TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

CAMBRIA HOTEL RICHARDSON
3605 SHIRE BLVD.
RICHARDSON, TEXAS

THURSDAY, July 15, 2021
9:30 AM

Preliminary matters:

- Call to order
- Public comments

The following matters are scheduled for discussion and for possible action:

1. Executive session will be held pursuant to the Open Meetings Act (Chapter 551, Government Code) for the following items:

   A. Discussion relating to the employment and duties of the General Manager (personnel matter under Section 551.074, Government Code and legal advice under Section 551.071, Government Code.)

   B. Real property matters - Update regarding the status of the marketing effort to sell the mine and consideration of offers to purchase the mine. (value of real property under Section 551.072, Government Code, and legal advice under Section 551.071, Government Code.)

In the Board's discretion, the Board may discuss and/or take action on one or more of the above executive session items in open meeting. In regard to items scheduled on this agenda for discussion and/or action in the open portion of the meeting, the Board may, in its discretion, address one or more of such items in executive session if and to the extent permitted by the Texas Open Meetings Act.

2. Resolution No. 2021-7-1, approving a secondary employment of the General Manager; and resolving matters incidental and related thereto.

3. Resolution No. 2021-7-2, authorizing the sale of the Gibbons Creek Lignite Mine; describing the conditions and circumstances for the sale, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

4. Future Meeting Dates.

5. Adjourn.

July 15, 2021

AGENDA ITEM NO. 1

SUBJECT: Executive Session

Executive session will be held pursuant to the Open Meetings Act (Chapter 551, Government Code) for the following items:

A. Discussion relating to the employment and duties of the General Manager (personnel matter under Section 551.074, Government Code and legal advice under Section 551.071, Government Code.)

B. Real property matters - Update regarding the status of the marketing effort to sell the mine and the strategy going forward to market and consider offers to purchase the mine. (value of real property under Section 551.072, Government Code, and legal advice under Section 551.071, Government Code.)

In the Board's discretion, the Board may discuss and/or take action on one or more of the above executive session items in open meeting. In regard to items scheduled on this Agenda for discussion and/or action in the open portion of the meeting, the Board may, in its discretion, address one or more of such items in executive session if and to the extent permitted by the Texas Open Meetings Act.

July 15, 2021

AGENDA ITEM NO. 1A

SUBJECT: Discussion relating to the employment and duties of the General Manager (personnel matter under Section 551.074, Government Code and legal advice under Section 551.071, Government Code.)

DISCUSSION: In March, the Board authorized the General Manager to accept a temporary position with TPPA as its Interim Executive Director, provided his service with TPPA did not extend beyond the date of the Annual Meeting, scheduled for September 9, 2021. In June, TPPA proposed to the General Manager that he accept the position of Executive Director on a permanent basis.

The purpose of this agenda item is to discuss the potential secondary employment, and its effect on the General Manager's duties to the Agency. For the open portion of the meeting, following the executive session, a Resolution is scheduled for consideration, that would approve the secondary employment, but within the parameters discussed during this executive session.

BACKUP MATERIAL: None.

ACTION REQUESTED: In open session, consider approval of the Resolution.

July 15, 2021

AGENDA ITEM NO. 1B

SUBJECT: Real property matters - Update regarding the status of the marketing effort to sell the mine and consideration of offers to purchase the mine.

DISCUSSION: See the attached update.

BACKUP MATERIAL: None.

ACTION REQUESTED: Staff will propose a recommended action after bids are received, opened, and evaluated on July 13.

Bob Kahn
6/28/21

REPUBLIC RANCHES LLC

Our Legacy is in the Land

Lakes of Gibbons Creek
Marketing Update
6/22/2021

As of today, we have sent out the Sealed Bid Form and Due Diligence Package to the selected finalist to bring the TMPA their highest and best offer. In the package we have given direction as to how we would like to see the Contract written and a suggested timeline for closing the Property. Those bids are due by July 13th and will be held by our Escrow Agent (University Title Company) until 2 pm CST. At 2 pm CST on July 13th, the bids will be opened for review by myself and Bob Kahn representing the TMPA. We will then consider each bid and bring to the Board our recommendation for which bid to choose to move forward with, and move forward with executing a Contract with that Buyer that is chosen.

July 15, 2021

AGENDA ITEM NO. 2

SUBJECT: Resolution No. 2021-7-1, approving a secondary employment of the General Manager; and resolving matters incidental and related thereto.

DISCUSSION: In March 2021, the General Manager was approached by the Texas Public Power Association ("TPPA") proposing that the General Manager serve as Interim Executive Director of TPPA until a permanent Executive Director could be recruited and employed by TPPA.

On March 26, 2021, the Board amended the General Manager Agreement to permit secondary employment so long as it was approved by the Board by motion or resolution. The Board also authorized the General Manager to accept the interim position with TPPA, provided his service with TPPA ended no later than the date of the Annual Board Meeting, scheduled for September 9, 2021.

In June 2021, TPPA proposed to the General Manager that he accept the position of Executive Director on a permanent basis, for an indefinite period of time. The purpose of this Resolution is to authorize the General Manager to engage in this secondary employment, but within the parameters discussed in executive session.

BACKUP MATERIAL: None.

ACTION REQUESTED: Consideration and action on Resolution No. 2021-7-1.

RESOLUTION NO. 2021-7-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") APPROVING A SECONDARY EMPLOYMENT OF THE GENERAL MANAGER; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Board desires to approve a secondary employment of the General Manager;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the Board approves the secondary employment of the General Manager within the parameters discussed in executive session on this date;

3. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 15TH DAY OF JULY 2021.

____
Sue Ann Harting, President
Board of Directors
Texas Municipal Power Agency

ATTEST:

____
Buppy Simank, Secretary
Board of Directors
Texas Municipal Power Agency

July 15, 2021

AGENDA ITEM NO. 3

SUBJECT: Resolution No. 2021-7-2, authorizing the sale of the Gibbons Creek Lignite Mine; describing the conditions and circumstances for the sale, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

DISCUSSION: [Note: At the time of drafting of this agenda item, the sealed bids had not been received. Therefore, important information, such as price and whether or not minerals are to be included in the transaction, has been left out. The form of Farm & Ranch Contract, attached to the Resolution, is the one that was included in the bid package given to the bidders. It is possible that the winning bid will have exceptions to the form of the contract.]

