REAL ESTATE CONTRACT

THIS CONTRACT OF SALE is made by and between WILLIAM JOSEPH O'BRIEN ("SELLER"), and the CITY OF COLLEGE STATION, TEXAS, a Texas Municipal Corporation, situated in Brazos County, Texas ("BUYER"), upon the terms and conditions set forth herein.

ARTICLE I
PURCHASE AND SALE

1.1 SELLER agrees to sell and convey in fee simple by General Warranty Deed, and BUYER agrees to purchase and pay for Lot Four (4), Block Twenty-one (21), Fourth Installment of College Hills Estates, an addition to the City of College Station, Brazos County, Texas, ("PROPERTY"), together with all and singular the rights and appurtenances pertaining to the PROPERTY, including all right, title and interest of SELLER in and to adjacent roads, streets, alleys or rights-of-way (all of such real PROPERTY, rights, and appurtenances being herein referred to as the "PROPERTY"), together with SELLER's interest in any improvements and fixtures situated on and attached to the PROPERTY, for the consideration and subject to the terms, provisions, and conditions set forth herein. This Contract by BUYER to purchase the PROPERTY is subject to approval by the City Council of the City of College Station, Texas; such approval indicated by signature of BUYER's representatives to this CONTRACT OF SALE.

1.2 BUYER has requested University Title Company furnish a Commitment for Title Insurance (the "Title Commitment") to insure title to the BUYER for BUYER's review together with legible copies of all instruments referred to in the Title Commitment. The BUYER shall request the title company to furnish these items to BUYER within fifteen (15) calendar days of the date of this Contract. BUYER shall have a period of five (5) business days (the "Title Review Period") after receipt of the Title Commitment, the copies of the instruments referred to in Schedule B as exceptions, within which to notify SELLER of BUYER's objection to any item shown on or referenced by those documents (the "Reviewable Matters"). Any Reviewable Matter to which BUYER does not object within the Title Review Period shall be deemed to be accepted by BUYER. If BUYER objects to any such Reviewable Matter and gives notice to SELLER as provided herein, SELLER may at its election, on or before closing, attempt to cure same. If SELLER fails to cure same by the closing date, or is unwilling to cure same, the closing date shall be extended for five (5) business days for BUYER to either (a) waive such objections and accept such title as SELLER is able to convey or (b) terminate this Contract by written notice to the Title Company and to SELLER, in which case the earnest money shall be refunded to BUYER, and neither SELLER nor BUYER shall have any further rights or objections under this Contract.

1.3 (a) The City of College Station, Texas, at its expense, will provide a survey of the PROPERTY, showing, without limitation, all adjacent property lines, record ownership of adjoining properties, encroachments, easements, rights-of-way and other encumbrances of record. The survey will reflect any encroachments onto or by the PROPERTY onto adjoining properties. BUYER shall have a period of five (5) business days (the "Survey

Review Period") after receipt of the Survey within which to notify SELLER of BUYER's objection to any item shown on or referenced on the Survey. Any Reviewable Matter to which BUYER does not object within the Survey Review Period shall be deemed to be accepted by BUYER. If BUYER objects to any such Reviewable Matter and gives notice to SELLER as provided herein, SELLER may at its election, on or before closing, attempt to cure same. If SELLER fails to cure same by the closing date, or is unwilling to cure same, the closing date shall be extended for five (5) business days for BUYER to either (a) waive such objections and accept such title as SELLER is able to convey or (b) terminate this Contract by written notice to the Title Company and to SELLER, in which case neither SELLER nor BUYER shall have any further rights or objections under this Contract.

(b) The survey drawing shall be certified in favor of the BUYER. The field notes description, if any, as prepared by the surveyor, shall be substituted for the description attached to this Contract and shall be used in the General Warranty Deed.

1.4 The parties agree that general real estate taxes on the PROPERTY for the then current year, interest on any existing indebtedness, and rents, if any, shall be prorated as of the closing date and shall be adjusted in cash at the closing. SELLER alone shall be liable for any taxes assessed and levied for prior years resulting from any change in use subsequent to the conveyance to BUYER. If the closing shall occur before the tax rate is fixed for the current year, the apportionment of taxes shall be upon the basis of the tax rate for the next preceding year applied to the latest assessed valuation. All installments that have matured prior to the closing date on any special taxes or assessments shall be paid by SELLER; and any installments that are provided in the special assessment to mature after closing shall be assumed by BUYER.

1.5 The sale of the PROPERTY shall be made by General Warranty Deed from SELLER to BUYER.

ARTICLE II
PURCHASE PRICE

2.1 BUYER agrees to allow SELLER the option of removing the dwelling currently located on the PROPERTY and locating same to an alternate location. This option is subject to the terms and conditions expressed in items 2.1.1 and 2.1.2 hereinbelow. If any term or condition is not met, both 2.1.1 and 2.1.2 shall be unenforceable and only 2.2 shall apply.

