writing, and any such notice shall become effective five (5) business days after being deposited in the mails, certified or registered, with appropriate postage prepaid for first-class mail or, if delivered personally, by reputable overnight courier service, or by facsimile transmission or electronic mail, when received, and shall be directed to the address of such person or entity set forth below, or at such other address as either party shall hereafter designate in writing and deliver to the other in accordance with the provision of this paragraph:

Seller at:	Gerald Condon Properties, Ltd. 550 IH-10 South Beaumont, TX 77707 Telephone: (409) 659-1356 Fax: (409) 842-6884 E-mail: info@GeraldCondonProperties.com
With a copy to:	Mike Matthews Griffin & Matthews Santa Fe Depot 400 Neches Beaumont, TX 77701 Telephone: (409) 832-6006 Fax: (409) 832-1000 E-mail: mmatthews@griffinandmatthews.com
Buyer at:	Floyd Batiste, CEO Port Arthur Section 4A Economic Development Corp. 501 Procter, Suite 100 Port Arthur, TX 77640 Telephone: (409) 963-0579 Facsimile: (409) 962-4445 E-mail: fbatiste@paedc.org
	Guy N. Goodson, EDC Attorney Germer PLLC P. O. Box 4915 Beaumont, Texas 77704 Telephone: (409) 654-6730

Facsimile: (409) 835-2115
E-mail: ggoodson@germer.com

Escrow Holder at: **Texas Regional Title**
7980 Anchor Drive, Building 300A
Port Arthur, Texas 77642
Telephone: (409) 861-7300

or

Texas Regional Title
3195 Dowlen, Suite 108
Beaumont, Texas 77706
Telephone: (409) 861-7300

8.3 Authority and Execution. Each person executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so, has full right and authority to enter into this Agreement and all of its obligations hereunder.

8.4 Severability. The invalidity or unenforceability of any term or provision of this Agreement or the nonapplication of any such term or provision to any person or circumstance shall not impair or affect the remainder of this Agreement, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect and shall be construed as if such invalid, unenforceable, or nonapplicable provision were omitted.

8.5 Waiver or Modification. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement or the rights or obligations of any party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this Article 8.5 may not be waived except as herein set forth.

8.6 Headings. The headings of the various Articles of this Agreement are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof or thereof.

8.7 Parties in Interest. The terms of this Agreement shall be binding upon, and inure to the benefit of, the parties to this Agreement and their successors and assigns. Buyer shall not assign its rights under this Agreement to any third party that is not an Affiliate (defined below) without the prior written consent of Seller. Buyer shall be permitted to assign this Agreement without the prior written consent of Seller to an Affiliate. For purposes of this Section, "Affiliate" shall mean (i) a subsidiary of Buyer, (ii) a corporation or other entity into or with which Buyer has merged or consolidated, or to which substantially all of Buyer's stock or assets are transferred, (iii) any corporation or other entity which controls, is controlled by, or is under common control with Buyer, (iv) a limited liability company in which Buyer is a member, or (v) any corporation or other entity with which Buyer is otherwise affiliated. Except as provided above with respect to Affiliates, no assignment shall be to an assignee whose business purpose has not been approved by prior written action of the Board of Directors of Seller and, as

necessary, the City Council for the City of Port Arthur, Texas. Seller shall, upon written request from Buyer, execute a Deed directly in favor of Buyer's assignee.

8.8 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

8.9 Broker Fees. Each party represents and warrants to the other that it has not engaged any agent or broker with respect to this transaction. No other person is entitled to a broker's commission or fee as a result of the purchase and sale of the Property. Each party agrees to indemnify and hold the other party harmless from and against any loss, cost and expense, including attorneys' fees, which the other party shall suffer by reason of the breach of the foregoing representation and warranty by the representing and warranting party.

