

PURCHASE AND SALE CONTRACT

This Purchase and Sale Contract ("Contract") is made and entered into by and between **GREAT SCOTT ENTERPRISES, LLC**, a Texas limited liability company (referred to herein as "Seller"), and **GALVESTON INDEPENDENT SCHOOL DISTRICT** a public independent school district and political subdivision of the State of Texas, ("Buyer") as of the Effective Date, hereinafter defined. Seller and Buyer shall be referred to herein individually as "Party" and collectively as "Parties."

I. DEFINED TERMS AND EXHIBITS

1.1 This Contract uses the following terms as defined below:

a. "Business Day" or "Business Days" mean any day that is (a) not a Saturday or Sunday; (b) not a public holiday as defined by Chapter 662 of the Texas Local Government Code; and (c) both Buyer and Seller are open for business.

b. "Closing" means the consummation of the purchase of the Property by Buyer from Seller in accordance with the terms and provisions of this Contract.

c. "Closing Date" means the day of the Closing as defined in Section 10.1.

d. "Earnest Money" means the portion of the Purchase Price deposited by the Buyer in escrow with the Title Company at the time and in the amounts specified in Section 3.3 hereof, plus accrued interest thereon, if any.

e. "Effective Date" means the date that the Title Company receipts the fully executed copy of this Contract.

f. "Environmental Law(s)" means any federal, state, or local laws, ordinances, codes, rules, regulations, judicial or administrative orders or judgments, common law duty, permits, certifications, registrations, licenses, or policies directed to, governing, addressing, or imposing liability or use, storage, treatment, transportation, manufacture, refinement, handling, production, disposal, or other standards of conduct with respect to or otherwise relating to (i) protection of human health, natural resources, or the environment; or (ii) manufacturing, processing, distribution, use, treatment, storage, disposal, release or threatened release, spilling, leaking, pumping, pouring, emitting, injecting, depositing, discharging, escaping, dumping, leaching or leaking of Hazardous Materials (as herein defined). Such laws shall include, but not be limited to, the following acts, as amended: the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9.601 et. seq.); the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 18.01 et. seq.); the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 69.01 et. seq.); the Toxic Substances Control Act; the Clean Water Act; the Clean Air Act; the Safe Drinking Water Act, and in the regulations adopted in publications promulgated pursuant to the foregoing acts, all as amended from time to time.

g. "Execution Date" means the date on which the last Party executes the Contract and the Contract is thus fully executed by both Buyer and Seller.

h. "Hazardous Materials" means all pollutants, contaminants and other materials, substances and wastes which are hazardous, toxic, caustic, harmful or dangerous to human health or the environment, including (i) petroleum or petroleum products, factions, derivatives or additives, natural or synthetic gas, urea formaldehyde, foam insulation, polychlorinated biphenyls, and radon gas; (ii) radioactive materials, substances, and waste and radiation; (iii) any flammable substances or explosives; (iv) all asbestos (friable or non-friable) and lead-based paint; (v) any substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "toxic pollutants," "contaminants," "pollutants," "solid waste," "hazardous wastes," "extremely hazardous substances," "restricted hazardous wastes," or words of similar import under any Environmental Law; and (vi) any other substance to which exposure is prohibited, limited, or regulated under any Environmental Law.

i. "Inspection Period" means the time period during which the Buyer will conduct its inspection, investigations, and other due diligence concerning the Property and during which the Buyer may terminate this Contract without penalty, as further defined and described in Section 8.1(h) and as otherwise set forth in this Contract.

j. "Permitted Exceptions" means those exceptions or conditions as are approved or deemed to be approved by Buyer under Sections 4.4 and 4.5 and 4.6.

k. "Property" means a 10 unit apartment building located at 4215 Avenue N ½, Galveston, Galveston County, Texas 77550 and a single family residence located at 1610 43rd Street, Galveston, Texas 77550 all as more specifically described on Exhibit A attached hereto, with the legal description determined by the Survey, ("Land"); (ii) all improvements or fixtures on or under the Land, including, without limitation, all buildings and structures presently located on the Land (including but not limited to an approximately 10,799 sq. ft. 2 story apartment building and a 3,600 sq. ft. single family residence (the "Buildings"), all apparatus, equipment, fixtures, machinery and appliances presently located on the Land owned by Seller and used in connection with the operation or occupancy thereof, such as heating and air conditioning systems and facilities used to provide any utility services, parking services, refrigeration, ventilation, garbage disposal, recreation or other services thereto, and all landscaping and leasehold improvements of tenants, if any, which become the property of the owner of the Land (all of which are collectively referred to as the "Improvements"); (iii) Seller's rights, title and interest, if any, in and to all easements, tenements, hereditaments, privileges and appurtenances in any way benefitting such Land, including, without limitation, (A) any land to the midpoint of the bed of any highway, street, alley, road or avenue, open or proposed, in front of, abutting, or adjoining such Land; (B) any land lying in or under the bed of any creek, stream, bayou or river running through, abutting or adjacent to such Land; (C) all development rights, air rights, water, water rights and water stock relating to the Land and any other easements, rights-of-way or appurtenances owned by Seller and used in connection with the beneficial operation, use and enjoyment of the Land, the Leases, the Rents, the Improvements, the

Intangible Property or any other appurtenance; (D) the present or future use of utilities or utility facilities, and all impact fees that are creditable to, pertain to, or benefit such Land; (E) any strips, gores or pieces of property abutting, bounding or which are adjacent or contiguous to such Land except as herein provided; (F) any reversionary interests benefiting such Land; (G) any rights-of-way, rights of ingress or egress, or other interests in, on or to any land, highway, street, road or avenue, sidewalks, alleys, driveways, parking areas and areas adjacent open or proposed, in, on, across, in front of, abutting or adjoining such Land; (H) all the oil, gas, sulphur, and other minerals (whether similar or dissimilar) in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) and all royalty rights, executive rights, and other rights related to the minerals (collectively "Mineral Rights"); (I) all water and water rights in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) (collectively "Water Rights"); (J) any awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto in any way benefitting such Land; (K) any easement across, adjacent to or benefiting the such Land, existing or abandoned; and (L) any other rights and benefits pertaining to the Land (clauses (iii)(A) through (L) being referred to as "Appurtenances"); and (iv) all leases, occupancy agreements and other similar agreements to which Seller is a party or by which it is bound, together with all modifications, extensions and renewals thereof, and any guarantees of any of the foregoing with respect to or demising any part of the Land, Appurtenances or Improvements (the "Leases"), all income, receipts, funds and revenues of any kind whatsoever payable after the Closing Date under the Leases or otherwise with respect to all or any portion of the Land, Appurtenances or Improvements (the "Rents") and all security deposits held in connection with the Leases (the "Tenant Deposits"); (v) all tangible personal property owned by Seller located on, or situated in and used in connection with, the Land and/or the Improvements, including, without limitation all keys, books, records, plans and specifications and architectural and engineering drawings ("Personal Property"); and (vi) all of the interest of Seller in (i) any intangible personal property which relates to and is reasonably required for the operation and functioning of the Land, Improvements or Personal Property generally, and (ii) any and all warranties, guarantees, permits, contracts and other rights owned by Seller relating to the ownership, operation or functioning of all or any part of the Property, as defined below (including without limitation all third party guarantees and warranties, express or implied, in connection with the construction of the Improvements, provided such can be transferred at no cost to Seller) (all of the foregoing are collectively referred to as the "Intangible Property") (the Land, the Improvements, the Appurtenances, Leases, Rents, Tenant Deposits, Personal Property and the Intangible Property collectively shall be referred to as "Property").

l. "Purchase Price" means the total consideration to be paid by Buyer to Seller for the purchase of the Property under Section 3.1.

m. "Survey" has the meaning set forth in Section 4.3.

n. "Surveyor" means a Texas certified surveyor of Buyer's choice that is acceptable to Buyer.

o. "Title Commitment" means each or both of the commitment for Title Insurance issued by Title Company covering the Property.

p. "Title Company" means Stewart Title Company | 222 Kempner | Galveston, Texas 77550; by and through its escrow agent Dana Phillips, Assistant Branch Manager/Escrow Officer, telephone 409-763-4641 and email dana.phillips@stewart.com.

q. "Title Policy" means the Owner's Policy of Title Insurance issued by the Title Company and underwritten by a guaranty company of Buyer's choice under Section 4.2. (herein, "Underwriter").

