

Exhibit B  
(Contract)

## REAL ESTATE CONTRACT

THIS CONTRACT OF SALE ("Contract" and/or "Agreement") is made by and between the College Station Independent School District, a political subdivision of the State of Texas ("SELLER"), and the CITY OF COLLEGE STATION, TEXAS, a Texas Home Rule Municipal Corporation, situated in Brazos County, Texas ("BUYER" and/or the "City"), upon the terms and conditions set forth herein.

### RECITALS

- A. Whereas, the Seller owns approximately thirty (30.00) acres of real property situated on Rock Prairie Road, east of Texas Highway 6 South, in College Station, Brazos County, Texas, and more particularly described in Article I below (the "**Property**"); and
- B. Whereas, the City has identified the geographic area in and around the Property as an area of the City that would be appropriately developed as a hospital or medical care corridor ("**Medical Corridor**"); and
- C. Whereas, the City desires that the Property be acquired and developed as a part of the Medical Corridor; and
- D. Whereas, the City wants to have the Property developed pursuant to a contract with the Research Valley Partnership, an Economic Development Corporation ("**RVP**"); and
- E. Whereas, the RVP is prepared to facilitate the acquisition and development of the Property as a part of the Medical Corridor, and is prepared to do so by selling the Property to Scott & White Health Care ("**S&W**"), for the construction of a hospital and other related medical facilities and office complexes; and
- F. Whereas, the City has determined that the ultimate acquisition and development of the Property through the RVP and by S&W will serve a public purpose and significantly advance the Medical Corridor concept in the City of College Station; and
- G. Whereas, the Seller's Board of Trustees ("**Board**"), has determined that the Property is not necessary for school purposes; and
- H. Whereas, the Board has determined that it would be in the best interest of the Seller to sell the Property to the City; and
- I. Whereas, the Seller and the City are governmental entities and/or political subdivisions under Texas Local Government Code Section 272.001; and
- J. Whereas, pursuant to Section 272.001, the Seller may convey the Property to the City for an amount equal to or greater than the fair market value of the Property without complying with the notice and bidding procedures set forth in Section 272.001; and
- K. Whereas, pursuant to Section 272.001, without following the notice and bidding procedures of Section 272.001, the City may convey the Property to the RVP, an independent foundation, to facilitate the development of the Medical Corridor; and

- L. Whereas, in furtherance of the above described public purpose, and pursuant to procedures consistent with and in compliance with Section 272.001, the RVP will transfer the Property to S&W for the development and construction of a hospital and related medical facilities and office complexes; and
- M. Whereas, these Recitals accurately express the intent of the Buyer and the Seller, and as such, these Recitals are intended to be incorporated into and made a part of this Agreement.

Now, therefore, in consideration of the mutual covenants set forth herein, and on the basis of the permitted procedures described in these Recitals, the Buyer and Seller agree as follows:

## ARTICLE I PURCHASE AND SALE

1.1 SELLER agrees to sell and convey and BUYER agrees to purchase and pay for the following interests in property being all that certain 30.00 acre tract or parcel of land, lying and being situated in the Thomas Carruthers League, Abstract No. 9, College Station, Brazos County, Texas, and being the same property described in that certain Warranty Deed dated March 8, 1988, from Grantor First Republicbank A&M to Grantee College Station Independent School District and being recorded at Volume 1033, Page 534, of the Official Records of Brazos County, Texas and being more particularly described on **Exhibit "A"** attached hereto and made a part hereof hereinafter referred to as the "**Property**".

1.2 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.

This Contract by Seller to sell the Property is subject to approval by the Board of Trustees of the College Station Independent School District; such approval indicated by signature of Seller's representatives to this Contract of Sale.

1.3 BUYER has requested Brazos County Abstract 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 Survey and the Title Commitment and 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 his/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 obligations under this Contract.

1.4 (a) The City, 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 his/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 any earnest money shall be refunded to BUYER, and neither SELLER nor BUYER shall have any further rights or obligations under this Contract.