8.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

8.11 Time. Time is of the essence of this Agreement.

8.12 Attorneys' Fees. In the event of any proceeding brought by either party to enforce the terms of or arising out of this Agreement, the prevailing party shall be entitled to recover all costs and expenses incurred in connection therewith, including reasonable attorneys' fees.

8.13 Cooperation. Each party hereto will, upon the reasonable request of the other party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents as may be reasonably necessary in order to fulfill the intents and purposes of this Agreement.

8.14 IRC §1445. Buyer's performance hereunder is conditioned upon Seller providing Buyer at close of escrow with all documentation required by Internal Revenue Code Section 1445 to assure Buyer that Seller is not a "foreign person" as that term is used in Section 1445, or in the alternative, if Seller is a "foreign person," to assure that all steps have been taken so that Buyer will not be liable for payment of any taxes due on the proceeds of the sale.

8.15 Exchange. The parties, or either of them, shall have the right to secure a trade or exchange of properties of like kind of the parties' respective choices (pursuant to Section 1031 of the Internal Revenue Code as amended), as long as the obligations imposed on the other party shall not be greater than the terms and conditions of this Agreement, nor shall such obligations delay the Closing Date beyond that allowed by this Agreement. Nothing in this Article 8.15 shall require either party to take title to any other real property as part of its obligation to cooperate in any such trade or exchange.

8.16 Entire Agreement. This Agreement constitutes and contains the entire agreement of the parties with respect to the subject matter hereof and thereof, and supersedes any and all other prior negotiations, correspondence, understandings and agreements respecting the subject matter hereof and thereof. This Agreement is executed without reliance upon any representation by any party hereto except as expressly set forth herein. This Agreement may not

be changed orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

8.17 Computation of Time. If the expiration date of any period of time for performance hereunder falls on a Saturday, Sunday or legal holiday, then, in such event, the expiration date of such period of time for performance shall be extended to the next business day.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

BUYER:

City of Port Arthur Section 4A Economic Development Corporation

By: _____
President

Date: _____, 2016

By: _____
Secretary

Date: _____, 2016

SELLER:

Gerald Condon Properties, Ltd.

By: _____

Date: _____, 2016

ESCROW HOLDER:

Attn:

Telephone:

E-mail:

By: _____

Date Received: _____, 2016

Title: _____

Exhibit “A”

Legal Description

Exhibit "B"

Form of Deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

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

Gerald Condon Properties, Ltd., a Texas Limited Liability Company, as Grantor, whose address is 550 Interstate 10 South, Beaumont, Jefferson County, Texas 77707, in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to it in hand paid by Grantee hereinafter named, the receipt of which is hereby acknowledged, has GRANTED, SOLD, and CONVEYED and by these presents does GRANT, SELL and CONVEY unto **City of Port Arthur Section 4A Economic Development Corporation**, as Grantee, whose address is 501 Procter, Suite 100, Port Arthur, Jefferson County, Texas 77640, the tract of land described in Exhibit A which is attached hereto and incorporated herein by reference for all purposes.

This conveyance is made subject to the following: (a) All prior mineral and/or royalty reservations or conveyances and mineral leases; (b) All restrictions, covenants, grazing leases, conditions, rights of way and easements whether or not of record in the office of the County Clerk of Jefferson County, Texas affecting the Property; (c) All zoning laws, regulations, and ordinances of governmental authorities; (d) Ad valorem taxes on the Property for the year 2016 and subsequent years not yet due and payable; (e) All taxes and other assessments for prior, current, or subsequent years arising from change in use or ownership of the Property after the date of this conveyance; and (f) Riparian rights, if any, of others.