This Resolution authorizes the sale of the Gibbons Creek Lignite Mine (the "Mine").

On February 11, 2021, the Board authorized a contract with Republic Ranches, LLC ("Republic") for real estate brokerage services relating to the sale of the Mine. Republic has marketed the Mine extensively, and has received numerous proposals. In June, Republic requested sealed bids from the five highest bidders. The bids were received on July 13, 2021.

The highest and best bid was submitted by _________. ________ proposes to pay $_________ for the Mine, approximately 11,025 acres. Under the transaction as proposed, the Agency will reserve a reclamation easement which will allow it to continue reclamation activities on the bonded areas until all mine bonding is released.

The attached Resolution describes the conditions and circumstances for the sale, and the public purposes that will be achieved, as required by law.

BACKUP MATERIAL: The Farm and Ranch Contract is attached to the Resolution.

ACTION REQUESTED: Consideration and action on Resolution No. 2021-7-2.

RESOLUTION NO. 2021-7-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AUTHORIZING THE SALE OF THE GIBBONS CREEK LIGNITE MINE; DESCRIBING THE CONDITIONS AND CIRCUMSTANCES FOR THE SALE, AND THE PUBLIC PURPOSES THAT WILL BE ACHIEVED; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, as authorized by Section 163.073, Utilities Code, the Member Cities have, by the adoption of concurrent ordinances, elected for the Agency to be governed by Subchapter C-1, Utilities Code, effective April 30, 2016;

WHEREAS, Section 163.080 of Subchapter C-1 authorizes the Agency to "sell, lease, convey, or otherwise dispose of any right, interest, or property of the agency, including its electric facilities", and including property that "was purchased by the agency for mining purposes";

WHEREAS, the Board desires to authorize the sale of the Gibbons Creek Lignite Mine, and;

WHEREAS, pursuant to Section 3.2.4 of the Joint Operating Agreement, as amended, the Board hereby determines that the sale of the Gibbons Creek Lignite Mine, as authorized by this Resolution, is for not less than the fair market value of the Gibbons Creek Lignite Mine;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the Board authorizes the General Manager, or a person acting at his direction, to execute a Farm and Ranch Contract for the sale of the Gibbons Creek Lignite Mine;

3. That the Farm and Ranch Contract shall be in substantially the same form as Exhibit "A", attached to this Resolution;

4. That, subject to paragraph 3, the General Manager, or a person acting at his direction, may agree on changes and supplements to the Farm and Ranch Contract, addenda, exhibits, and schedules, for purposes, among others, of completeness and accuracy;

5. That, for purposes of Section 272.001(k), Local Government Code: (i) the conditions for the sale are as set forth in the Farm and Ranch Contract; (ii) the circumstances for the sale are that the Gibbons Creek Lignite Mine is no longer needed by the Agency for mining operations and should be sold as surplus property provided that the Agency retains an easement to continue and complete reclamation operations; and (iii) the public purposes that will be achieved include the production of revenue from surplus property that is no longer needed for Agency operations, and the avoided costs of land maintenance;

6. That the General Manager, or his designee, may take such actions as are necessary, desirable, or required to consummate and complete the transactions contemplated by the Farm and Ranch Contract; and

7. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 15TH DAY OF JULY, 2021.

____
Sue Ann Harting, President
Board of Directors
Texas Municipal Power Agency

ATTEST: _________________________________
Buppy Simank, Secretary
Board of Directors
Texas Municipal Power Agency

EXHIBIT “A”

Farm and Ranch Contract

FARM AND RANCH CONTRACT

EQUAL HOUSING OPPORTUNITY

1. **PARTIES:** The parties to this contract are Texas Municipal Power Agency (Seller) and ______ (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
2. **PROPERTY:** The land, improvements, accessories and crops except for the exclusions and reservations, are collectively referred to as the Property (Property).
   A. LAND: The land situated in the County of Grimes, Texas, described as follows: See Exhibit A (approx. 11,025 acres) ______ or as described on attached exhibit, also known as Lakes of Gibbons Creek, , (address/zip code), 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.
   B. IMPROVEMENTS:
      (1) FARM and RANCH IMPROVEMENTS: The following **permanently installed and built-in items,** if any: windmills, tanks, barns, pens, fences, gates, sheds, outbuildings, and corrals.
      (2) RESIDENTIAL IMPROVEMENTS: The house, garage, and all other fixtures and improvements attached to the above-described real property, including without limitation, the following **permanently installed and built-in items,** if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas, mounts and brackets for televisions and speakers, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property attached to the above described real property.
   C. ACCESSORIES:
      (1) FARM AND RANCH ACCESSORIES: The following described related accessories: (check boxes of conveyed accessories) ☐ portable buildings ☐ hunting blinds ☐ game feeders ☐ livestock feeders and troughs ☐ irrigation equipment ☐ fuel tanks ☐ submersible pumps ☐ pressure tanks ☒ corrals ☐ gates ☒ chutes ☐ other: ______
      (2) RESIDENTIAL ACCESSORIES: The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, door keys, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories, artificial fireplace logs, security systems that are not fixtures, and controls for: (i) garage doors, (ii) entry gates, and (iii) other improvements and accessories. "Controls" includes Seller's transferable rights to the (i) software and applications used to access and control improvements or accessories, and (ii) hardware used solely to control improvements or accessories.
   D. CROPS: Unless otherwise agreed in writing, Seller has the right to harvest all growing crops until delivery of possession of the Property.
   E. EXCLUSIONS: The following improvements, accessories, and crops will be retained by Seller and must be removed prior to delivery of possession: ______.
   F. RESERVATIONS: Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.
3. **SALES PRICE:**
   A. Cash portion of Sales Price payable by Buyer at closing . . . . $ ______
   B. Sum of all financing described in the attached: ☐ Third Party Financing Addendum, ☐ Loan Assumption Addendum, ☐ Seller Financing Addendum. . . . . $ ______
   C. Sales Price (Sum of A and B) . . . . $ ______
   D. The Sales Price ☐ will ☐ will not be adjusted based on the survey required by Paragraph 6C. If the Sales Price is adjusted, the Sales Price will be calculated on the basis of $ ______ per acre. If the Sales Price is adjusted by more than 10%, either party may terminate this contract by providing written notice to the other party within ______ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is 10% or less, the adjustment will be made to the amount in ☐ 3A ☐ 3B ☐ proportionately to 3A and 3B.
4. **LEASES** Except as disclosed in this contract, Seller is not aware of any leases affecting the Property. After the Effective Date, Seller may not, without Buyer's written consent, create a new lease, amend any existing lease, or convey any interest in the Property. (Check all applicable boxes)

☐ A. RESIDENTIAL LEASES: The Property is subject to one or more residential leases and the Addendum Regarding Residential Leases is attached to this contract.