1.2 The following Exhibits are attached hereto and incorporated herein for all purposes:

a. Exhibit A Legal Description.

b. Exhibit B Form of Deed.

c. Exhibit C Form of Bill of Sale

d. Exhibit D Form of Assignment

e. Exhibit E Rent Roll

f. Exhibit F List of Service Contracts

g. Exhibit G Lease Expenses

h. Schedule 6.1(d) List of Prepaid Rent, Landlord Tenant Improvement Obligations. Tenant Assignments or Sublets, Tenant Rights to Additional Space, and Brokerage Obligations

II. AGREEMENT OF PURCHASE AND SALE

2.1 The Property. Upon the terms and conditions of this Contract, Seller agrees to sell and convey to Buyer the Property and Buyer hereby agrees to buy and take the Property from Seller. The Property will be conveyed at Closing by Seller to Buyer in fee simple with good and indefeasible title, free and clear of all encroachments, liens, encumbrances, covenants, conditions, restrictions, rights-of-way, easements, and other matters affecting title, except for Permitted Exceptions.

III. PURCHASE PRICE

3.1 The Purchase Price. The Purchase Price to be paid by Buyer to Seller for the Property shall be One Million Eight Hundred Seventy Thousand and No/100 Dollars (\$1,870,000.00).

3.2 Payment of Purchase Price. The Purchase Price, plus or minus any adjustments as set forth herein, shall be payable to Seller on the Closing Date through the Title Company in cash, by wire transfer of funds, or by means of other good funds.

3.3 Earnest Money. Within five (5) days after the Execution Date, Buyer will deposit the sum of Five Thousand and No/100 Dollars (\$5,000.00) with the Title Company (the "Earnest Money") to be held by the Title Company in escrow. The Title Company will hold the Earnest Money in escrow and in an interest-bearing account. If the purchase and sale hereunder is consummated in accordance with the terms and provisions of this Contract, the entire Earnest Money, shall be applied by the Title Company as partial payment of the Purchase Price due at Closing. During the Inspection Period the Earnest Money shall be fully refundable to the Buyer. Upon the expiration of the Inspection Period, the Earnest Money shall become non-refundable to Buyer, except as otherwise provided in connection with a default by Seller hereunder or as otherwise set forth herein. In all other events, the Earnest Money shall be disposed of by the Title Company as provided herein.

3.4 Contract Consideration. As independent consideration for this Contract, Buyer shall deposit with the Title Company the amount of One Hundred and No/100 Dollars (\$100.00) ("Independent Consideration"), which amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Contract and Buyer's right to terminate during the Inspection Period. The Independent Consideration is in addition to and independent of all other consideration provided in this Contract, and is nonrefundable in all events, except that if the Closing of this transaction occurs, the Independent Consideration shall be applied toward the Purchase Price.

IV. TITLE AND SURVEY

4.1 Title Commitment. Within ten (10) days following the Effective Date of the Contract, the Seller shall cause the Title Company to issue the Title Commitment, together with correct and legible copies of all instruments pertaining to the Property, including the vesting deed or instrument by which the Seller acquired the Property and all documents referred to in the Title Commitment as conditions or exceptions to title to the Property, including without limitation, liens, easements, restrictive covenants, and recorded plats; provided that the Title Company's failure to timely deliver the Title Commitment shall not constitute a default by Seller hereunder. Notwithstanding the foregoing, in the event that the Title Company fails to deliver the Title Commitment within the time frame set forth herein, the number of days in the Inspection Period shall be extended by the number of days of delay in issuing the Title Commitment. The Title Commitment shall set forth the state of title to the Property together with all exceptions or

conditions to such title, including, but not limited to, all easements, restrictions, rights-of-way, covenants, reservations, leases, recorded plats, and all other encumbrances affecting the Property that would appear in the Title Policy, if issued of such date. The Title Commitment shall contain the express commitment of the Title Company to issue the Title Policy to Buyer in the amount of the Purchase Price as set forth in Section 3.1, insuring such title to the Property as is specified in the Title Commitment with the standard printed exceptions endorsed or deleted in accordance with Section 4.2 hereof.

4.2 Title Policy. At the Closing or shortly thereafter, at Seller's expense (for the basic title premium), the Title Company will issue the Title Policy, underwritten by the Underwriter, in the amount of the Purchase Price as set forth in Section 3.1 and shall insure good and indefeasible fee simple title to the Property in Buyer. The Title Policy may be subject to exceptions acceptable to Buyer, referred to as the Permitted Exceptions, but shall contain no additional exceptions.

4.3 Survey. Not later than sixty (60) days after the Effective Date, the Buyer, at Buyer's expense, shall cause the Surveyor to prepare and deliver to the Buyer, Seller, and the Title Company a current survey that meets the requirements of this Section 4.3 ("Survey"). The exact size, number of acres, location and legal description of the Property provided by the final approved Survey, including, the metes and bounds description from the Surveyor's signed and sealed field notes, shall be incorporated herein by reference as the legal description of the Property for all purposes, including replacement of the legal description contained in Section 1.1(k) of this Contract and the delivery of the Deed (as hereinafter defined) from the Seller to the Buyer conveying title to the Property. In general, the Survey shall (i) be made and staked on the ground; (ii) show the location of all Improvements (subsurface improvements only if there is evidence of such on or above surface or in recorded instruments), highways, streets, roads, fences, easements, and rights-of-way on or adjacent to the Property; (iii) show all visible discrepancies, conflicts, or encroachments; (iv) show the zone designation of any area shown as being within a Special Flood Hazard Area according to current Federal Emergency Management Agency Maps which make up a part of the National Flood Insurance Administration Report; (v) be a true, correct, and accurate representation of the Property; (vi) set forth the number of total acres, and gross square feet, comprising the Property; (vii) include references to the recording information applicable to the documents creating all easements, rights-of-way, or other encumbrances, including the county in which such information is recorded; (viii) reference the Title Company and Title Commitment date and file number; (ix) indicate whether the exceptions contained in Schedule B of the Title Commitment do or do not apply; (x) contain a certification specifically to Buyer, Seller and Title Company in a form reasonably satisfactory to Buyer; and (x) in general, comply with the Texas Society of Professional Surveyors requirements for a Category 1A Condition II survey. The Surveyor shall locate and mark all corners and angles of the Property's perimeter on the ground with permanent, buried iron surveyor's stakes. Buyer shall have the right to object to the Survey, including, but not limited to, the boundaries and configuration of the Property shown thereon, pursuant to the provisions of Section 4.4.

4.4 Review of the Survey and Title Commitment by Buyer. Buyer shall have until the date that is the latter of (a) twenty (20) days after Buyer's receipt of the Title Commitment, all title documents, and Survey; or (b) sixty (60) days after the Effective Date ("Title Objection Period")

to review the Survey, the Title Commitment, and the title and exception documents and to deliver in writing such objections as Buyer may have, in its sole discretion, to anything contained or set forth in the Survey or in the Title Commitment (collectively, the "Title Objections"). Except for any items listed on Schedule C of the Title Commitment, which automatically are deemed to be objections by Buyer, any such items to which Buyer does not object within the Title Objection Period, or any extension thereof, shall be deemed to be Permitted Exceptions. Notwithstanding the foregoing provisions of this Section 4.4, Buyer may, but need not, list as Title Objections, nor shall any such matters be considered Permitted Exceptions, any mortgage, deed of trust, or other lien affecting the Property that secures monetary obligations and was voluntarily created by Seller ("Monetary Liens"), any of Seller's obligations on Schedule C of the Title Commitment all of which shall be considered Title Objections and which Seller shall be obligated to remove or satisfy prior to Closing.

4.5 Seller's Opportunity to Cure Buyer's Objections to Title or Existing Survey and/or Survey. If Buyer delivers written notice of its Title Objections to Seller in accordance with Section 4.4 hereof, then Seller shall have a period of ten (10) Business Days ("Cure Period") in which Seller, at Seller's option, may undertake to eliminate or satisfy the Title Objections to the satisfaction of Buyer. If Seller is unable or unwilling to so correct the Survey or cure said Title Objections, Seller shall deliver Buyer written notice thereof ("Title Notice") and Buyer may either (a) provide written notice that it waives its Title Objections and the Survey as delivered and accepts title to the Property, except that such waiver does not include and Buyer shall not be deemed to accept title with the Monetary Liens, any other exceptions or exclusions listed in Schedule C of the Title Commitment, or leases and services contracts that Buyer does not agree in writing to assume (subject to Section 7.1(i) below); or (b) terminate this Contract. Buyer shall have until the conclusion of the five (5) days after the receipt of Seller's Title Notice in which to make such election. Failure of Buyer to make an election within such period shall be deemed an election of waiver by Buyer under option (a) above. Should Buyer elect, or be deemed to have elected, option (a) above, this Contract shall remain in full force and effect and, provided the purchase and sale of the Property closes as provided herein, Buyer shall take the Property subject to any uncured Title Objections (except for the Monetary Liens, any other exceptions or exclusions listed in Schedule C of the Title Commitment, or leases and services contracts that Buyer does not agree in writing to assume (subject to Section 7.1(i) below), all of which shall not be waived or deemed to be waived) which shall then be deemed additional Permitted Exceptions. In the event this Contract is terminated by Buyer pursuant to Section 4.4 or this Section 4.5, the Title Company shall immediately deliver to Buyer the Earnest Money and all interest accrued thereon, less the Independent Consideration, which shall be paid to Seller, and neither Party hereto shall have any further obligation or liability under this Contract to the other Party.