There has been reserved for the benefit of a prior Grantor, its successors, assigns, and lessees, the following perpetual easements: (a) a 3-acre drill site as reflected on Exhibit A for the purpose of drilling, producing, storing, removing, transporting, and otherwise enjoying all oil, gas and other minerals owned by prior Grantor, its successors and assigns, and (b) a 30-foot wide easement on and along the North boundary line of the West portion of the property running from the reserved drill site to the Jade Road Extension for the purposes of road, utility service access and pipeline to and from the drill site to the Jade Road Extension and for the purpose of constructing, maintaining, repairing, and using a roadway, utility lines and one or more pipelines to transport production from the drill site. Grantee, on behalf of itself, its successors and assigns, hereby covenants not to use or permit any use of such easement areas previously reserved which would prevent or interfere with the use and enjoyment of such easements for the stated purposes, and Grantee agrees that this covenant shall run with the land conveyed hereby and inure to the benefit of and be enforceable by the prior Grantor and its successors and assigns.

GRANTOR MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER AS TO OPERATIVE OR PROPOSED GOVERNMENTAL LAWS AND REGULATIONS (INCLUDING, BUT NOT LIMITED TO, ZONING, ENVIRONMENTAL AND LAND USE LAWS AND REGULATIONS) TO WHICH THE PROPERTY MAY NOW OR HEREAFTER BE SUBJECT. GRANTEE ACKNOWLEDGES THAT GRANTEE HAS ACCEPTED THE PROPERTY ON THE BASIS OF GRANTEE'S OWN REVIEW AND INVESTIGATION OF THE APPLICABILITY AND EFFECT OF SUCH LAWS AND REGULATIONS AND THAT GRANTEE ASSUMES THE RISK THAT ADVERSE MATTERS MAY NOT HAVE BEEN REVEALED BY GRANTEE'S INVESTIGATION.

GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, AND THAT GRANTOR SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXCEPT THE SPECIAL WARRANTY OF TITLE MADE HEREIN, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, OR ORDINANCES OR REGULATIONS, OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) ANY OTHER MATTER WITH RESPECT TO THE CONDITION OF THE PROPERTY AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING SOLID WASTE, AS DEFINED BY THE TEXAS SOLID WASTE DISPOSAL ACT AND THE REGULATIONS ADOPTED THEREUNDER OR THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT GRANTOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS WITH ALL FAULTS.

TO HAVE AND TO HOLD the above described property, together with all and singular the rights, hereditaments and appurtenances thereto in anywise belonging, and subject to the reservations herein, unto said Grantee and Grantee's, successors and assigns forever; and Grantor hereby binds itself, its successors and assigns, to WARRANT and DEFEND all and singular the title to the above described property unto said Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through, or under said Grantor, but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

WITNESS my hand this _____ day of _____, 2016.

GERALD CONDON PROPERTIES, LTD., a Texas
Limited Partnership, Grantor

By: COLLISION & CLASSICS, INC., a Texas
Corporation, General Partner

By: _____
GERALD CONDON, President

Grantee's Acceptance of Deed

City of Port Arthur Section 4A Economic Development Corporation, Grantee, accepts the attached Deed and consents to its form and substance. Grantee acknowledges that the terms of the Deed conform with Grantee's intent and that they will control in the event of any conflict with any contract Grantee signed regarding the Property described in the Deed.

Dated: _____, 2016.

**CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT
CORPORATION**

BY _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this the ____ day of _____, 2016, by **Gerald Condon**, as President of **Collision & Classics, Inc.**, a Texas Corporation, as General Partner of **Gerald Condon Properties, Ltd.**, a Texas Limited Liability Company, on behalf of said Texas Limited Liability Company.

Notary Public, State of Texas
Printed or Typed Name of Notary:

My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this the ____ day of _____, 2016, by _____, _____ of **City of Port Arthur Section 4A Economic Development Corporation**, on behalf of said **City of Port Arthur Section 4A Economic Development Corporation**.

Notary Public, State of Texas
Printed or Typed Name of Notary:

My Commission Expires: _____

AFTER RECORDING, RETURN TO:

**City of Port Arthur Section 4A
Economic Development Corporation**

EXHIBIT A

141.2 acres of land out of Partition Map No. 3, McFaddin Trust in the W. M. McFaddin Survey, Abstract No. 416, City of Port Arthur, Jefferson County, Texas.