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

1.5 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. BUYER alone shall be liable for any taxes assessed and levied for prior years resulting from this sale of the Property or 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.

1.6 The sale of the Property shall be made by a Special Warranty Deed from SELLER to BUYER in the form prepared by BUYER attached hereto as **Exhibit "B."** **Notwithstanding any provision of this Contract to the contrary, the obligation of the Seller to sell the Property shall be contingent upon the approval of the form of Special Warranty Deed by the Texas Education Agency; accordingly, within five (5) business days following the date that both the Buyer and Seller have approved this Contract, the Seller will submit the form of the Special Warranty Deed to the Texas Education Agency for advance approval.**

## ARTICLE II PURCHASE PRICE

2.1 The purchase price for the Property shall be the sum of Four Million Twenty Thousand and 00/100ths Dollars (\$4,020,000.00). The purchase price shall be payable in full at closing.

2.2 The Buyer shall deposit with the Title Company the sum of One Hundred Dollars (\$100.00) as the "Earnest Money."

## 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 his/its obligations under this Contract.

(b) (c) 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 are not non-resident aliens, foreign corporations, foreign partnerships, foreign trusts or foreign estates as those terms are defined in the Code and regulations promulgated thereunder).

(d) 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.

(e) The Property shall be sold to Buyer subject to the following provisions, each of which shall survive closing and shall be incorporated into the special warranty deed:

As a material part of the consideration for this Contract, Seller and Buyer agree that Buyer is taking the Property "AS IS" with any and all latent and patent defects and that there is no warranty by Seller that the Property has a particular financial value or is fit for a particular purpose. Buyer acknowledges and stipulates that Buyer is not relying on any representation, statement, or other assertion with respect to the Property condition but is relying on Buyer's examination of the Property. Buyer takes the Property with the express understanding and stipulation that there are no express or implied warranties.

Buyer hereby acknowledges that Buyer is purchasing the Property, and the Property is hereby conveyed to Buyer "AS IS," "WHERE IS" and "WITH ALL FAULTS", and specifically and expressly without any warranties, representations, or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Seller, except for those expressly set forth herein as a warranty under this Contract. Buyer acknowledges that Buyer has not relied, and is not relying, on any information, document, sales brochures, or other literature, maps or sketches, projection, pro forma, statement, representation, guarantee, or warranty (whether express or implied, or oral or written, or material or immaterial) that may have been given by, or made by, or on behalf of Seller. Seller has not, does not, and will not with respect to the Property, make any warranties or representations, express or implied, or arising by operation of law, including, but in no way limited to, any warranty of condition, merchantability, habitability, or fitness for a particular use, or with respect to the value, profitability or marketability of the Property.

#### 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 Brazos County Abstract Company within ninety (90) calendar days from the execution and tender of this Contract by BUYER, at such time and date as SELLER and BUYER may agree upon (the "closing date"). The City Attorney is authorized to extend the time for closing.

5.2 At the closing, SELLER shall:

(a) Deliver to BUYER the duly executed and acknowledged Special Warranty Deed prepared by BUYER conveying good and marketable title in 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 SELLER's expense, a Title Policy insuring indefeasible title issued by Brazos County Abstract Company, in BUYER's favor in the full amount of the purchase price, insuring BUYER's fee simple interest in the PROPERTY subject only to such exceptions as shown on the Title Commitment and not objected to by BUYER prior to closing.

(e) Pay one-half (½) of the escrow fees.

(f) Pay any and all required property taxes and prorated taxes for the year 2010.

(g) Pay any and all homeowner's or maintenance fees for prior years and for the current year prorated up to the date of closing.

(h) Pay the costs to obtain, deliver and record releases or partial releases of all liens to be released at closing.

(i) Pay the costs to record all documents to cure title objections agreed to be cured by SELLER.

(j) Pay the certificates or reports of ad valorem taxes.

(k) Pay the SELLER's expenses and attorney fees.

(l) Pay the title insurance.

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

(a) Pay the balance of the purchase price.