4.6 New Title Matters. Prior to Closing, Buyer shall have the right to request that Seller obtain an updated Title Commitment. In the event that the updated Title Commitment reflects any additional exceptions to title to the Property, Buyer shall have a period of five (5) Business Days following delivery of such updated Title Commitment to notify Seller in writing of any additional Title Objections with respect to such additional exceptions. If Buyer delivers written notice of its additional Title Objections to Seller in accordance with Section 4.6 hereof, then Seller shall have a period of five (5) Business Days in which Seller, at Seller's option, may undertake to eliminate

or satisfy the additional Title Objections to the satisfaction of Buyer. If Seller is unable or unwilling to so correct such additional Title Objections, Seller shall deliver Buyer written notice thereof and Buyer shall have the right, as its sole remedy, to (i) terminate this Contract whereupon the Earnest Money and all interest thereon shall be promptly returned to Buyer and neither Party shall have any obligation hereunder except for those obligations which expressly survive termination hereof; or (ii) waive any objection to such additional exception (except for any new Monetary Liens or any matter on Schedule C of the Title Commitment) whereupon such additional exception shall constitute a Permitted Exception hereunder. Buyer's failure to make such election within five (5) Business Days following Buyer receipt of such written notice shall be deemed an election under clause (ii) of the preceding sentence to waive such objection.

V. REPRESENTATIONS AND WARRANTIES OF BUYER

5.1 Buyer represents, warrants, covenants and agrees with Seller that as of the Execution Date and as of the Closing Date,

a. Buyer has and shall have the full right, power and authority to purchase the Property from Seller as provided in this Contract and the authority to carry out its obligations hereunder; and

b. All required action by the Buyer's governing board necessary to authorize Buyer to enter into this Contract and to carry out its obligations hereunder before Closing will have been taken.

5.2 Buyer shall give Seller immediate notice upon the occurrence of any event, or receipt of any notice that might give rise to a breach by Buyer of any of its representations or warranties set forth in this Article V.

VI. REPRESENTATIONS AND WARRANTIES OF SELLER

6.1 Seller hereby represents, warrants, covenants and agrees with Buyer that as of the Execution Date and as of the Closing Date, all of the following are true and accurate:

a. Seller has and shall have the full right, power and authority to convey its portion of the Property to Buyer as provided in this Contract and to carry out its obligations hereunder and that all required action by Seller to enter into this Contract and to carry out its obligations hereunder has been, or upon Closing will have been, taken.

b. Seller is not aware of and has received no notice of any current, pending, or threatened litigation affecting Seller or the Property that would in any way constitute a claim or obligation of any kind against the Property.

c. Seller will have at the time of Closing good and indefeasible title in fee simple to the Property, free and clear of all encroachments, encumbrances, covenants,

conditions, restrictions, rights-of-way, easements and other matters affecting title, except for the Permitted Exceptions.

d. The Property is not subject to any leases other than the Leases described in the rent roll attached hereto as Exhibit E and made a part hereof, which rent roll is true, complete and accurate in all respects as of the Closing Date. There are no understandings, oral or written, between the parties to the Lease which in any manner vary the obligations or rights of either party as set forth in the Lease. Seller is the owner and lessor of landlord's interest in the Leases. No Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of the Leases. The current Leases are in full force and effect and there are no defaults thereunder by either party and there are no conditions that, with the passage of time or the giving of notice, or both, would constitute defaults thereunder. Except as listed and described on attached Schedule 6.1(d) and made a part hereof, no Rent has been paid more than one (1) month in advance of its due date. All security deposits are held by Seller in accordance with applicable law. Except as listed and described on attached Schedule 6.1(d) and made a part hereof, all work to be performed by Seller under each Lease has been performed as required and has been accepted by the applicable Tenant, and any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Seller to any Tenant has already been received by such Tenant. There has been no prior sale, transfer or assignment, hypothecation or pledge of any Lease or of the Rents received therein which will remain outstanding after Closing. Except as listed and described on attached Schedule 6.1(d) and made a part hereof, no Tenant listed on the Rent Roll has assigned its Lease or sublet all or any portion of the premises demised thereby, no such Tenant holds its leased premises under assignment or sublease, nor does anyone except such Tenant and its employees occupy such leased premises. No Tenant under any Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the Building of which the leased premises are a part. Except as listed and described on attached Schedule 6.1(d) and made a part hereof no Tenant under any Lease has any right or option for additional space in the Improvements. Except as listed and described on attached Schedule 6.1(d) and made a part hereof, there exists no exclusive or continuing leasing or brokerage agreements affecting any portion of the Property to which Seller is a party, directly or indirectly, whether by assignment or otherwise.

e. Except as listed on attached Exhibit F and made a part hereof, there are no service or other contracts or any material agreements, instruments, understandings, relating to or affecting the Property that will survive Closing and/or that would be binding upon Buyer.

f. The financial statements delivered by Seller to Buyer accurately reflect the rents and other gross receipts, and the amounts paid by Seller for electricity, water, sewer, other utility services, insurance, fuel, maintenance and repairs (whether capitalized or expensed), real estate taxes, payroll and payroll taxes and other operating and other expenses associated with the Property for the periods covered thereby.

g. There are no verbal and there are no written promises, understandings, or commitments between Seller and any person or entity that would be binding upon Buyer after Closing.

h. No person, firm, or entity has any rights to ownership in the Property, including any future interest, and no person, firm, or entity has any rights to acquire the Property other than Buyer under this Contract.

i. There are no unrecorded instruments or agreements that will bind the Property or impose any obligation or liability on the Buyer as owner of the Property following Closing.

j. Seller has not received any written or verbal notice and has no knowledge of any claims for unpaid bills for work performed on or materials delivered to the Property that though not then the subject of, might provide the basis of a mechanic's and materialmen's or other lien on the Property.

k. Seller has not, and to Seller's knowledge, no other person has generated, stored, dumped, located, or released any Hazardous Material in violation of any Environmental Law.

l. To Seller's knowledge, there are no Hazardous Materials present at the Property in violation of applicable Environmental Law.

m. Seller has not received any written notice regarding the Property being in violation or non-compliance with any recorded restriction or covenant affecting the Property.

n. Seller has received no written notice of any violation or alleged violation of any applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to and affecting the Property.

o. The performance of this Contract will not result in any breach of, or constitute any default under, or result in any imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which each seller entity is a party, or by which each seller entity, or the Property might be bound.

p. There is not pending, or to the best of Seller's knowledge, threatened, any condemnation proceeding or other litigation relating to or otherwise affecting Seller and/or any of the Property.

6.2 Seller acknowledges that the purchase of the Property and the Buyer's obligations under this Agreement require approval of the Buyer's Board of Trustees.

6.3 Modification of Warranties. At or prior to Closing, Seller may update and modify any warranties contained herein to comport with events or discoveries occurring between the Effective Date and the Closing, which are outside the reasonable control of the Seller. In the event

Buyer is unable or unwilling to accept the updated and modified warranties, either Party may terminate this Contract; the Earnest Money shall be returned to the Buyer; and neither Party shall have any further liability hereunder.