☐ B. FIXTURE LEASES: Fixtures on the Property are subject to one or more fixture leases (for example, solar panels, propane tanks, water softener, security system) and the Addendum Regarding Fixture Leases is attached to this contract.

☒ C. NATURAL RESOURCE LEASES: "Natural Resource Lease" means an existing oil and gas, mineral, water, wind, or other natural resource lease affecting the Property to which Seller is a party.

☐ (1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
☒ (2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall provide to Buyer a copy of all the Natural Resource Leases within 3 days after the Effective Date. Buyer may terminate the contract within 30 days after the date the Buyer receives all the Natural Resource Leases and the earnest money shall be refunded to Buyer.

5. EARNEST MONEY AND TERMINATION OPTION:

A. DELIVERY OF EARNEST MONEY AND OPTION FEE: Within 3 days after the Effective Date, Buyer must deliver to ______ University Title ______, as escrow agent, at 1021 University Drive East, College Station, TX 77840 ______ (address): $ ______ as earnest money and $ ______ as the Option Fee. The earnest money and Option Fee shall be made payable to escrow agent and may be paid separately or combined in a single payment.
(1) Buyer shall deliver additional earnest money of $______ to escrow agent within ______ days after the Effective Date of this contract.
(2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money, Option Fee, or the additional earnest money, as applicable, is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.
(3) The amount(s) escrow agent receives under this paragraph shall be applied first to the Option Fee, then to the earnest money, and then to the additional earnest money.
(4) Buyer authorizes escrow agent to release and deliver the Option Fee to Seller at any time without further notice to or consent from Buyer, and releases escrow agent from liability for delivery of the Option Fee to Seller. The Option Fee will be credited to the Sales Price at closing.

B. TERMINATION OPTION: For nominal consideration, the receipt of which Seller acknowledges, and Buyer's agreement to pay the Option Fee within the time required, 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). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If Buyer gives notice of termination within the time prescribed: (i) the Option Fee will not be refunded and escrow agent shall release any Option Fee remaining with escrow agent to Seller; and (ii) any earnest money will be refunded to Buyer.

C. FAILURE TO TIMELY DELIVER EARNEST MONEY: If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money.

D. FAILURE TO TIMELY DELIVER OPTION FEE: If no dollar amount is stated as the Option Fee or if Buyer fails to deliver the Option Fee within the time required, Buyer shall not have the unrestricted right to terminate this contract under this Paragraph 5.

E. TIME: **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

6. TITLE POLICY AND SURVEY:

A. TITLE POLICY: Seller shall furnish to Buyer at ☒ Seller's ☐ Buyer's expense an owner policy of title insurance (Title Policy) issued by: ______ University Title ______ (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) The standard printed exception for standby fees, taxes and assessments.
(2) Liens created as part of the financing described in Paragraph 3.
(3) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
(4) The standard printed exception as to marital rights.
(5) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
(6) 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; or
☐ (ii) will be amended to read, "shortages in area" at the expense of ☐ Buyer ☐ Seller.
(7) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.

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 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):

[X] (1) Within 60 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.** The existing survey [ ] will [X] will not be recertified to a date subsequent to the Effective Date of this contract at the expense of [ ] Buyer [ ] Seller. If the existing survey is not approved by the Title Company or Buyer's lender(s), a new survey will be obtained at the expense of [ ] Buyer [ ] Seller 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.

[ ] (4) No survey is required.

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 (5) above; or disclosed in the Commitment other than items 6A(1) through (7) 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 by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. EXCEPTION DOCUMENTS: Prior to the execution of the contract, Seller has provided Buyer with copies of the Exception Documents listed below or on the attached exhibit. Matters reflected in the Exception Documents listed below or on the attached exhibit will be permitted exceptions in the Title Policy and will not be a basis for objection to title:

Document	Date	Recording Reference

F. SURFACE LEASES: Prior to the execution of the contract, Seller has provided Buyer with copies of written leases and given notice of oral leases (Leases) listed below or on the attached exhibit. The following Leases will be permitted exceptions in the Title Policy and will not be a basis for objection to title: ____

____

G. 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) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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.

(10) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: “The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions.”

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. Any hydrostatic testing must be separately authorized by Seller in writing. 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. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice):
(Check one box only)

☐ (1) Buyer has received the Notice

☐ (2) Buyer has not received the Notice. Within _________ days after the Effective Date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.

☒ (3) The Texas Property Code does not require this Seller to furnish the Notice.

C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978.

D. 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 7D (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 following specific repairs and treatments: ____
____.

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

E. 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 will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs 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.

F. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Buyer. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

G. 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.

H. SELLER'S DISCLOSURES: Except as otherwise disclosed ~~in this contract,~~ **to Buyer** 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.

I. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding $ **0.00** . Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**

J. GOVERNMENT PROGRAMS: The Property is subject to the government programs listed below or on the attached exhibit: ____.
Seller shall provide Buyer with copies of all governmental program agreements. Any allocation or proration of payment under governmental programs is made by separate agreement between the parties which will survive closing.

8. BROKERS AND SALES AGENTS:

A. BROKER OR SALES AGENT DISCLOSURE: Texas law requires a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: ____.

B. 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 ____________________ , __________ , 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~~ **Special** warranty deed conveying title to the Property to Buyer ~~and showing no additional exceptions to those permitted in Paragraph 6~~, an assignment of Leases, 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, ordinary wear and tear excepted: ☒ upon closing and funding ☐ according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**

B. SMART DEVICES: “Smart Device” means a device that connects to the internet to enable remote use, monitoring, and management of: (i) the Property; (ii) items identified in any Non-Realty Items Addendum; or (iii) items in a Fixture Lease assigned to Buyer. At the time Seller delivers possession of the Property to Buyer, Seller shall:
(1) deliver to Buyer written information containing all access codes, usernames, passwords, and applications Buyer will need to access, operate, manage, and control the Smart Devices; and
(2) terminate and remove all access and connections to the improvements and accessories from any of Seller's personal devices including but not limited to phones and computers.