(b) Pay one-half (½) of the escrow fees.

(c) Prepare, at its cost, the Special Warranty Deed.

(d) Intentionally Deleted.

(e) Pay the costs to obtain, deliver and record all documents other than those to be recorded at SELLER's expense.

(f) Pay the BUYER's expenses or attorney fees.

(g) Pay the additional premium for the survey/boundary deletion in the title policy, if the deletion is requested by BUYER.

(h) Pay the costs of work required by BUYER to have the survey reflect matters other than those required under this contract.

ARTICLE VI  
BREACH BY SELLER

6.1 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 as its sole and exclusive remedy enforce specific performance of this Contract.

ARTICLE VII  
BREACH BY BUYER

7.1 Other than as set forth below, 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 be entitled to retain the Earnest Money as Seller's sole and exclusive remedy.

7.2 The Property is one of several adjacent properties as described in **Exhibit "C"** attached hereto and made a part hereof (hereinafter referred to as the "**Adjacent Properties**"). It is the express intent of the Buyer to acquire the Property for the purpose of advancing the public purpose of developing the Medical Corridor. Accordingly, the Buyer's obligations under this Contract are contingent upon the Buyer entering into a contract to convey the Property to RVP and subsequently to S&W in a simultaneous, or near simultaneous transaction. Further it is the express intent of the Buyer to acquire the Property only on the condition that S&W is able to acquire and to close on Adjacent Properties. In furtherance of this contingency, and for the consideration expressed, the Seller has agreed to the termination provisions set for in Article VIII that follows.

ARTICLE VIII  
TERMINATION

8.1 In consideration of Five Dollars (\$5.00) paid by BUYER to SELLER, and other good and valuable consideration the receipt and sufficiency of which is acknowledged here, the Buyer may terminate this Contract at any time prior to Closing. In the event that BUYER terminates this Contract, SELLER shall be entitled to retain the Earnest Money and the independent consideration.

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: College Station Independent School District  
Attention: Superintendent  
1812 Welsh  
College Station, TX 77840

With a Copy to:

Mike Gentry  
West, Webb, Allbritton & Gentry, P.C.  
1515 Emerald Plaza  
College Station, Texas 77845

BUYER: Glenn Brown, City Manager  
City of College Station  
1101 Texas Avenue  
College Station, Tx 77840

With a copy to: City of College Station  
Legal Department  
1101 Texas Avenue  
College Station, Texas 77840

And a copy to: Economic & Community Development Director  
City of College Station  
1207 Texas Ave.  
P.O. Box 9960  
College Station, Tx 77842

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 List of Exhibits: The Exhibits attached to and incorporated into this Contract are as follows:

- A. Legal Description of the Property;
- B. Form of Special Warranty Deed; and
- C. List of Adjacent Properties.

EXECUTED on this the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

SELLER:

BUYER:  
CITY OF COLLEGE STATION

BY: \_\_\_\_\_  
Printed Name: Randall W. Pitcock  
Title: President, Board of Trustees  
Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Mayor  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Secretary  
Date: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
City Manager  
Date: \_\_\_\_\_

\_\_\_\_\_  
Chief Financial Officer  
Date: \_\_\_\_\_

\_\_\_\_\_  
City Attorney  
Date: \_\_\_\_\_

THE STATE OF TEXAS       §  
                                      §       ACKNOWLEDGMENT  
COUNTY OF BRAZOS       §

This instrument was acknowledge before me on the \_\_\_\_ day of \_\_\_\_\_, 2010, by \_\_\_\_\_, as Mayor of the CITY OF COLLEGE STATION, a Texas Home Rule Municipal Corporation, on behalf of said municipality.

\_\_\_\_\_  
NOTARY PUBLIC in and for  
the STATE OF TEXAS

THE STATE OF TEXAS       §  
                                      §       ACKNOWLEDGMENT  
COUNTY OF BRAZOS       §

This instrument was acknowledge before me on the \_\_\_\_ day of \_\_\_\_\_, 2010, by Randall W. Pitcock, as President of the Board of Trustees of the College Station Independent School District on behalf of said Board of Trustees.