VII. EXPRESS COVENANTS

7.1 Seller's Covenants. Between the date hereof and the Closing, Seller expressly covenants and agrees that:

a. Deliverables. Seller shall post to a OneDrive file or if not contained in said OneDrive file, shall within five (5) business days of the Effective Date make available for Buyer's review the following documents related to the Property, but only to the extent they exist within Seller's possession or control: (i) the Leases; (ii) a Current Rent Roll-Occupancy Summary(including any prepaid rents and tenant deposits); (iii) a list of current vacancies; (iv) Service Contracts; (v) Most Recent Property Tax Statements; (vi) Certificates of Occupancy; (vii) a list of Historical Capital Improvements made to the Buildings; (viii) Environmental Reports; (ix) Appraisal reports; (x) a List of Personal Property; (xi) Survey and Recorded Plat; Building Plans; (xii) Utilities (contracts, 2022 YTD and most recent invoices); (xiii) Warranties; and (xiv) Permits/Licenses ("Deliverables").

b. No Waste. Seller shall not commit waste of the Property;

c. Notice of Litigation. Seller shall give to Buyer immediate written notice of the institution of or receipt of notice of any litigation or threatened litigation affecting Seller or the Property which would in any way constitute or have the effect of presently or in the future creating a lien, claim or obligation of any kind against the Property;

d. Notice of Hazardous Materials. Seller shall give to Buyer immediate written notice of the discovery of any Hazardous Materials on, in, or under the Property or the receipt of oral or written notice, including, but not limited to, notice from a governmental authority, regarding the existence of any Hazardous Materials on, in or under the Property or the existence of any Hazardous Materials on, in, or under any other real property which originated from, or was claimed to have originated from, the Property;

e. Other Notice. Seller shall give Buyer immediate notice upon the occurrence of any event, or receipt of any notice, which might give rise to a breach by Seller of any of its representations or warranties set forth in Article VI above;

f. No New Encumbrances. Seller shall not, in between the date of this Contract and the Closing Date, further mortgage, encumber or suffer to be encumbered all or any portion of the Property, which encumbrances would survive the Closing Date, without the prior written consent of Buyer.

g. Maintenance. In addition to Seller's other obligations hereunder, Seller shall, upon and after the date of this Contract and to and including the Closing Date, at Seller's sole cost and expense, maintain the Property in the ordinary course of business consistent with past practice, pay all taxes, assessments, fines, penalties, charges and other operating expenses, and shall make all repairs, maintenance and replacements of the Improvements and any Personal Property and otherwise operate the Property in its ordinary and customary manner, and otherwise in the same manner as before the making of this Contract, the same as though Seller were retaining the Property. Seller shall not make any material alterations to the Property without first receiving Purchaser's prior written consent thereto (except in connection with tenant improvements pursuant to the Leases).

h. Agreements. After the date hereof, without Buyer's prior written consent (which will not be unreasonably withheld) in no event shall Seller enter into any agreement or contract with respect to the Property (other than a lease, which shall be governed by the relevant other provisions of this Agreement) which is not terminable on thirty (30) days' prior notice (without premium or penalty).

i. Leases. To the extent that any new leasing proposals are given serious consideration by Seller, Seller agrees to provide Buyer with information in its possession and with regular updates regarding such proposals, including without limitation a list of all Lease Expenses incurred in connection therewith. After the expiration of the Inspection Period, provided the Agreement has not been terminated, the Buyer shall have the right to review and approve any additional leasing. The parties agree that if the Buyer has approved any new lease(s) (or is deemed to have approved them if prior to the expiration of the Inspection Period) and said lease(s) is/are fully executed after the Effective Date and prior to Closing, that: (i) Buyer agrees to be bound as landlord subsequent to Closing; (ii) Buyer shall pay to Seller at Closing all Lease Expenses incurred in connection therewith; and (iii) Buyer shall assume responsibility to complete all landlord's obligations after Closing set forth in such Lease.

j. Other Covenants. From the Effective Date until Closing, Seller shall: (i) shall notify the Buyer of any Hazardous Materials placed or discovered on the Property in violation of applicable law after the earlier of the Effective Date ("New Hazardous Materials"); and (ii) promptly furnish Buyer with a copy of all notices of violation of laws or municipal ordinances, regulations, order or requirements of any state, city, or municipal departments or other governmental authorities having jurisdiction over the Property.

7.2 In the event Seller fails to operate the Property in accordance with this Contract, such failure shall be deemed to be a default by Seller, and Buyer shall pursue the rights available under Section 11.1(b). In the event that any New Hazardous Materials are placed or discovered at the Property, then Buyer shall have the right to terminate this Contract by giving written notice of termination to Seller within five (5) Business Days of the earlier to occur of (a) the date Buyer obtains actual knowledge of the existence of New Hazardous Materials; (b) the date of Buyer's receipt of written notification from Seller of New Hazardous Materials; or (c) the date Buyer discovered any New Hazardous Materials at, on, or under the Property.

7.3 Between the Execution Date and the Closing Date, Seller expressly grants Buyer and any consultant hired by Buyer continuing access to and entry to and upon the Property to perform inspections, investigations, and other due diligence (collectively "Investigations") as Buyer may elect to perform. Buyer agrees to pay for the repair of any damage its employees, agents or authorized representatives might cause to the Property in the event Buyer terminates this Agreement for any reason. Buyer agrees that its agents or vendors entering upon the Property shall carry and maintain (i) commercial general liability insurance, in an amount not less than \$1,000,000.00 combined limits for any injuries, deaths or property damages sustained as a result of any one accident or occurrence, (ii) worker's compensation insurance at statutory limits, and (iii) employer's liability insurance in an amount not less than \$1,000,000.00 for each accident or occurrence.

VIII. CONDITIONS PRECEDENT TO BUYER'S PERFORMANCE

8.1 Buyer shall not be obligated to perform under this Contract unless all of the following shall have occurred or are true as of the Closing Date:

a. Board Approval. Before Closing, Buyer shall have received approval of the Contract, if required, and shall have received approval of the purchase and sale contemplated herein from the Galveston Independent School District Board of Trustees.

b. Title. Seller shall have good, indefeasible, and insurable fee simple title in and to the Property; shall have terminated any existing recorded or unrecorded leases, and has caused any parties in possession to have vacated the Property; and shall have terminated any service contracts or other similar obligations affecting the Property except those that Buyer agrees to assume in writing. Title to the Property shall be subject only to the Permitted Exceptions as provided in this Contract.

c. Closing Documents. Seller shall have provided to Buyer at Closing, each of the documents required pursuant to Section 10.2(a) hereof, in form and content mutually satisfactory to Buyer and Seller.

d. Seller's Warranties, Representations and Covenants. Each of Seller's warranties and representations set forth in Article VI hereof are true and correct as of the Execution Date and remain true as of the Closing Date. Furthermore, as of Closing, Seller shall have performed all its covenants as set forth in Article VII.

e. No Condemnation. On the Closing Date, no portion of the Property shall have been condemned or sold under threat of condemnation, or is subject to any proceedings for condemnation. Notwithstanding the foregoing, in the event that the Seller receives notice that a part of the Property is to be condemned, the Buyer, at its sole option, may elect to proceed to Closing on the remainder of the Property for the Purchase Price and participate in the condemnation proceeding and receive the full condemnation award for the part taken.

f. No Default. Seller shall not be in default hereunder.

g. Other Adverse Conditions. On the Closing Date, there has been no material change in any condition of or affecting the Property that has occurred after the end of the Inspection Period; provided, however, that in the event of the occurrence of such material change in the condition of or affecting the Property, Seller shall have the right, but not the obligation, to cure such condition to the satisfaction of Buyer and the Closing shall be extended, for no more than thirty (30) calendar days, to provide Seller with such opportunity. If Seller is unable or unwilling to so correct such condition within such thirty (30) calendar day period, then Buyer shall have the right, at its election, on or before the Closing Date, as may be extended, to either (A) terminate this Contract by delivering written notice thereof to Seller and being reimbursed the Earnest Money; or (B) waive its objection to the condition and accept title to the Property subject to such condition.

h. Buyer's Investigations.

i. Commencing with the Execution Date and continuing through the Closing Date, Buyer will have access to and shall have the right to conduct whatever Investigations Buyer, in its sole discretion, elects to perform with respect to the Property to determine whether the Property is suitable for the Buyer's use. The inspection period shall commence upon the Effective Date and expire at 5:00pm on the 90th day thereafter ("Inspection Period"). Seller hereby grants Buyer and its designated representatives the continual right to access and enter the Property for purposes of its Investigations, including, without limitation, conducting the Survey, soil tests, drainage assessments, environmental and engineering studies, asbestos inspections, antiquities studies, topographical surveys, and any such other tests and studies as Buyer deems necessary or advisable to determine the suitability of the Property for Buyer's purposes. All tests and inspections shall be conducted in a good and workmanlike manner and in conformity with all applicable governmental and industry standards. After completion of the Investigations, if Buyer elects not to purchase the Property, Buyer shall restore the Property to substantially the same condition as before such inspection commenced.

ii. In the event that Buyer delivers written notice to Seller within the Inspection Period that Buyer desires to terminate this Contract for any reason, the Title Company shall immediately deliver to Buyer the Earnest Money (but not the Independent Consideration, which shall be paid to the Seller), this Contract shall terminate, and neither Party shall have any further obligation or liability under this Contract to the other Party. If the Closing of this transaction occurs, the Independent Consideration, if any, shall be applied toward the Purchase Price.