BEING 141.2 acres of land out of and a part of Tract 19-C, Partition Map No. 3, McFaddin Trust, recorded in Volume 8, Page 110, Map Records, Jefferson County, Texas; being part of Tract 19-C of several tracts of land described in Volume 692, Page 22, Deed Records, Jefferson County, Texas; said 141.2 acre tract being more fully described by metes and bounds as follows, to wit:

COMMENCING at a 1/2" steel rod found on the West right of way line of a dedicated road named West Port Arthur Road (a.k.a. Spur 93); said 1/2" steel rod being the Southeast corner of an amended plat of Port Arthur Economic Development Corporation Business Park Subdivision, recorded in File No. 2011021212, Official Public Records, Jefferson County, Texas;

THENCE, South 85 deg., 45 min., 09 sec., West (Called North 89 deg., 37 min., 00 sec., West), on the South line of said Business Park, a distance of 16.83' (Called 16.92') to a 5/8" steel rod found for the Northeast corner of a 195.1 acre tract of land surveyed this date; having a State Plane Coordinate of N: 13916815.83, E: 3544616.30;

THENCE, South 86 deg., 34 min., 07 sec., West, on the South line of said Business Park, a distance of 3083.49' to a point for corner occupied by a 6" round fence post for the POINT OF BEGINNING on the West right of way line of a dedicated road named Jade Avenue, recorded in File No. 2007005006, Official Public Records, Jefferson County, Texas; said point for corner being the Northeast corner of the herein described tract; having a State Plane Coordinate of N: 13916631.27, E: 3541538.34;

THENCE, South 03 deg., 25 min., 53 sec., East, on the West right of way line of said Jade Avenue, a distance of 2479.89' to a 1/2" steel rod, capped and marked "SOUTEX", set for the Southeast corner of the herein described tract;

THENCE, South 86 deg., 34 min., 07 sec., West, a distance of 1878.45' passing a 1/2" steel rod, capped and marked "SOUTEX", set for reference point; continuing for a total distance 2709.15' to a point for corner on the East bank line of Rhodair Gully; said point for corner being the Southwest corner of the herein described tract;

THENCE, North 07 deg., 11 min., 16 sec., East, on the East bank line of said Rhodair Gully, a distance of 557.35' to a point for corner;

THENCE, North 08 deg., 08 min., 15 sec., East, continuing on the East bank line of said Rhodair Gully, a distance of 1287.10' to a point for corner;

THENCE, North 02 deg., 07 min., 17 sec., East, continuing on the East bank line of said Rhodair Gully, a distance of 257.57' to a point for corner;

THENCE, North 07 deg., 42 min., 50 sec., West, continuing on the East bank line of said Rhodair Gully, a distance of 228.20' to a point for corner;

THENCE, North 16 deg., 26 min., 55 sec., West, continuing on the East bank line of said Rhodair Gully, a distance of 192.14' to a point for corner on the South line of said Business Park; said point for corner being the Northwest corner of the herein described tract;

THENCE, North 86 deg., 34 min., 07 sec., East, on the South line of said Business Park, a distance of 53.47' passing a 5/8" steel rod found for reference point; having a State Plane Coordinate of N: 13916491.80, E: 3539212.28; continuing for a total distance of 2330.24' to the POINT OF BEGINNING and containing 141.2 acres of land, more or less; of which 27.87 acres of land lies within the Jefferson County, Drainage District No. 7 Hurricane Levee System Easement.

Note: Bearings, distances, coordinates and acreage shown are based on State Plane Coordinate Grid System, Texas South-Central Zone, NAD 83.

Scale Factor = 0.999915794, Convergence Angle = 02 deg., 26 min., 01 sec. Reference Monument = NGS AJ8221.