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TREC rules prohibit license holders from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)
See Attachment 1

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 $ **0.00** 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; 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. Rentals which are unknown at time of closing will be prorated between Buyer and Seller when they become known.
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 Assessments are imposed because of Seller's use or change in use of the Property 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, if permitted by Seller's insurance carrier, 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 for any other reason, 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. Escrow agent may require any disbursement made in connection with this contract to be conditioned on escrow agent's collection of good funds acceptable to escrow agent.

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; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow agent may deduct authorized expenses from the earnest money payable to a party. “Authorized expenses” means expenses incurred by escrow agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.

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~~. 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 disbursal 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 (i) damages; (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 Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status 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 fax or electronic transmission as follows:

To Buyer at: ______________________

____

Phone: ______________________

E-mail/Fax: ______________________

E-mail/Fax: ______________________

To Seller at: PO Box 7000

Bryan, Texas 77805

Phone: ______________________

E-mail/Fax: ______________________

E-mail/Fax: ______________________

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
- ☐ Seller Financing Addendum
- ☐ Addendum for Property Subject to Mandatory Membership in a Property Owners Association
- ☐ Buyer's Temporary Residential Lease
- ☐ Loan Assumption Addendum
- ☐ Addendum for Sale of Other Property by Buyer
- ☐ Addendum for "Back-Up" Contract
- ☐ Addendum for Coastal Area Property
- ☐ Addendum for Authorizing Hydrostatic Testing
- ☐ Addendum Concerning Right to Terminate Due to Lender's Appraisal
- ☐ Addendum for Reservation of Oil, Gas and Other Minerals
- ☐ Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
- ☐ Seller's Temporary Residential Lease
- ☐ Short Sale Addendum
- ☐ Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
- ☐ Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead -based Paint Hazards as Required by Federal Law
- ☐ Addendum for Property in a Propane Gas System Service Area
- Addendum Regarding Residential Leases
- Addendum Regarding Fixture Leases
- ☒ Other (list): Exhibit A & Attachment 1

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

Buyer's
Attorney is: ______________________

Phone: ______________________

Fax: ______________________

E-mail: ______________________

Seller's
Attorney is: Carl Shahady & Mike Wren

Phone: ______________________

Fax: ______________________

E-mail: cshahady@tiemannlaw.com

EXECUTED the _________ day of ________________________________ , __________ (EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Buyer	Seller
Buyer	Seller

RATIFICATION OF FEE

Listing Broker has agreed to pay Other Broker ______________ of the total Sales Price when Listing Broker's fee is received. Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.

Other Broker:
By: ______________

Listing Broker:
By: ______________

BROKER INFORMATION AND AGREEMENT FOR PAYMENT OF BROKERS' FEES

Other Broker ______ License No. ______
Associate's Name ______ License No. ______
Team Name ______
Associate's Email Address ______ Phone ______
Licensed Supervisor of Associate ______ License No ______
Other Broker's Office Address ______ Phone ______
City ______ State ______ Zip ______

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

Listing or Principal Broker: Republic Ranches, LLC License No.: 9000612
Listing Associate's Name: Jeff Boswell License No.: 563973
Team Name ______
Listing Associate's Email Address: bos@republicranches.com Phone: (713)304-8186
Licensed Supervisor of Listing Associate ______ License No. ______
Listing Broker's Office Address: 3535 Westheimer, Ste. 227 Phone ______
City: Houston State: TX Zip: 77027

Selling Associate ______ License No. ______
Team Name ______
Selling Associate's Email Address ______ Phone ______
Licensed Supervisor of Selling Associate ______ License No. ______
Selling Associate's Office Address ______
City ______ State ______ Zip ______

represents
☐ Seller Only
☐ Buyer Only
☐ Seller and Buyer as an intermediary

Upon closing of the sale by Seller to Buyer of the Property described in the contract to which this fee agreement is attached: (a) ☐ Seller ☐ Buyer will pay Listing/Principal Broker ☐ a cash fee of $ ______ or ☐ ______ % of the total Sales Price; and (b) ☐ Seller ☐ Buyer will pay Other Broker ☐ a cash fee of $ ______ or ☐ ______ % of the total Sales Price. Seller/Buyer authorizes and directs Escrow Agent to pay the brokers from the proceeds at closing.

Brokers' fees are negotiable. Brokers' fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested or maintained by the Texas Real Estate Commission.

Seller ______ Buyer ______

Seller ______ Buyer ______

Do not sign if there is a separate written agreement for payment of Brokers' fees.

OPTION FEE RECEIPT

Receipt of $_______________ (Option Fee) in the form of ____________________ is acknowledged.

Escrow Agent | Date

EARNEST MONEY RECEIPT

Receipt of $_______________ Earnest Money in the form of ____________________ is acknowledged.

Escrow Agent | Received by | Email Address | Date/Time

Address | Phone

City | State | Zip | Fax

CONTRACT RECEIPT

Receipt of the Contract is acknowledged.

Escrow Agent | Received by | Email Address | Date

Address | Phone

City | State | Zip | Fax

ADDITIONAL EARNEST MONEY RECEIPT

Receipt of $_______________ additional Earnest Money in the form of ____________________ is acknowledged.

Escrow Agent | Received by | Email Address | Date/Time

Address | Phone

City | State | Zip | Fax

FARM AND RANCH CONTRACT
SPECIAL PROVISIONS ADDENDUM

ADDENDUM TO FARM AND RANCH CONTRACT ("Contract") between Texas Municipal Power Agency ("Seller") and ________________________ ("Buyer") concerning Lakes of Gibbons Creek, 11,025 +/- acres in Grimes County, Texas as further described on Exhibit "A" attached hereto.