IX.
CONDITIONS PRECEDENT TO SELLER'S PERFORMANCE

9.1 Seller shall not be obligated to perform under this Contract unless all of the following have occurred or are true as of the Closing Date:

- a. Closing Documents. Buyer shall have executed at or prior to Closing, each of the documents required pursuant to Section 10.2(b) hereof, in form and content as set forth herein.
- b. Payment of Purchase Price. Buyer shall have delivered to the Title Company the Purchase Price, as adjusted under the terms of this Contract.
- c. Buyer's Representations and Warranties. Each of Buyer's warranties and representations set forth in Article V hereof shall be true and correct as of the Execution Date and/or the Closing Date.
- d. No Default. Buyer shall not be in default hereunder.

X.
CLOSING

10.1 Date and Place of Closing. The Closing hereunder shall take place electronically through the Title Company, or in such other manner and at such other place as Seller and Buyer may mutually agree. The Closing Date shall be on or before thirty (30) days after the end of the Inspection Period.

10.2 Items to be Delivered at the Closing.

- a. Seller. At Closing, Seller (or the applicable seller entity) shall deliver to Buyer or its permitted assignees, the following items:
 - i. a special warranty deed, in form substantially similar to the document attached hereto as Exhibit B ("Deed"), duly executed and acknowledged by the Seller, conveying good and indefeasible fee simple title to the Property to Buyer, subject only to the Permitted Exceptions;
 - ii. a bill of sale for the Personal Property in the form attached hereto as Exhibit C ("Bill of Sale"), duly executed by Seller;
 - iii. an assignment for the Leases, Rents, Tenant Deposits, Service Contracts and Intangible Personal Property in the form attached hereto as Exhibit D ("Assignment");
 - iv. an Owner's title Debts, Liens and Possession affidavit in the form provided by or acceptable to the Title Company executed and sworn

to by each seller entity with respect to its respective portion of the Property;

- v. releases for any Monetary Liens encumbering the Property;
- vi. a closing statement setting forth the Purchase Price and all closing credits and adjustments for the parties that are expressly provided for in this Contract ("Closing Statement") executed by Seller; and
- vii. an affidavit executed by each seller entity in the form satisfactory to the Title Company that the Buyer will not be required to withhold any tax and that no withholding liability exists as of the Closing under §1445 of the Internal Revenue Code (and the implementing regulations);
- viii. copies of tax certificates representing that all taxes due and payable on the Property have been paid;
- ix. All keys and entrance cards used on any part of the Property in Seller's possession or control;
- x. All Leases and Service Contracts;
- xi. Originals or copies of any warranties and guaranties received by Seller and to be assigned to Purchaser, from any contractors, subcontractors, suppliers or materialmen in connection with any construction, repairs or alterations of the Improvements, any tenant improvements or conveyed Personal Property;
- xii. Originals or copies of certificates of occupancy, licenses and permits for the Improvements in the possession of Seller or its manager;
- xiii. Existing as-built plans and specifications for the Improvements in the possession of Seller or its manager; and
- xiv. additional documents and instruments that the Title Company reasonably may require in order for the Title Company to issue the Title Policy or which Buyer's counsel and Seller or Seller's counsel may mutually reasonably determine are necessary to the proper consummation of this transaction.

b. Buyer. At the Closing, Buyer shall deliver to the Title Company each of the following items:

- i. the total Purchase Price, less any credits and/or any adjustments as provided herein;

- ii. counterparts of the Bill of Sale and Assignment, signed by the Buyer;
- iii. the Closing Statement executed by the Buyer; and
- iv. all additional documents and instruments the Title Company may require in order to close the transaction and issue the Title Policy or which Buyer and Seller may mutually reasonably determine are necessary to the proper consummation of this transaction.

10.3 Adjustments at Closing. All normal and customarily pro-ratable items, including, without limitations, real estate taxes (in accordance with Section 10.4 of this Contract) shall be prorated as of the Closing Date, Seller being charged and credited for all of same up to the Closing Date and Buyer being charged and credited for all of same on and after such date. If the actual amounts to be prorated are not known as of the Closing Date, the pro-rations shall be made on the basis of the best evidence then available, and thereafter, when actual figures are received, a cash settlement will be made between Seller and Buyer.

10.4 Closing Prorations.

a. Rents. All Rents and other receipts actually received in the month in which the Closing occurs shall be prorated as of the Closing. Buyer shall use reasonable efforts after the Closing to collect delinquent Rents for the period up to the Closing, provided, however, that all collections shall be applied first to Rent due and owing for periods commencing after the Closing, and then to periods prior to the Closing. Percentage Rents (if any) shall be prorated by Buyer when received by Buyer, based on twelve thirty (30) day months.

b. Common Area Maintenance Charges. All reimbursable expenses (other than items described under the next succeeding paragraphs) shall be reconciled at Closing, such that if Seller has collected sums in excess of its reimbursable expenses under the Leases, Seller shall pay such excess to Buyer. In the event that such reconciliation shows that Seller has collected less than its incurred reimbursable expenses under the Leases, Buyer shall remit the shortfall to Seller, when and to the extent actually collected from tenants (with such collections applied first to amounts due to Buyer, and then to Seller) not later than the expiration of three months after the conclusion of the twelve-month period then in progress with respect to the budgeting of such expenses under the Leases.

c. Utilities. Unless such items are subject to proration under subparagraph (b) above, all utilities, including gas, water, sewer, electricity, telephone and other utilities supplied to the Property shall be read as of the Closing Date. Seller shall pay, prior to the Closing Date, all such amounts for which a bill has been received or for which service was rendered prior to the Closing Date.

d. Service Contracts. Amounts payable under Service Contracts shall be prorated on an accrual basis. Seller shall pay, prior to the Closing Date, all such amounts

for which a bill has been received or for which service was rendered prior to the Closing Date.

e. Tenant Deposits. At Closing, Seller agrees to pay Purchaser from the proceeds an amount equal to the Tenant Deposits and so authorizes the Escrow Agent to deduct from Seller's proceeds and pay such amount to Buyer. In other words, at closing the Buyer shall receive a check or wire (at Buyer's option) equal to the amount of Tenant Deposits, without setoff, along with an accounting setting forth the amount of each Tenant Deposit associated with each Tenant.

f. Lease Expenses.

- i. All outstanding tenant finish and improvement costs, architect fees, space planning and design fees, leasing commission costs and all other tenant concessions, costs, expenses and legal fees (collectively, "Lease Expenses") paid or incurred in connection with Leases or amendments thereof executed prior to the Effective Date shown on Exhibit G shall be the responsibility of Seller. Any Lease Expense for which Seller is responsible shall be delivered to Purchaser as a credit against the Purchase Price at closing.
- ii. Any Lease Expenses paid or incurred in connection with Leases or amendments thereof executed on or after Effective Date, including third party referral fees with respect to Leases or other rental agreements (including, without limitation options, renewals and extensions) and legal fees directly related to such leasing payable by Purchaser, shall be the responsibility of Purchaser. Seller shall receive a credit at Closing for any such Lease Expenses for which Purchaser is responsible and which have been paid by Seller prior to the Closing Date.
- iii. Notwithstanding the foregoing or anything contained herein to the contrary, Buyer shall be solely responsible for the payment of all Lease Expenses payable in connection with any options, renewals, extensions, or otherwise, accruing or arising under Leases and amendments thereof (whether executed before or after the Closing Date) after the Closing Date provided that such Lease Expenses have been disclosed on Schedule 6.1(d) attached hereto.

g. Ad Valorem Tax Settlement. The ad valorem taxes for the Property for the year in which Closing occurs shall be prorated based on the current year's taxes if known, or if not known then on the basis of such taxes for the prior year. All tax proration shall be based upon a fraction determined by dividing the number of days elapsed through the Closing Date by 365/366, as applicable. All tax proration shall be final.

h. Rollback Taxes. Any rollback taxes occurring as a result in the change in use of the Property prior to Closing other than Buyer's intended use shall be the responsibility of the Seller to pay. The Seller shall not be responsible for any rollback taxes occurring as a result in the change in use of the Property after Closing. The Buyer represents that as a governmental entity, it is exempt from the assessment of rollback taxes.

i. Survival. Buyer and Seller's obligation to prorate as described in this Section 10.4 shall survive the Closing for a period of six (6) months (unless within such time Buyer or Seller makes a claim against the other party to this Agreement with respect to such obligation to prorate, in which case such obligation shall survive without limitation), and Buyer and Seller shall use good faith efforts to conclude prorations with respect to percentage rent and common area maintenance charges as soon as practicable after the determination of the amounts thereof. Notwithstanding the foregoing, in the event that any of the tenants at the Property challenge any expense pass-throughs or reimbursable expense reconciliations with respect to any period prior to the Closing, Seller hereby agrees that it shall be solely responsible to repay to such tenant any overpayments by such tenant, and shall repay such overpayments (and any other amounts owing by the landlord under the relevant lease and relating to such overpayment, including without limitation audit costs and interest, if applicable) to such tenant within fifteen (15) business days after the determination of the amount thereof provided no other sums are due to Seller by such tenant. Seller hereby indemnifies Buyer from and against any and all loss, costs and expense incurred by Buyer including attorney's fees incurred as a result of any such overpayments by tenants. Seller's obligations under the immediately preceding two sentences shall survive the Closing without limitation. Nothing in the Assignment shall be construed to amend, modify or diminish in any way the provisions of this Section 10.4.