2.1.1 The purchase price for the land of the PROPERTY shall be the sum of FIFTEEN THOUSAND AND NO DOLLARS ($15,000.00). The purchase price shall be payable in full at closing.

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2.1.2. SELLER shall obtain two (2) bids from qualified home-movers within sixty (60) days of this contract. SELLER may select the qualified home-mover from the two (2) bids received and BUYER will reimburse SELLER based upon the amount of the lowest bid; said amount not to exceed FIFTEEN THOUSAND AND NO/100 DOLLARS ($15,000.00). BUYER shall pay to SELLER the cost of moving the dwelling within ten (10) days of receipt of the invoice for the move of the dwelling. The dwelling located on the PROPERTY shall be moved to its new location no later than forty-five (45) days after closing.

2.2. SELLER's option to have the dwelling moved expires if SELLER does not (1) obtain two bids within sixty (60) days of this contract; and/or (2) have the house moved within forty-five (45) days of closing. If SELLER's option to move the dwelling expires, SELLER will accept and BUYER will pay SELLER the fair market value of FORTY-SIX THOUSAND FIVE AND NO/100 ($46,500.00) for the PROPERTY, including the dwelling located on the PROPERTY. If closing has already occurred, BUYER will pay SELLER the fair market value of $46,500.00 less the $15,000 purchase price for the land, paid at closing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

3.1 SELLER hereby represents and warrants to BUYER as follows:

(a) SELLER has the full right, power, and authority to enter into and perform its obligations under this Contract.

(b) SELLER has no actual knowledge of any parties in possession of any portion of the PROPERTY, either as lessees, tenants at sufferance, trespassers, or other persons in possession. Additionally, SELLER has no actual knowledge of any action by adjacent landowners, or any natural or artificial conditions upon the PROPERTY, or any significant adverse fact or condition relating to the PROPERTY, which has not been disclosed in writing to BUYER by SELLER, which would prevent, limit, impede or render more costly BUYER's contemplated use of the PROPERTY.

(c) SELLER has no actual knowledge of any pending or threatened condemnation or similar proceedings or assessment affecting the PROPERTY or any part thereof. SELLER has no actual knowledge of any such proceedings or assessments contemplated by any governmental entity.

(d) SELLER has no actual knowledge that the PROPERTY does not have full and free access to and from public highways, streets, or roads. SELLER has no actual knowledge

made as of closing, SELLER shall notify BUYER, and BUYER shall have the election of terminating the Contract and receiving back its earnest money, in which case neither party shall have any further obligation to the other.

(e) The PROPERTY has not been illegally subdivided or otherwise held, managed, or maintained in violation of any federal, state, or local law.

(f) SELLER has no actual knowledge that SELLER has not complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions relating to the PROPERTY or any part thereof.

(g) If SELLER obtains actual knowledge of any such matter subsequent to the date of this Contract that would make any of the representations or warranties untrue if made as of closing, SELLER shall notify BUYER, and BUYER shall have the election of terminating the Contract, in which case neither party shall have any further obligation to the other.

(h) SELLER has no knowledge that the PROPERTY contains any environmental hazard.

(i) SELLER is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701 (i.e., SELLER is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and regulations promulgated thereunder).

(j) To the best of SELLER's knowledge there are no unpaid charges, debts, liabilities, claims or obligations arising from any construction, occupancy, ownership, use or operation of the PROPERTY, or the business operated thereon, if any, which could give rise to any mechanic's or materialmen's or other statutory lien against the PROPERTY, or any part thereof, or for which BUYER will be responsible.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

4.1 BUYER represents and warrants to SELLER as of the effective date and as of the closing date that:

(a) BUYER has the full right, power, and authority to purchase the PROPERTY from SELLER as provided in this Contract and to carry out BUYER's obligations under this Contract, and all requisite action necessary to authorize BUYER to enter into this Contract and to carry out BUYER's obligations hereunder has been obtained or on or before closing will have been taken.

ARTICLE V
CLOSING

5.1 The closing shall be held at University Title Company, whose address is 1021 University Drive East, College Station, Texas 77840, within forty-five (45) calendar days from the execution and tender of this Contract by BUYER, or at such time and date as SELLER and BUYER may agree upon (the "closing date").

5.2 At the closing, SELLER shall:

(a) Deliver to BUYER a duly executed and acknowledged General Warranty Deed conveying good and indefeasible title in fee simple to all of the PROPERTY, free and clear of any and all liens, encumbrances, except for the Reviewable Matters and subject to the BUYER's election to terminate this Contract in the event BUYER disapproves of any Reviewable Matter, which objection is to be cured by SELLER on or prior to the closing as provided by Article I of this Contract.

(b) Deliver possession of the PROPERTY to BUYER.

(c) Deliver to BUYER, at BUYER's expense, a Title Policy insuring marketable title issued by University Title Company, in BUYER's favor in the full amount of the purchase price, insuring BUYER's fee simple title to the PROPERTY subject only to such exceptions as shown on the Title Commitment and not objected to by BUYER prior to closing.