The following special provisions apply and will control in the event of a conflict with the other provisions of the Contract, and shall survive the closing and not merge with the provisions of any closing documents:

1. Legal Description. Seller and Buyer acknowledge that the legal description contained in this Contract technically may be, or is, legally insufficient for the purposes of supporting an action for specific performance or other enforcement hereof. As such, Seller and Buyer confirm unto one another that notwithstanding the insufficiency, the parties desire to proceed to sell and purchase the Property. Therefore, since the parties are desirous of executing this Contract and to provide for the right of Buyer to demand and successfully enforce specific performance and to insure such right is not precluded due to the legal description of the Property, the Seller and Buyer agree that (a) they are experienced in transaction of the nature provided for in this transaction, (b) that in fact they specifically are familiar with the location, size, and nature of the Property, and (c) each party waives any and all claims of an insufficient legal description in a cause of action for performance hereunder, The Property shall also be deemed lo include all interest, if any, of Seller in (i) any "excess land", if any, (ii) vacancies, if any, (iii) strips or gores, if any, between the Property and adjoining land belonging to Buyer or third parties, (iv) any land lying in or under the bed of any road or highway, opened or proposed, abutting the specifically described property, and (v) any land lying in or under the bed of any creek, stream, or river, if any, running through or abutting or adjacent to the specifically described property. All of the foregoing is hereinafter referred to as the **"Property".** After the survey is completed as set out in Section 6 (C) 2, the new survey will be considered the Property.

2. AS-IS. BUYER ACKNOWLEDGES SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATIONS AS TO THE PHYSICAL CONDITION OR ANY OTHER MATTERS AFFECTING OR RELATING TO THE PROPERTY OR ANY IMPROVEMENTS THEREON (OTHER THAN WARRANTIES OF TITLE AS PROVIDED AND LIMITED HEREIN). BUYER EXPRESSLY AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW THE PROPERTY AND ANY IMPROVEMENTS THEREON ARE COVERED "AS IS" AND "WITH ALL FAULTS", AND SELLER EXPRESSLY DISCLAIMS, AND BUYER ACKNOWLEDGES AND ACCEPTS THAT SELLER HAS DISCLAIMED, ANY AND ALL REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND, ORAL OR WRITTEN, EXPRESS OR IMPLIED (EXCEPT AS TO TITLE AS HEREIN PROVIDED AND LIMITED) CONCERNING THE PROPERTY AND ANY IMPROVEMENTS THEREON, INCLUDING WITHOUT LIMITATION, (i) THE PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY AND ANY IMPROVEMENTS THEREON, (ii) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY SUCH IMPROVEMENTS, (iii) ANY ENVIRONMENTAL MATTERS RELATING TO THE

PROPERTY, AND (iv) THE MANNER, QUALITY, STATE OF REPAIR, OR LACK OF REPAIR OF THE PROPERTY AND ANY IMPROVEMENTS THEREON. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH AS REFERRED TO HEREIN.

3. Buyer has had opportunity, prior to the award of the bid for the Purchase of the Property, to review information provided by the Seller in the Dropbox, that was made available to all potential buyers on or around _____. Information in the Dropbox includes but is not limited to documentation on (i) prior ownership and use of the Property; (ii) oil, gas and other mineral matters related to the Property; (iii) the survey of the Property; (iv) litigation related to the Property; (v) the Conservation Agreement related to the Property; (vi) Reclamation requirements of the Texas Railroad Commission required on the Property; (vii) Flood areas of the Property; (viii) Wetlands and Endangered Species on the Property; and (ix) Historical site, etc. requirements of Section 191.092, Texas Natural Resources Code
.

4. Buyer is a sophisticated party, that has participated in and closed transactions of similar nature as that set out in the Contract. Buyer is represented by counsel and professionals knowledgeable in all areas that affect the Property and/or negotiating and closing transactions similar to the one set out in the Contract. Neither Seller nor any representative of Seller, including Republic Ranches of Texas has any responsibility or duty of any nature or kind to Buyer. Buyer agrees that it will look to and rely **only** on its counsel and professionals in making the decision to close the Contract. Buyer agrees and acknowledges that it may not rely on any verbal or written statements, representation or information furnished by Seller or Republic Ranches or any other party working on behalf of Seller in making its decision to close the Contract.

5. The conveyance will be by special warranty deed. The special warranty deed shall be in substantially the same form as the form of deed attached as Exhibit "B" to this Addendum.

6. The map of Bonded Related Areas attached to the Special Warranty Deed depicts, among other features, "Orchid Safe Sites". Unless Seller's pending request for termination of the Conservation Agreement with U.S. Fish & Wildlife and EPA is granted, or Seller is otherwise released from the obligation to conduct surveys in the Orchid Safe Sites, a provision will be included in the Special Warranty Deed to allow Seller to conduct surveys in the Orchid Safe Sites and otherwise carry out its duties under the Conservation Agreement.

BUYER:

SELLER:

<u>NOTICE OF CONFIDENTIALITY RIGHTS</u>: 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

STATE OF TEXAS §
§
COUNTY OF GRIMES §

<u>Date</u>: ________________________, 2021

<u>Grantor</u>: Texas Municipal Power Agency

<u>Grantor's Mailing Address</u>:

P.O. Box 7000
Bryan, Texas 77805

<u>Grantee</u>: ____________________________

<u>Grantee's Mailing Address</u>:

____
____

<u>Consideration</u>:

(a) The sum of Ten and No/100 Dollars ($10.00) and other good and valuable cash consideration in hand paid by Grantee to Grantor, the receipt and sufficiency of which is hereby acknowledged, and for the payment of which no lien, express or implied, is retained against the Property.

(b) Part of the consideration for the Property was paid by ________________________ at the instance and request of Grantee, the receipt of which is hereby acknowledged, as evidence of which consideration Grantee has executed and delivered its one certain promissory note (herein called the "Note") of even date herewith, in the principal sum of $_______________, payable to the order of _________________________ as therein provided, reference being made to the Note for all relevant purposes. To secure the payment of the Note, Grantor does hereby expressly retain a Vendor's Lien and Superior Title upon and against the Property to the extent that proceeds of the Note are used towards the payment of the purchase price of the Property until said amount of proceeds under the Note is fully paid according to the face, tenor, effect and reading of said Note, whereupon this Deed shall become absolute. The said Vendor's Lien and Superior Title herein retained are hereby transferred, assigned, sold and conveyed to ______________________, its successors and assigns, the payee named in the Note, without recourse. The Note is further and additionally secured by a Deed of Trust of even date herewith to _____________________, Trustee executed by Grantee covering the Property, to which reference is here made for all relevant purposes. *[delete the v/l language if not needed]*

<u>Property</u>:

Insert legal description

<u>Conveyance of Water Rights</u>:

Grantor does hereby assign to Grantee, its successors and assigns, without recourse, all of Grantor's right, title, and interest in and to the water rights described in **<u>Exhibit A-3</u>**, to extent the same are transferrable without obtaining the consent of any other party or entity, and Grantee hereby assumes the obligations of Grantor in relation to such water rights.