10.5 Possession and Closing. Possession of the Property shall be delivered to Buyer by Seller at the Closing.

10.6 Costs of Closing. Seller agrees to pay (as such costs may be allocated among the seller entities as Seller shall determine appropriate):

- a. the cost of the basic premium for the Title Policy required under Section 4.2, excluding any endorsements requested by Buyer;
- b. one-half of any escrow fees charged by the Title Company;
- c. all charges for tax certificates;
- d. ad valorem taxes and any assessments for the time period up to Closing;
- e. Seller's attorneys' fees; and
- f. all charges incurred by Seller for the procurement, preparation, and recording of any releases, waivers, or other instruments required to clear Seller's title to the Property in accordance with the provisions hereof.

10.7 Buyer agrees to pay:

- a. the cost of any endorsements to the Title Policy that may be elected by Buyer;
- b. one-half of the escrow fees reasonably charged by the Title Company;
- c. fee for recording the Deed charged by the county clerk's office; and
- d. Buyer's attorneys' fees (to be paid outside of Closing).

All other reasonable and necessary costs, fees, penalties and other expenses incurred at the Closing shall be paid by Seller and/or Buyer as is customarily done in connection with a closing in Galveston County, Texas of the type of transaction contemplated by this Contract.

XI. DEFAULTS AND REMEDIES

11.1 Seller's Defaults; Buyer's Remedies.

a. Seller's Defaults. Seller shall be deemed to be in default hereunder if Seller shall fail to meet, comply with, or perform any covenant, agreement or obligation on its part required under this Contract, including the failure to convey the Property on or before Closing, or any warranty or representation shall become untrue when made or deemed to be made.

b. Buyer's Remedies. In the event Seller shall be determined to be in default hereunder, Buyer may elect to (i) terminate this Contract and be reimbursed the Earnest Money plus any interest accrued thereon (but not the Independent Consideration, which shall be delivered to Seller); or (ii) seek and obtain specific performance and recover reasonable attorney's fees and expenses in connection therewith. No failure on the part of Buyer to exercise, and no delay in exercising, any right under this section shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Section 11.1 are cumulative and not exclusive of any remedies provided by law.

11.2 Buyer's Defaults; Seller's Remedies.

a. Buyer's Default. Buyer shall be deemed to be in default hereunder if Buyer shall fail to meet, comply with, or perform any covenant, agreement or obligation on its part required under this Contract, including the failure to pay the Purchase Price, as adjusted under this Contract, at Closing.

b. Seller's Remedy. In the event Buyer shall be determined to be in default hereunder, Seller may elect to terminate this Contract and receive the Earnest Money as liquidated damages. It is agreed between Buyer and Seller that the Earnest Money shall be liquidated damages for a default of Buyer hereunder because of the difficulty,

inconvenience, and uncertainty of ascertaining actual damages for such default. It is further agreed that the liquidated damages provided for herein represent a reasonable forecast of Seller's damages, considering all the circumstances existing as of the date of this Contract. Upon default, the Title Company also will release to Seller the Independent Consideration. No failure on the part of Seller to exercise, and no delay in exercising, any right under this section shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

XII. MISCELLANEOUS

12.1 References. All references to "Article", "Articles", "Section", or "Sections" contained herein are, unless specifically indicated otherwise, references to Articles and Sections of this Contract.

12.2 Exhibits. References to "Exhibits" contained herein, if any, are references to exhibits attached hereto, all of which are made a part hereof and incorporated herein for all purposes.

12.3 Captions. The captions, headings and arrangements used in this Contract are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions hereof.

12.4 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate and words of any gender shall include each other gender where appropriate.

12.5 Notices and Communications. All notices, demands, and requests and other communications required or permitted hereunder shall be in writing, shall be sent by certified mail, return receipt requested; by courier; or by electronic communications including email and telephonic facsimile and shall be deemed to be delivered (i) upon first attempted delivery if sent by mail or by courier and (ii) upon transmittal if sent by electronic communications. Buyer's and Seller's respective addresses for purposes of this Contract, and to which all notices required hereunder shall be sent, are as follows:

If to the Seller:	GREAT SCOTT ENTERPRISES, LLC Attn: Todd Scott 2213 Calypso Bay Pearland, Texas 77584
Email:	greatscottenterprises@hotmail.com

With a copy to:	Warner & Associates PLLC Attn: T. Deon Warner 5850 San Felipe Street, Ste 500 Houston, Texas 77057
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Telephone: (713) 807-1007
Facsimile: (713) 422-2309
Email: deon@warnerandassociates.com

If to the Buyer: Galveston Independent School District
Attn: Dr. Jerry Gibson, Superintendent
3904 Avenue T
Galveston, Texas 77550
Telephone: (409) 766-5121
Email: JerryGibson@gisd.org

With copy to: Thompson & Horton, LLP
Attn: Mark D. Smith
Ross Tower, Suite 3150
500 North Akard Street
Dallas, Texas 75201
Telephone: (469) 421-6844
Facsimile: 972-528-5131
Email: msmith@thompsonhorton.com

12.6 Governing Law and Venue. This Contract is being executed and delivered and is intended to be performed in the State of Texas, and the laws of such State shall govern the validity, construction, enforcement, and interpretation of this Contract. Exclusive venue for any legal proceeding relating to this Contract shall be in Galveston County, Texas.

12.7 Assignment of Contract. Neither Party may assign this Contract without the prior written consent of the other Party.

12.8 Entirety and Amendments. This Contract embodies the entire agreement between the Parties and supersedes all prior agreements, understandings, and negotiations, whether verbal or written, between the Parties, relating to the Property and this transaction and may be amended or supplemented only by an instrument in writing executed by the Party against whom enforcement is sought.

12.9 Invalid Provisions. If any provision of this Contract is held to be illegal, invalid, or unenforceable under present or future laws, such provisions shall be fully severable the same as if such invalid or unenforceable provisions had never comprised a part of the Contract; and the remaining provisions of the Contract shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Contract. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be automatically as a 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. Notwithstanding anything to the contrary contained herein, if any condition precedent to Buyer's or Seller's obligations

hereunder is held to be illegal, invalid, or unenforceable under present or future laws, then Buyer or Seller may terminate this Contract by written notice delivered to the other Party and, thereafter, the Parties hereto shall have no further obligations or liabilities hereunder, one to the other.

12.10 Multiple Counterparts; Electronic Signatures. This Contract may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes and all such counterparts shall, collectively, constitute one agreement, but, in making proof of this Contract, it shall not be necessary to produce or account for more than one such counterpart. A copy of this Contract signed by the Parties and other documents required under this Contract may be transmitted by, and the Parties agree to receive the executed Contract and other documents, via electronic mail.

12.11 Parties Bound. This Contract shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and permitted assigns.

12.12 Risk of Loss. Risk of loss or damage to the Property or any part thereof by fire or any other casualty from the Execution Date up to the time of delivering the Deed transferring title to the Property to Buyer will be on Seller and thereafter will be on Buyer.

12.13 Further Acts. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by Seller to Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Closing or after the Closing any and all such further acts, deeds and assurances as may be necessary to consummate the transactions contemplated hereby

12.14 Time of the Essence. It is expressly agreed by the Parties hereto that time is of the essence with respect to this Contract. If the final day of any period of any date of performance under this Contract falls on a Saturday, Sunday or legal holiday, then the final day of said period or the date of performance shall be extended to the next Business Day thereafter.