\_\_\_\_\_  
NOTARY PUBLIC in and for  
the STATE OF TEXAS

## Exhibit "A"

Being all that certain 30.00 acre tract or parcel of land, lying and being situated in the THOMAS CARRUTHERS LEAGUE, ABSTRACT NO. 9, College Station, Brazos County, Texas, and being a portion of the 53.23 acre remainder of that same 54.99 acre tract conveyed from Robert Welch, Trustee, to RepublicBank A & M, as described by deed recorded in Volume 948, page 798, of the Official Records of Brazos County, Texas, said 30.00 acre tract being more particularly described as follows:

BEGINNING at a 1/2" iron rod found marking the northeast corner of said 54.99 acre tract and the northwest corner of a 25.74 acre tract conveyed from E. Ridley Briggs, et al, to William H. Clayton, et ux, as described by deed recorded in Volume 241, page 72 of the Deed Records of Brazos County, Texas and lying in the south right-of-way line of Rock Prairie Road;

THENCE S 00° 07' 12" E for a distance of 1054.76 feet with the common line between said 54.99 acre tract and said 25.74 acre tract to a 3/4" iron rod found for corner at the base of a fence post;

THENCE S 53° 25' 33" W for a distance of 929.00 feet with said common line to a 1/2" iron rod found marking the south corner of said 54.99 acre tract and the west corner of said 25.74 acre tract and lying in the northeast line of a called 4.84 acre tract conveyed from Ida Mae Lee to Claude E. Dubois, et ux, as described by deed recorded in Volume 590, page 24, of the Deed Records of Brazos County, Texas. Said northeast line being also the northeast line of a 103 acre tract conveyed from L. V. Williams, et ux, to L. T. Lee, et ux, as described by deed recorded in Volume 138, page 543 of the Deed Records of Brazos County, Texas;

THENCE N 44° 48' 27" W for a distance of 484.22 feet with the line of said 53.23 acre tract to a 1/2" iron rod set for angle point;

THENCE N 45° 49' 42" W for a distance of 244.31 feet with said line to a 1/2" iron rod set for corner;

THENCE N 44° 10' 18" E for a distance of 650.03 feet across said 53.23 acre tract to a 1/2" iron rod set for angle point;

THENCE N 05° 57' 00" E for a distance of 708.59 feet across said 53.23 acre tract to a 1/2" iron rod set for corner, and lying in the south right-of-way line of Rock Prairie Road;

THENCE S 84° 03' 00" E for a distance of 737.90 feet with said right-of-way line to the PLACE OF BEGINNING and containing 30.00 acres of land, more or less.

Exhibit "B"

Form of Special Warranty Deed

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

**SPECIAL WARRANTY DEED**

Date: \_\_\_\_\_, 2010

Grantor: College Station Independent School District, a political subdivision  
1812 Welsh  
College Station, Brazos County, Texas 77845

Grantee: City of College Station, Texas  
1101 Texas Avenue  
College Station, Brazos County, Texas 77840

Consideration:

Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor.

Property (including any improvements):

Being all that certain 30.00 acre tract or parcel of land, lying and being situated in the THOMAS CARRUTHERS LEAGUE, ABSTRACT NO. 9, College Station, Brazos County, Texas, and being a portion of the 53.23 acre remainder of that same 54.99 acre tract conveyed from Robert Welch, Trustee, to RepublicBank A & M, as described by deed recorded in Volume 948, page 798, of the Official Records of Brazos County, Texas, said 30.00 acre tract being more particularly described as follows:

BEGINNING at a 1/2" iron rod found marking the northeast corner of said 54.99 acre tract and the northwest corner of a 25.74 acre tract conveyed from E. Ridley Briggs, et al, to William H. Clayton, et ux, as described by deed recorded in Volume 241, page 72 of the Deed Records of Brazos County, Texas and lying in the south right-of-way line of Rock Prairie Road;