Exhibit "C"

Grazing Lease

GRAZING LEASE
CAPITAL ONE, NATIONAL ASSOCIATION
PRIVATE CLIENT GROUP

STATE OF TEXAS }

COUNTY OF JEFFERSON }

THIS LEASE AGREEMENT made and entered into by and between the undersigned, hereinafter called Lessor, whether one or more, and Max Fortenberry, hereinafter called Lessee, whether one or more,

WITNESSETH:

1. GRANTING CLAUSE: Lessor, for and in consideration of the rentals herein provided, hereby grants, leases and lets unto Lessee, upon the following terms, covenants and conditions, the following described land together with the improvements thereon, situated in Jefferson County, Texas to-wit:

As fully described in Exhibit "A" and "B" attached

2. TERM OF LEASE: This lease agreement shall be effective for a term of Five (5) years beginning the 1st day of January, 2012, and ending the 31st day of December, 2016, unless sooner terminated under the provisions hereof.

3. USE OF LEASED PREMISES: The leased premises shall be used for Agricultural Grazing purposes only. Hunting and/or fishing rights are reserved unto Lessor unless otherwise specified. Property will not be used for any illegal purpose.

4. RENTALS: The rentals to be paid by Lessee to Lessor will be \$640.00 per year. Payable on or before the 1st day of January of each year this lease is in force. Lessee agrees to comply with all government Farm Services Agency programs.

5. EXPENSES/REPAIRS/MAINTENANCE: Lessee shall have the right to graze all of the land herein demised at all times. Lessee, at Lessee's own expense, agrees to return and keep (and at termination hereof, to deliver to Lessor) all improvements on the leased premises in as good order, condition, and repair as the same was on the date of execution of this lease, said improvements including but not limited to fences, ditches, roads, and pens. No permanent improvements (improvement lasting substantially beyond the term hereof), excluding land leveling, shall be made by Lessee on the leased premises without the prior written consent of Lessor.

6. MINERAL LEASES/EASEMENTS/RIGHTS-OF-WAY: Lessor grants this lease subject to all existing oil, gas, and mineral leases, easements and rights-of-way of any kind over, through, under or across the leased premises, and Lessor grants this lease subject to all oil, gas, and mineral leases, easements and rights-of-way which may be hereafter granted. Lessor hereby reserves the right to grant such oil, gas, and mineral leases, easements and rights-of-way.

7. INDEMNIFICATION/INSURANCE: The Lessee will be required to maintain minimum General Liability Insurance in the amount of \$500,000.00.

Lessee waives and releases all claims against Lessor, and the directors, officers, employees, agents and trustees of Lessor for injury to or death of persons or damage to property arising in any way from the exercise of rights granted to Lessee by this license or the activities of Lessee or its employees or agents on the Premises. Lessee shall indemnify

Lessor and the directors, officers, employees, agents, and trustees of Lessor against and hold each and all of said indemnities harmless from any and all loss, cost, damage, expense or liability, including attorneys' fees, and causes of action arising out of Lessee's and Lessee's invites, employees, agents, and contractor's use or occupancy of and/or operations upon the Leased Premises, included but not limited to the presence, disposal, release, threatened release, removal or production of any hazardous substances, solid wastes or hazards which are on, in, from or affecting any portion of the Leased Premises. In the event Lessor shall be made a party to any litigation commenced by or against Lessee arising out of any activities conducted by Lessee, its invites, employees, agents or contractors on or relating to the Leased Premises, then Lessee shall protect and hold Lessor harmless and pay all costs, penalties, charges, damages, expenses and attorneys' fees incurred or paid by Lessor.

Lessee agrees to hold Lessor harmless from any and all claims arising out of any losses or damages to Lessee though insufficient water supply for watering the crop, or failure to water the same, all such risks being expressly assumed by Lessee. Lessor shall not be required to make any improvements of any kind or character on the leased premises during the term of this lease. Lessee by Lessee's acceptance of this lease hereby waives any and all claims against Lessor or it's heirs and assigns for damages which Lessee may now or hereafter suffer from any cause whatsoever while raising crops or grazing livestock on the leased premises. This indemnity shall apply regardless of whether or not any such damage, injury, or death is caused by the concurrent negligence of Lessor or Lessor's agent, but in such event only to the extent of Lessee's comparative negligence.