12.15 Survival. All covenants and agreements contained herein and intended to be performed subsequent to any Closing hereunder shall survive the execution and delivery of the deed and other closing documents required hereby and specifically shall not be deemed to be merged into or waived by any instrument of Closing, but shall expressly survive and be binding upon Seller and Buyer. Any liability of Seller for misrepresentation of breach of warranty continued herein shall survive the execution and delivery of the deed and other closing documents required hereby, specifically shall not be deemed to be merged into or waived by any instrument of Closing, and such liability shall survive and be binding on Seller.

12.16 Real Estate Broker. Seller and Buyer represent that they are not represented by a broker with regard to this transaction. Seller and Buyer each agree to, and does hereby, indemnify and hold the other party harmless for claims for commissions, fees or compensation in connection with this Agreement and the transaction contemplated herein.

12.17 Notice to Buyer. The Texas Real Estate License Act requires a real estate agent to advise Buyer that it should have an attorney examine an abstract of title to the Property being

purchased; or a title insurance Policy should be obtained. Notice to that effect is, therefore, hereby given to Buyer.

[Signature page to follow]

[Signature page for Purchase and Sale Contract between Great Scott Enterprises, LLC, as Seller, and Galveston Independent School District, as Buyer]

EXECUTED as of the ____ day of _____, 20__.

Seller:

GREAT SCOTT ENTERPRISES, LLC,
a Texas limited liability company

Buyer:

**GALVESTON INDEPENDENT
SCHOOL DISTRICT**

By: _____

Todd Scott

Title: President

By: _____

Jerry Gibson

Title: Superintendent

TITLE COMPANY RECEIPT

The undersigned Title Company acknowledges receipt of an original executed copy of this Contract on the ____ day of _____, 20__.

STEWART TITLE COMPANY

By: _____

Name: _____

Title: _____

The undersigned Title Company acknowledges receipt of Buyer's Earnest Money in the amount of Five Thousand and No/100 Dollars (\$5,000.00) on the ____ day of _____, 20__.

STEWART TITLE COMPANY

By: _____

Name: _____

Title: _____

EXHIBIT A

Legal Description

4215 Avenue N ½, Galveston, Galveston County, Texas 77550. (Apartments)

The East 34 feet, 4 inches of Lot Three (3), all of Lot Four (4) and the West 12 feet 10 inches of Lot Five (5), in the Southwest Block of Outlot Thirty-Three (33), in the City and County of Galveston, Texas, said lot having the same dimensions and occupying the same relative position as a lot of similar number would have and occupy in the regular fourteen lot blocks of said City, situated North of Avenue M and East of 29th Street.

1610 43rd Street, Galveston, Galveston County, Texas 77550. (Single Family Residence)

The South 60 feet of Lot One (1) and the South 60 feet of the West 17 feet of Lot (2), in the Southwest Block of Outlot 33, City and County of Galveston, Texas.

EXHIBIT B

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

THE STATE OF TEXAS §
 § **KNOW ALL PERSONS BY THESE**
COUNTY OF GALVESTON § **PRESENTS:**

That, **GREAT SCOTT SCOTT ENTERPRISES, LLC** (referred to as “Grantor”), for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor has GRANTED, BARGAINED, SOLD and CONVEYED and by these presents does GRANT, BARGAIN, SELL and CONVEY unto GALVESTON INDEPENDENT SCHOOL DISTRICT, a public independent school district and political subdivision of the State of Texas, (“Grantee”), and Grantee's successors and assigns, that certain parcel of land containing approximately _____ acres located in Galveston County, Texas, as more particularly described on the attached Exhibit A, (“Land”) (ii) all improvements or fixtures on or under the Land, including, without limitation, all buildings and structures presently located on the Land (including but not limited to an approximately 10,799 sq. ft. 2 story apartment building and a 3,600 sq. ft. single family residence (the “Buildings”), all apparatus, equipment, fixtures, machinery and appliances presently located on the Land owned by Seller and used in connection with the operation or occupancy thereof, such as heating and air conditioning systems and facilities used to provide any utility services, parking services, refrigeration, ventilation, garbage disposal, recreation or other services thereto, and all landscaping and leasehold improvements of tenants, if any, which become the property of the owner of the Land (all of which are collectively referred to as the “Improvements”); (iii) Seller’s rights, title and interest, if any, in and to all easements, tenements, hereditaments, privileges and appurtenances in any way benefitting such Land, including, without limitation, (A) any land to the midpoint of the bed of any highway, street, alley, road or avenue, open or proposed, in front of, abutting, or adjoining such Land; (B) any land lying in or under the bed of any creek, stream, bayou or river running through, abutting or adjacent to such Land; (C) all development rights, air rights, water, water rights and water stock relating to the Land and any other easements, rights-of-way or appurtenances owned by Seller and used in connection with the beneficial operation, use and enjoyment of the Land, the Leases, the Rents, the Improvements, the Intangible Property or any other appurtenance; (D) the present or future use of utilities or utility facilities, and all impact fees that are creditable to, pertain to, or benefit such Land; (E) any strips, gores or pieces of property abutting, bounding or which are adjacent or contiguous to such Land except as herein provided; (F) any reversionary interests benefiting such Land; (G) any rights-of-way, rights of ingress or egress, or other interests in, on or to any land, highway, street, road or avenue, sidewalks, alleys, driveways, parking areas and areas adjacent open or proposed, in, on, across, in front of, abutting or adjoining such Land; (H) all the oil, gas, sulphur, and other minerals (whether similar or dissimilar) in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) and all royalty rights, executive rights, and other rights related to the minerals (collectively “Mineral Rights”); (I) all water and water rights in, on, under and that may be produced from the Land (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) (collectively “Water Rights”); (J) any

awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto in any way benefitting such Land; (K) any easement across, adjacent to or benefiting the such Land, existing or abandoned; and (L) any other rights and benefits pertaining to the Land (clauses (iii)(A) through (L) being referred to as “Appurtenances”) (the Land, the Improvements, and the Appurtenances collectively shall be referred to as “Property”).

Reservations and Exceptions

This conveyance is made by Grantor and accepted by Grantee subject to the matters set forth on Exhibit B to this deed, attached hereto and incorporated herein (collectively, the “Permitted Exceptions”) to the extent that such Permitted Exceptions are valid, legal, currently existing and in effect, and affect or pertain to the Property.

Taxes for the calendar year 2021 have been paid by Grantor. Taxes for the calendar year 2022, have been prorated between Grantor and Grantee as of the date of this deed and in accordance with that certain Purchase and Sale Contract between the Grantor and Grantee with an Effective Date of _____ (the “Contract”).

TO HAVE AND TO HOLD the Property together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns forever, subject only to the hereinbefore Permitted Exceptions set forth in Exhibit B hereto to the extent they are valid, currently existing, and applicable to Grantee, and Grantor does by these presents bind itself, its respective heirs, administrators, successors and assigns to WARRANT and FOREVER DEFEND, all and singular, the Property unto Grantee, its successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise.

[Signatures appear on the following page]

EXHIBIT A TO DEED

Legal Description

[To come from the Surveyor's signed and sealed field notes; each seller entity's respective portion of the Property to be included here]

EXHIBIT B TO DEED

Permitted Exceptions

EXHIBIT C

BILL OF SALE

This BILL OF SALE is made as of this ____ day of _____, 2022 (the “Effective Date”) by **GREAT SCOTT ENTERPRISES, LLC**, a Texas limited liability company with principal offices at _____ (hereinafter “Seller”), in favor of **GALVESTON INDEPENDENT SCHOOL DISTRICT**, a political subdivision of the state of Texas, with offices at _____ (hereinafter “Purchaser”).

WHEREAS, in connection with the sale of that certain real property known as “_____”, located in the City of Galveston, Galveston County, Texas, and being more particularly described on **Exhibit “A”** attached hereto and made a part hereof (the “Land”), together with certain improvements located thereon (“Improvements”), Seller has agreed to sell, transfer and assign to Purchaser certain personal property particularly utilized in the operation and ownership of the Land and Improvements.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby grant, bargain, sell, assign, transfer, set over, and deliver to Purchaser all of Seller’s right, title, and interest in and to the following:

All tangible personal property owned by Seller located on, or situated in and used in connection with, the Land and/or the Improvements, including but not limited to all furniture, furnishings, fixtures, equipment (including equipment utilized in connection with the operation of the surface parking area on the Property), machinery, maintenance vehicles and equipment, tools, parts, recreational equipment, carpeting, art work, and window treatments, all keys, books, records, plans and specifications and architectural and engineering drawings and other tangible personal property owned by Seller or in which Seller otherwise has an interest (other than a leasehold interest) if utilized by Seller solely in connection with the Property which is not owned by tenants under the leases for the Improvements, together with all replacements and substitutions therefor located on the Land and used in connection with the operation or maintenance of the Land and Improvements, together with any replacements or additions thereto between the Effective Date and Closing, including but not limited to the items being more particularly described in **Exhibit “B”** attached hereto and made a part hereof (collectively, “Personal Property”);

TO HAVE AND TO HOLD the aforesaid Personal Property unto Purchaser, its successors and assigns forever.