THENCE S 00° 07' 12" E for a distance of 1054.76 feet with the common line between said 54.99 acre tract and said 25.74 acre tract to a 3/4" iron rod found for corner at the base of a fence post;

THENCE S 53° 25' 33" W for a distance of 929.00 feet with said common line to a 1/2" iron rod found marking the south corner of said 54.99 acre tract and the west corner of said 25.74 acre tract and lying in the northeast line of a called 4.84 acre tract conveyed from Ida Mae Lee to Claude E. Dubois, et ux, as described by deed recorded in Volume 590, page 24, of the Deed Records of Brazos County, Texas. Said northeast line being also the northeast line of a 103

acre tract conveyed from L. V. Williams, et ux, to L. T. Lee, et ux, as described by deed recorded in Volume 138, page 543 of the Deed Records of Brazos County, Texas;

THENCE N 44° 48' 27" W for a distance of 484.22 feet with the line of said 53.23 acre tract to a 1/2" iron rod set for angle point;

THENCE N 45° 49' 42" W for a distance of 244.31 feet with said line to a 1/2" iron rod set for corner;

THENCE N 44° 10' 18" E for a distance of 650.03 feet across said 53.23 acre tract to a 1/2" iron rod set for angle point;

THENCE N 05° 57' 00" E for a distance of 708.59 feet across said 53.23 acre tract to a 1/2" iron rod set for corner, and lying in the south right-of-way line of Rock Prairie Road;

THENCE S 84° 03' 00" E for a distance of 737.90 feet with said right-of-way line to the PLACE OF BEGINNING and containing 30.00 acres of land, more or less.

Reservations from Conveyance: None

Exceptions to Conveyance and Warranty:

1. REA Easement from C.F. Goen to the City of Bryan, dated April 30, 1937, recorded in Volume 98, page 325, Deed Records of Brazos County, Texas.
2. Utility Easement from Joe A. Ferreri to The City of College Station, dated October 10, 1983, recorded in Volume 613, page 524, Official Records of Brazos County, Texas, and as shown on survey plat prepared by Mark R. Paulson, Registered Public Surveyor, State of Texas No. 2099, dated February 1988.
3. Discrepancy between the property line and the existing fence along the southwest side of the property as shown on survey plat prepared by Mark R. Paulson, Registered Public Surveyor, State of Texas No. 2099, dated February 1988.
4. Royalty Deed from W.T. Franklin to Irene Franklin, et al, dated April 8, 1963, recorded in Volume 228, page 357, Deed Records of Brazos County, Texas.
5. Oil and gas Lease from Joe A. Ferreri to Chaparral Minerals, Inc., dated October 10, 1977, recorded in Volume 29, page 285, O&GL Records of Brazos County, Texas; as ratified by instruments recorded in Volume 754, page 716, Volume 756, page 759, Volume 760, page 211, and Volume 762, page 615, Official Records of Brazos County, Texas.
6. The following conditions apply to this transaction pursuant to Federal Court Order in Civil Action No. 5281, *United States v. Texas*:

The further covenant, consideration, and condition is that the following restrictions shall in all things be observed, followed and complied with:

- a. The above-described realty, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which discriminates against any person because of his race, color or national origin, regardless of whether such discrimination be effected by design or otherwise.
- b. The above-described realty, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which creates maintain, reinforces, renews, or encourages, or which intends to create, maintain, reinforce, renew, or encourage, a dual system.

These restrictions and conditions shall be binding upon the Grantee, its successors and assigns, for a period of fifty years from the date hereof; and in case of violation of either or both of the above restrictions, the estate herein granted shall, without entry or suit, immediately revert to and invest in the Grantor herein and its successors, this instrument shall be null and void, and Grantor and its successors shall be entitled to immediate possession of such premises and the improvements thereon; and no act or omission upon the part of the Grantor herein and its successors shall be a waiver of the operation or enforcement of such condition.