(d) Pay any and all required property taxes.

5.3 Upon such performance by SELLER at closing, BUYER shall:

(a) Pay the balance of the purchase price and all closing costs, with the exception of pro-rated taxes, at closing.

(b) Pay the recording fees.

(c) Pay the title insurance.

ARTICLE VI
SPECIAL CONDITIONS

6.1 If the PROPERTY is currently under lease, SELLER shall assign and BUYER shall assume the lease. SELLER shall credit all deposits paid by Lessee and credit the prorated rent to BUYER. A copy of the lease shall be provided to BUYER on or before Closing.

6.2 If the PROPERTY is occupied by a term tenant, such as month to month, or any period of time not evidenced by a lease, notice shall be given to Lessee that the tenancy will expire at the

end of the term. SELLER shall credit all deposits paid by Lessee and credit the prorated rent to BUYER, unless Lessee vacates prior to Closing.

6.3 If the PROPERTY is vacant, SELLER shall not lease or rent the PROPERTY. Any current leases that end after the effective date of this Contract, but before Closing shall not be renewed.

ARTICLE VII
BREACH BY SELLER

7.1 In the event SELLER fails to fully and timely perform any of its obligations under this Contract or fails to consummate the sale of the PROPERTY for any reason except BUYER's default, BUYER may:

(a) Enforce specific performance of this agreement; and/or

(b) Bring suit for damages against SELLER.

ARTICLE VIII
BREACH BY BUYER

8.1 In the event BUYER fails to consummate the purchase of the PROPERTY (BUYER being in default and SELLER not being in default hereunder), SELLER shall have the right to bring suit against BUYER only for expectancy and incidental damages, if any.

ARTICLE IX
MISCELLANEOUS

9.1 Survival of Covenants: Any of the representations, warranties, covenants, and agreements of the parties, as well as any rights and benefits of the parties, pertaining to the period of time following the closing date, shall survive the closing and shall not be merged by deed or otherwise be extinguished.

9.2 Notice: Any notice required or permitted to be delivered by this Contract shall be deemed received when sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to SELLER or BUYER, as the case may be, at the addresses set forth below:

SELLER: WILLIAM JOSEPH O'BRIEN
1917 Wayside Drive
Bryan, Texas 77802

BUYER: City of College Station
Legal Department
1101 Texas Avenue
College Station, Texas 77840

9.3 Texas Law to Apply: This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created by this Contract are to be performed in Brazos County, Texas.

9.4 Parties Bound: This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. The persons executing this Contract do so in their capacities as set forth below and in no other capacity whatsoever, and such persons shall have no personal liability for executing this Contract in a representative capacity. All such liability is limited to the principal for which they execute this document as a representative.

9.5 Invalid Provision: In case any one or more of the provisions contained in this Contract shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in the Contract. In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Contract a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

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

9.7 Prior Agreements Superseded: This Contract embodies the entire agreement of the parties and supersedes any and all prior understandings or written or oral agreements between the parties respecting subject matter within and may only be amended or supplemented by an instrument in writing executed by the party against whom enforcement is sought.

9.8 Time of Essence: Time is of the essence to this Contract.

9.9 Gender: Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

9.10 Multiple Counterparts: This Contract may be executed in a number of identical counterparts. If so executed, each of the counterparts shall, collectively, constitute but one agreement. In making proof of this Contract it shall not be necessary to produce or account for more than one counterpart.

9.11 Memorandum of Contract: Upon request of either party, both parties shall promptly execute a memorandum of this agreement suitable for filing of record.

9.12 Effective Date: This Agreement will be effective when signed by the last party whose signing makes the Agreement fully executed.

EXECUTED on this the 23rd day of June, 2000.

SELLER:

WILLIAM JOSEPH O'BRIEN

BUYER:

CITY OF COLLEGE STATION

By:_____
Lynn McIlhaney, Mayor

ATTEST:

Connie Hooks, City Secretary

APPROVED:

Thomas E. Brymer, City Manager
Date:_____

Charles Cryan, Director of Fiscal Services
Date:_____

City Attorney
Date:_____

STATE OF TEXAS)
) ACKNOWLEDGMENT
COUNTY OF BRAZOS)

This instrument was acknowledged before me on the _____ day of _____, 2000, by Lynn McIlhaney as Mayor of the City of College Station, a Texas Municipal Corporation, on behalf of said corporation.

_____
NOTARY PUBLIC in and for the
STATE OF TEXAS

STATE OF TEXAS)
) ACKNOWLEDGMENT
COUNTY OF BRAZOS)

This instrument was acknowledged before me on the 23rd day of June, 2000, by WILLIAM JOSEPH O'BRIEN.

YVONNE WHITMIRE
NOTARY PUBLIC
STATE OF TEXAS
My Commission Expires 06-03-2002

Yvonne Whitmire
NOTARY PUBLIC in and for
the STATE OF TEXAS

Contract No. 00-138
107 George Bush East
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