8. ASSIGNMENT: This lease agreement and Lessee's rights hereunder may not be assigned in whole or in part by Lessee, nor may Lessee sublet any part of the leased premises without prior written consent of Lessor.

9. EARLY TERMINATION: This lease agreement may be terminated by either Lessor or Lessee without cause prior to the end of the term hereof as follows:

(a) Should Lessor sell all or a portion of this property to a third party, either Lessor or purchaser from Lessor may cancel this lease as to such land effective ninety (90) days after notice of cancellation to Lessee. Reimbursement by Lessor of the pro-rata yearly rent will be made if Lessor terminates lease early.

10. BREACH OF TERMS: This lease agreement, including any right of Lessee to use the allotments of Lessor, may be terminated by Lessor at Lessor's option if:

(a) Lessee fails to make any payments required under this lease agreement when due and such default is not corrected within ten days of Lessor's written notice to Lessee thereof, or

(b) Lessee violates any of the provisions of this lease other than for the payment of money, and such default is not corrected within thirty (30) days of Lessor's written notice to Lessee thereof, or

(c) Lessee abandons the leased premises, or

(d) Lessee is adjudged bankrupt or insolvent.

Should Lessee default on any covenant or obligation hereunder, Lessor may enforce performance of this lease agreement to any manner provided by law, and Lessor may re-enter and take possessions of the leased premises without prejudice to any remedies of Lessors for arrears of rentals or any other default hereof by Lessee. In case of any such default and re-entry by Lessor, Lessor may relet the leased premises for the highest rent obtainable, and may recover from Lessee any deficiency between the amount so obtained, after deducting the expenses of the reletting and the rent payable under this lease for the balance of the term. If Lessor brings suit to compel performance of, or to recover for

breach of any convenient or obligation hereof, and prevails therein, Lessee covenants and agrees to pay to Lessor reasonable attorney fees in addition to the amount of judgements and costs.

Nothing herein contained shall be construed as a waiver or release of the statutory Landlord's Lien which Lessor shall have, together with a contractual lien hereby granted, to secure payments of all rent due under this lease.

11. NOTICE/INSPECTION: All notices to be given by Lessor to Lessee must be given in writing and shall be considered to have been given when deposited in the United States mail, postage prepaid, addressed to Lessee at 836 Friar Point, Port Arthur, Texas 77641. All notices to be given by Lessee to Lessor must be given in writing and shall be considered to have been when deposited in the United States mail, postage prepaid, addressed to Lessor at P.O. Box 3928, Beaumont, Texas 77704-3928.

Lessor hereby reserves the right to inspect the leased premises at any time and to inspect the records and accounts of Lessee at all reasonable times. Lessee hereby agrees to produce all records relative to the leased premises on request of Lessor at any reasonable time.

12. SECTION HEADINGS: Paragraphs titles are for convenience only and do not represent interpretations or intent of the substance of the terms and provisions of this lease agreement.

Jan IN TESTIMONY WHEREOF, this instrument is effective this 1st day of Jan, 2012.

Mamie McFaddin Ward Heritage Foundation
Lessor,

BY: Capital One, National Association Co-Trustee

BY: [Signature]
Shahéén L. Farah
Vice President & Trust Officer

[Signature]
Max Fortenberry, Lessee

EXHIBIT A

To Grazing Lease

320 acres M/L being part of W.M. McFaddin Survey, Abstract No. 416, T & NO RR
Survey, Abstract No. 238 Jefferson County, Texas, known as Tract 19C.