<u>Reservations of Minerals</u>:

Grantor reserves in the Property, for Grantor's heirs, executors, administrators, legal representatives, successors or assigns forever, any and all oil, gas, and other minerals and related hydrocarbons in, on or under the Property, or that may be produced from the Property, and any and all rights associated therewith, together with any bonus, delay rentals or other consideration attributable to such interests or the lease of such interests.

Except as provided in the Access Agreements (defined below), it is expressly agreed that Grantor, its successors and assigns, hereby absolutely and irrevocably waives and relinquishes all rights to enter upon, use or otherwise occupy the surface of the Property for the purpose of exploring for, developing, drilling, producing, transporting, mining, treating, storing or any other activity incident to the development or production of the oil, gas and related hydrocarbons and any other reserved minerals in, on, or under the Property or lands pooled therewith, without the express written consent to same by the record title owner(s) of the surface of the Property, so that the surface owner or owners of the Property shall have the free, complete and uninterrupted use of the surface of the Property (except as otherwise provided in this Deed). This waiver shall be a covenant running with the land, and shall be binding upon Grantor and its successors and assigns as to all or any portion of the mineral estate reserved herein. Licensees under the Access Agreements, and any third party owning mineral rights, retain all rights to use the surface estate of the Property as provided in the Access Agreements or under state law. All drill sites with drilling equipment in existence as of the date of this Deed may remain in place and continue to be used by the owners.

Nothing will restrict or prohibit the pooling or unitization of the mineral estate reserved by Grantor with land other than the Property, provided that these operations in no manner interfere with the surface of the Property. Further, nothing herein contained shall be construed to prevent the owners of the mineral estate from developing or producing the oil, gas, minerals and related hydrocarbons by directional drilling under the Property from well sites located on tracts other than the Property, so long as such operations do not cause subsidence or other damage or destruction of the surface of the Property.

Cemetery:

Grantor has informed Grantee of, and Grantee has seen, the cemetery located on Property. Section 711.041 of the Texas Health and Safety Code provides for access to visit a cemetery or private burial grounds for which no public ingress or egress is available. Grantee acknowledges that Grantor has provided to Grantee a copy of Section 711.041.

Reservation of Easements:

Grantor reserves the easements in favor of Grantor and Grantor's administrators, legal representatives, successors and assigns, in accordance with the terms set forth in the Addendum attached hereto.

Exceptions to Conveyance and Warranty:

(a) This conveyance is expressly made and accepted subject to all matters on the ground that a true and correct survey would reveal and all valid and subsisting easements, restrictions, reservations, covenants, conditions and other matters relating to the Property, but only to the extent that (i) the same are valid and enforceable and affect the Property, and (ii) the same are shown by instruments filed for record in the office of the County Clerk of Grimes County, Texas, or as same are evident upon inspection of the Property. This conveyance is also subject to any discrepancies, conflicts, overlaps, or shortages in area or boundary lines or other matters which a correct survey would show.

(b) To the extent the State of Texas may have rights respecting the items under Section 191.093, Texas Natural Resources Code, there is excepted from the conveyance and special warranty of title all sites, objects, artifacts, and other items described in Section 191.092, Natural Resources Code, to the extent, if any, such items may be located in, on, or under the Property.

(c) There is excepted from this conveyance and special warranty of title electric distribution and communication lines located on the Property and owned by Mid-South Electric Cooperative, its successors and assigns.

(d) There is excepted from this conveyance and special warranty of title the wastewater discharge permit relating to Sedimentation Pond 20.

(e) This conveyance is expressly made and accepted subject to all recorded and unrecorded access agreements listed in **Exhibit _____** (the "Access Agreements"). By acceptance of this Deed, (i) Grantee assumes all obligations of Grantor under the Access Agreements, (ii) will recognize the rights of the Licensees under the Access Agreements, and

(iii) will indemnify and hold Grantor harmless for all damages and claims of the Licensees under the Access Agreements which are incurred or arise after the date of this Deed.

Grantor, for the consideration set forth herein, has GRANTED, SOLD and CONVEYED and does hereby GRANT, SELL and CONVEY to Grantee the Property, including the improvements located thereon. TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to Grantee, Grantee's legal representatives, successors or assigns forever. Grantor binds Grantor and Grantor's legal representatives, successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's legal representatives, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to any reservations from conveyance and exceptions to warranty set forth above or otherwise herein, by, through, or under Grantor, but not otherwise.

The Property is conveyed **AS IS, WHERE IS, AND WITH ALL FAULTS**. By acceptance of this Deed, Grantee and anyone claiming by, through or under Grantee, hereby FULLY AND IRREVOCABLY RELEASES AND DISCHARGES Grantor, and its officers, agents, and employees, and the cities of Bryan, Denton, Garland, and Greenville, Texas, and their officers, agents, and employees (each, a "Grantor Release Party", and, together with Grantor, collectively the "Grantor Release Parties") from, and waive any and all claims that it may now have or hereafter acquire against any Grantor Release Party for, any losses, cost, response costs, liabilities, damage, expense, problem, condition, demand, order, notice, action or cause of action, foreseen or unforeseen, known or unknown, whether arising or accruing before, on or after the date of this Special Warranty Deed and whether attributable to events or circumstances which have occurred prior to date of this Special Warranty Deed or may occur hereafter, that relate to the condition of the Property, including without limitation those arising from or related to: (i) any structural, engineering, geological, or environmental condition at the Property, including without limitation, the presence, suspected presence, absence, release, threat of release, discovery, location or scope of any hazardous substances at, on, in, under, or emanating from the Property (whether patent, latent or otherwise) or (ii) **environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§ 9601, *et seq.*), as amended, and the Texas Solid Waste Disposal Act (Texas Health and Safety Code § 361.001, *et seq.*), as amended, including the right to seek contribution, indemnity or recovery of costs for environmental cleanup of the Property**. **THE FOREGOING RELEASE SHALL APPLY NOTWITHSTANDING THE NEGLIGENCE OR STRICT LIABILITY OF ONE OR MORE OF THE GRANTOR RELEASE PARTIES.**

By acceptance of this Deed, Grantee assumes the obligations for ad valorem taxes for 2021 and subsequent years. Further, Grantee assumes the obligations for all taxes and assessments by any taxing authority for prior years due to change in usage or ownership, commonly referred to as "roll back" taxes.