The restrictions set out in paragraph "a" above shall be construed to be for the benefit of any person prejudiced by its violation. The restriction specified in paragraph "b" above shall be construed for the benefit of any public school district or any person prejudiced by its violation.

WHEREAS, College Station Independent School District ("District") has determined that the property is not presently needed for school purposes by the District; and

WHEREAS, the Board of Trustees of the District ("Board") has determined that the conveyance is necessary to achieve the best services for the citizens of College Station and the District; and

WHEREAS, on \_\_\_\_\_, 2010, the Board approved a Contract with the City of College Station ("City"), in which the Board agreed to the conveyance of the property, and further authorized the Board President, after approval of the Special Warranty Deed by the Texas Education Agency, to execute and deliver the Special Warranty Deed to the City, in consideration for good and valuable consideration recited therein.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

AS A MATERIAL PART OF THE CONSIDERATION FOR THIS DEED, GRANTOR AND GRANTEE AGREE THAT GRANTEE IS TAKING THE PROPERTY "AS IS" WITH ANY AND ALL LATENT AND PATENT DEFECTS AND THAT THERE IS NO WARRANTY BY GRANTOR THAT THE PROPERTY HAS A PARTICULAR FINANCIAL VALUE OR IS FIT FOR A PARTICULAR PURPOSE. GRANTEE ACKNOWLEDGES AND STIPULATES THAT GRANTEE IS NOT RELYING ON ANY REPRESENTATION, STATEMENT, OR OTHER ASSERTION WITH RESPECT TO THE PROPERTY CONDITION BUT IS RELYING ON GRANTEE'S EXAMINATION OF THE PROPERTY. GRANTEE TAKES THE PROPERTY WITH THE EXPRESS UNDERSTANDING AND STIPULATION THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES EXCEPT FOR LIMITED WARRANTIES OF TITLE SET FORTH IN THIS DEED.

THE RISK OF LIABILITY OR EXPENSE FOR ENVIRONMENTAL PROBLEMS, EVEN IF ARISING FROM EVENTS BEFORE THE DATE OF THIS DEED, WILL BE THE SOLE RESPONSIBILITY OF GRANTEE, REGARDLESS OF WHETHER THE ENVIRONMENTAL PROBLEMS WERE KNOWN OR UNKNOWN AS OF THE DATE OF THIS DEED. GRANTEE INDEMNIFIES, HOLDS HARMLESS, AND RELEASES GRANTOR FROM LIABILITY FOR ANY LATENT DEFECTS AND FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY, INCLUDING LIABILITY UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT, OR THE TEXAS WATER CODE. GRANTEE INDEMNIFIES, HOLDS HARMLESS, AND RELEASES GRANTOR FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY ARISING AS THE RESULT OF GRANTOR'S OWN NEGLIGENCE OR THE NEGLIGENCE OF GRANTOR'S REPRESENTATIVES. GRANTEE INDEMNIFIES, HOLDS HARMLESS, AND RELEASES GRANTOR FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY ARISING AS THE RESULT OF THEORIES OF PRODUCTS LIABILITY AND STRICT LIABILITY, OR UNDER NEW LAWS OR CHANGES TO EXISTING LAWS ENACTED AFTER THE DATE OF THIS DEED THAT WOULD OTHERWISE IMPOSE ON GRANTORS IN THIS TYPE OF TRANSACTION NEW LIABILITIES FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY.

When the context requires, singular nouns and pronouns include the plural.

**GRANTOR:**

**The Board of Trustees, and their successors in office, of College Station Independent School District**

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS

§  
§  
§

COUNTY OF BRAZOS

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2010, on behalf of College Station Independent School District by \_\_\_\_\_, in his or her capacity as \_\_\_\_\_ of the College Station Independent School District.

\_\_\_\_\_  
Notary Public, State of Texas

Prepared in the Law Office of:

After Recording Return To:

Michael H. Gentry  
West, Webb, Allbritton & Gentry, P.C.  
1515 Emerald Plaza  
College Station, Texas 77845

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