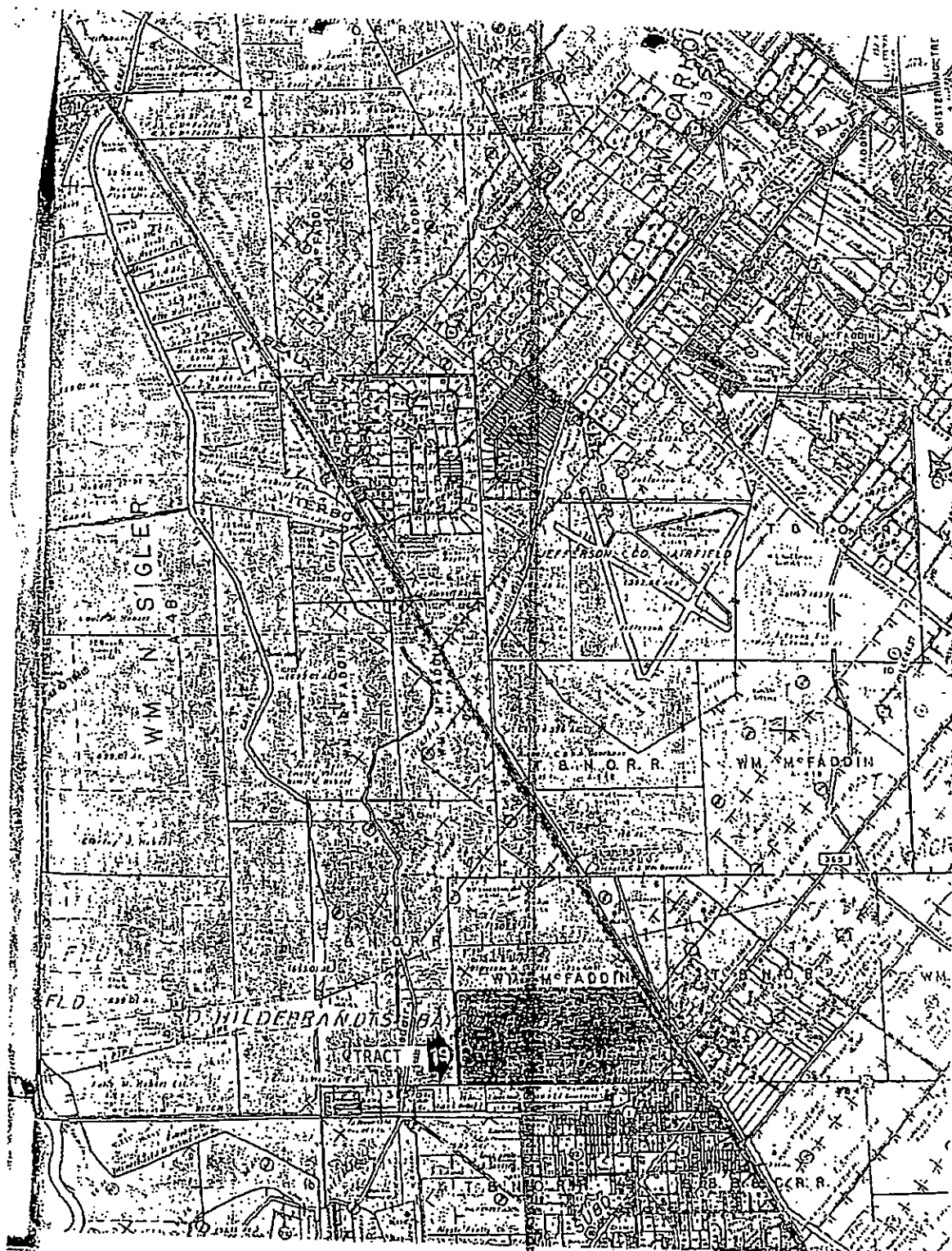


Exhibit "D"

Deed

(Executed Deed to be
attached at the time of closing)