Wherever the context of this Deed so requires, the singular shall include the plural, the plural shall include the singular and any gender shall include all other genders.

Grantor: Texas Municipal Power Agency

By: ______________________________
Name: ____________________________
Title: ___________________________

STATE OF TEXAS §
§
COUNTY OF ________________ §

This instrument was acknowledged before me on ______________________, 2021 by ________________________, ________________________ of Texas Municipal Power Agency, a_________________, on behalf of said ________________.

____
Notary Public, State of Texas

After recording,
<u>please return to</u>:

____
____
____

ADDENDUM TO SPECIAL WARRANTY DEED

Easements

For purposes of this Addendum, the term “Grantor” shall include Texas Municipal Power Agency, its legal representatives, successors or assigns and “Grantee” shall include ____________________, its legal representatives, successors or assigns. “Easements” shall refer collectively to the Access Easement and Reclamation Easement defined below. “Easement Areas” shall refer to the areas of the Property covered by the Easements. “Easement Activities” shall refer to the use of the Easements by Grantor, its legal representatives, successors and assigns, and its agents, employees, invitees, licensees and contractors.

Access Easement:

1. <u>Access Easement</u>. Grantor does hereby reserve and retain an easement (herein the “Access Easement”) in accordance with the terms and conditions below.

2. <u>Access Easement Area</u>. The area covered by the Access Easement is the Property. It is acknowledged that there have already been constructed on the Property numerous roads which Grantor uses for ingress and egress as set out in paragraph 3 below. The existence of the existing roads, and the construction of any future roads on the Property by Grantor, shall not fix the location of the Access Easement; the Access Easement shall continue to be a blanket easement on the Property.

3. <u>Purpose and Use of Access Easement</u>. The Access Easement shall be for the purpose of ingress to and egress from the areas subject to mine reclamation bonding under the jurisdiction of the Railroad Commission of Texas (including areas in the vicinity of the bonded areas to which access is needed for purposes of reclamation of the bonded areas, and including areas leased to Grantor for lignite mining and reclamation) (hereinafter, the “Bonded Related Areas”). The Bonded Related Areas are depicted in **Exhibit ____**.

Reclamation Easement:

1. <u>Reclamation Easement</u>. Grantor does hereby reserve and retain an easement (herein the “Reclamation Easement”) in accordance with the terms and conditions below.

2. <u>Reclamation Easement Area</u>. The area covered by the Reclamation Easement is the Bonded Related Areas.

3. <u>Purpose and Use of Reclamation Easement</u>. The Reclamation Easement shall be for the purpose of conducting in the Bonded Related Areas any and all activities (i) required by law or regulation, including the Texas Surface Coal Mining and Reclamation Act and the regulations promulgated pursuant thereto, (ii) required by order, directive, or instruction of any

regulatory authority having jurisdiction, including the Railroad Commission of Texas, Texas Commission on Environmental Quality, and federal Office of Surface Mining, or (iii) necessary or appropriate to secure the release of reclamation bonding by the Railroad Commission of Texas. Such activities may include, among others, inspections by regulatory authorities, soil sampling, groundwater monitoring, water sampling relating to ponds, including SP-20 and HR-2, maintenance and reading of rainfall gauges, seep mitigation, erosion control, planting of vegetation, and vegetation management. To ensure that release from reclamation bonding is not delayed, Grantee agrees not to interfere with Grantor's reclamation work or disturb the land in the areas subject to the Reclamation Easement. The Access Easement and Reclamation Easement may be utilized by Grantor, its agents, employees, and contractors, and by regulatory authorities having jurisdiction over the Bonded Related Areas, including agents, employees, and contractors of such regulatory authorities, including the Railroad Commission of Texas. The Access Easement and Reclamation Easement shall terminate on the date when all of the Bonded Related Areas are released from bond and the Railroad Commission order providing for such release becomes final and non-appealable. As long as the Reclamation Easement remains in effect, Grantor may control the operating levels of End Lakes A3P-1 and A3P-2, depicted in **Exhibit ____**, for mine reclamation purposes.

Other Terms and Conditions:

1. Duration. Unless and until terminated as provided herein, the duration of the Easements is perpetual and are covenants running with the land.

2. Existing Roads. Persons entering the Property shall ingress and egress the Property utilizing existing roads to the extent practicable.

3. Compliance. The Easement Activities shall be conducted in compliance with all applicable laws and regulations.

4. Damages. With respect to damages to the Property occurring as a result of the Easement Activities, Grantor agrees to repair or pay for such damage, or cause its contractor or other person responsible for such damage to repair or pay for such damage, within ninety (90) days, provided the damage was caused by the Grantor or its contractor or other person engaged in the Easement Activities.

5. Debris; Equipment. Persons entering the Property to conduct Easement Activities shall refrain from depositing debris and waste materials, or storing equipment on the Property for a longer period of time than necessary to conduct the Easement Activities.

6. Mine Reclamation Shop. The mine reclamation shop and associated barns are conveyed to Grantee, but as long as the Reclamation Easement remains in effect, Grantor and Grantor's agents, employees, invitees, licensees and contractors may continue to use these facilities as they are being used now at no cost for a staging area for mine reclamation operations.

7. Ad Valorem Taxes. The record title owner or owners of the Property shall be responsible for the payment of all ad valorem taxes assessed against the Easement Areas. Upon request by Grantor, Grantee shall provide Grantor, annually, with evidence that taxes against the Easement Areas have been paid.

8. Maintenance of Roads. Any road located on the Easements shall be maintained by Grantee; Grantor shall have no obligation to do so. However, at Grantor's election, Grantor shall have the right to grade, pave, maintain, landscape or otherwise make improvements to any roads consistent with the uses permitted herein.

9. Fencing. The owner or owners of the Property may erect fencing along the boundaries of the Easement Areas as well as place a gate or gates across the Easements to limit their use or crossing by third parties or animals, but only so long as any such fencing or gates do not adversely affect the permitted use of the Easement by Grantor or any of the Easement Activities. If Grantee places locks on gates, Grantee shall simultaneously provide Grantor with any applicable keys or codes. Grantor may also erect fencing along the boundaries of the Easement Areas and prohibit access by Grantee and any other third party.

10. Utility Lines. Any above or below ground lines presently existing within the area covered by the Easements which provide service for electricity, water, wastewater, gas, telephone, cable or similar service may, at Grantor's option, remain in place, and the providers of such services may make such use of the Access Easement area as may be necessary in the construction, installation, operation, maintenance and repair of any facilities used in connection with such services.

11. Superior Rights. The Easements, and all rights and privileges pertaining thereto, shall be and remain superior to any titles, liens, leases, licenses or other interests against or affecting all or any portion of the Property, and all parties taking any interest in the Property (including any legal or equitable interests) shall take such interests subject to these Easements.

12. Nonuse. Any nonuse from time to time of the Easements) shall not constitute nor be considered an abandonment of the Easements. No abandonment, delay or waiver of the rights in the Easements shall be deemed to occur unless an instrument abandoning or otherwise waiving or terminating the Easements is signed by Grantor and filed for record in the Real Property Records of Grimes County, Texas.

13. Enforcement. The Easements may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting interference and commanding compliance. Restraining orders and injunctions will be obtainable on proof of the existence of interference or threatened interference, without the necessity of proof of inadequacy of legal remedies or irreparable harm, and will be obtainable only by those benefited by this agreement; provided, however, that the act of obtaining an injunction or restraining order will not be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

14. Termination. The Easements may be terminated or modified by the written agreement of the record owner or owners of the Property and Grantor, which is filed for record in the Real Property Records of Grimes County, Texas.

15. Attorney's Fees. If either Grantor or Grantee retains an attorney to enforce this agreement, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.

16. Choice of Law; Venue. This Addendum will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any other jurisdiction. Venue is in Grimes County, Texas.

17. Grantee's Joinder. By execution in the space indicated below, Grantee consents and agrees to the terms of the Deed, and to the terms of the Easements as contained in this Addendum.

Grantee: ______________________________________

By:____________________________________
Name: ______________________________
Title: ______________________________

STATE OF TEXAS §
§
COUNTY OF ________________ §

This instrument was acknowledged before me on ______________________, 2021 by ________________________, ________________________ of ________________________, a_________________, on behalf of said ________________.

____
Notary Public, State of Texas

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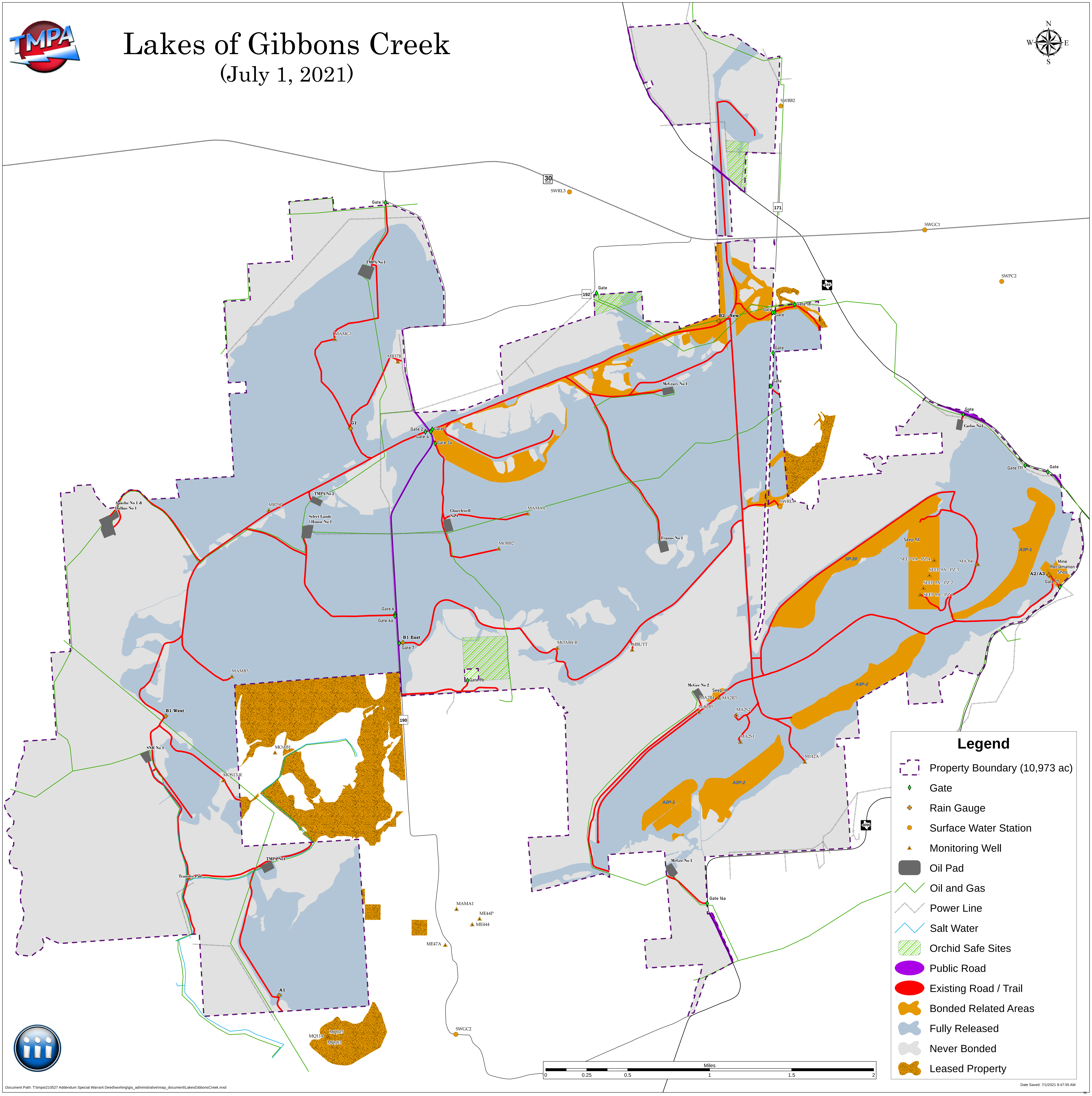
Lakes of Gibbons Creek
(July 1, 2021)



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July 15, 2021

AGENDA ITEM NO. 4

SUBJECT: Future meeting dates and subjects

DISCUSSION: The date for the next scheduled Board meeting is **September 9, 2021 in Bryan**.

TENTATIVE MEETING DATES FOR 2021 and 2022:

December 9, 2021 – Garland

February 10, 2022 – Bryan
June 9, 2022 – Garland
September 8, 2022 – Bryan
December 8, 2022 – Garland