Seller warrants the Personal Property to be free and clear of all security interests, liens, and other encumbrances of any type or description of any party claiming by, through or under Seller. Seller covenants with Purchaser that Seller has the authority to transfer and assign the right, title and interest conveyed and will warrant and defend the same in favor of Purchaser, its successors and assigns, against the claims and demands of any party claiming by, through or under Seller.

Unless as otherwise provided in the Purchase Agreement and in this Bill of Sale, THE PERSONAL PROPERTY IS SOLD IN ITS “AS-IS” CONDITION WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF FITNESS OR MERCHANTABILITY,

This Bill of Sale shall be governed by, interpreted under, construed under and enforceable in accordance with the laws of the State of Texas.

(signature page follows)

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

GREAT SCOTT ENTERPRISES, LLC
a Texas limited liability company

By: _____
Name: Todd Scott
Its: President

STATE OF _____ §
COUNTY _____ §

This Bill of Sale was subscribed, sworn to and acknowledged before me this ____ day of _____, 2022, by Todd Scott, who is the President of Great Scott Enterprises, LLC, a Texas limited liability company on behalf of said company.

Notary Public

My Commission expires: _____

Exhibit “A” to Bill of Sale
Legal Description of the Property
(to be attached)

Exhibit “B” to Bill of Sale
List of Personal Property

EXHIBIT D

ASSIGNMENT

THIS ASSIGNMENT ("Assignment") is entered into as of this ____ day of _____, 20__ (the "Effective Date") by and between GREAT SCOTT ENTERPRISES, LLC, a Texas limited liability company, with principal offices at _____ ("Assignor") and GALVESTON INDEPENDENT SCHOOL DISTRICT, a public independent school district and political subdivision of the State of Texas, with principal offices at _____ ("Assignee").

WITNESSETH

WHEREAS, in accordance with that certain Agreement of Sale and Purchase of Improved Property dated _____, ("Agreement") by and between Assignor, as Seller, and Assignee, as of Purchaser, Assignor has agreed to convey to Assignee that certain real property located in the City of Galveston, Galveston County, Texas, as more particularly described in the Agreement and in **Exhibit "A"** attached hereto (the "Land"), together with certain improvements located thereon ("Improvements"), and together with the Land, collectively, the "Property"), and in accordance with that certain Bill of Sale, Assignor has agreed to convey to Assignee certain personal property located on or used in connection with the Property (the "Personal Property");

WHEREAS, Assignor desires to assign its interest in and Assignee desires to accept the assignment of the Assignor's interests in the Leases and Rents (as defined below) affecting the Property, on the terms and conditions provided herein;

WHEREAS, Assignor desires to assign its interests in and Assignee desires to accept the assignment of Assignor's interests in and to the Assumed Contracts (as defined below) affecting the Property, on the terms and conditions provided herein;

WHEREAS, Assignor desires to assign its interest in and Assignee desires to accept the assignment of Assignor's interest in and to the Intangible Property (as defined below) affecting the Property, on the terms and conditions provided herein;

NOW, THEREFORE, IN CONSIDERATION of the purchase of the Property by Assignee from Assignor, the parties hereto agree as follows:

1. Assignment of Leases. Assignor hereby assigns, transfers, and conveys to Assignee all of Assignor's right, title and interest in and to all leases, occupancy agreements and other similar agreements to which Seller is a party or by which it is bound, together with all modifications, extensions and renewals thereof, and any guarantees of any of the foregoing and all security and letters of credit securing the obligations of tenants with respect to or demising or providing for the use or occupancy of space in any part of the Land, Appurtenances or Improvements (the "Leases"), and all income, receipts, funds and revenues of any kind whatsoever payable after the Effective Date under the Leases or otherwise with respect to all or any portion of the Land, Appurtenances or Improvements (the "Rents") and all security deposits held in connection with the Leases (the "Tenant Deposits"). The Leases are described on **Exhibit "B"** attached hereto.

Assignee hereby accepts the assignment of all of Assignor's right, title and interest in and to said Leases, and assumes all the obligations of Assignor under the Leases which accrue from and after the Effective Date and relate solely to the period commencing after the Effective Date.

Assignee acknowledges receipt of the Tenant Deposits hereby assigned and assumes all obligations for such deposits and liabilities for same under the Leases assigned from and after the Effective Date.

2. Assignment of Service Contracts. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to the service contracts described on **Exhibit "C"** attached hereto and made a part hereof (the "Assumed Contracts")

Assignee hereby accepts the assignment of all of Assignor's right, title and interest in and to said Assumed Contracts and assumes those obligations of Assignor under the Assumed Contracts which accrue from and after the date hereof.

3. Assignment of Intangible Property. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in (i) any intangible personal property which relates to and is reasonably required for the operation and functioning of the Land, Improvements or Personal Property generally, (ii) any and all plans, specifications, warranties, guarantees, permits, contracts and other rights owned by Seller relating to the ownership, operation or functioning of all or any part of the Property, as defined below (including without limitation all third party guarantees and warranties, express or implied, in connection with the construction of the Improvements), (iii) all use, occupancy, building and operating permits, (iv) all licenses and approvals relating to the Property (all of the foregoing are collectively referred to as the "Intangible Property").

4. Indemnity. Assignor shall indemnify, defend, and hold Assignee harmless from any and all liabilities, claims, demands, damages, and causes of actions that may now or hereafter be made or asserted against Assignee arising out of or related to the Leases, the Assumed Contracts, or the Intangible Property for acts or omissions of Assignor accruing prior to the Effective Date of this Assignment.

5. Successors and Assigns. All of the covenants, terms and conditions set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

6. Authority. Assignor and Assignee warrant and represent to each other that they have the power and authority to enter into this Assignment and that the persons duly executing this Assignment on behalf of Assignor and Assignee have the requisite power and authority to do so.

7. Capitalized Terms. Capitalized terms not defined in this Assignment shall have the meaning ascribed to them in the Agreement.

(signature pages follow)

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first above written.

ASSIGNOR:

GREAT SCOTT ENTERPRISES, LLC
a Texas limited liability company

By: _____
Name: Todd Scott
Its: President

STATE OF _____ §
COUNTY _____ §

This Assignment was subscribed, sworn to and acknowledged before me this ____ day of _____, 2022, by Todd Scott, who is the President of Great Scott Enterprises, LLC, a Texas limited liability company on behalf of said company.

Notary Public

My Commission expires: _____

ASSIGNEE:

GALVESTON INDEPENDENT SCHOOL DISTRICT,

a public independent school district and political subdivision of the State of Texas

By: _____

Name: Jerry Gibson

Title: Superintendent

STATE OF TEXAS

§

§

COUNTY GALVESTON

§

This Assignment was subscribed, sworn to and acknowledged before me this ____ day of _____, 20__, by Jerry Gibson who is the Superintendent of Galveston Independent School District, a public independent school district and political subdivision of the State of Texas, on behalf of said school district.

Notary Public

My Commission expires: _____

Exhibit “A” to Assignment
Legal Description of the Property
(to be attached)

Exhibit “B” to Assignment

List of Leases

(to be attached)

Exhibit “C” to Assignment
List of Assumed Service Contracts

EXHIBIT E

RENT ROLL

4215 Avenue N 1/2

Address	Resident	V.S.	Phone #	Lease Start	Lease End	Sec. Dep.	HAP	Resident	Total	Rent Change Notice Date
#1	Constance Johnson	3								
#2	Raja'nee Winston	3		2/1/2022	1/31/2023	\$1,296	\$1,596	\$0	\$1,596	
#3	Jasma Brown	3		2/1/2022	1/31/2023	PAID	\$1,187	\$295	\$1,482	
#4	Melissa Driggers	3		7/15/2022	6/30/2023	\$790	\$1,714	\$0	\$1,714	
#5	Janatth Delgado	3		11/1/2021	10/31/2022	PAID	\$1,709	\$0	\$1,709	
#6	Vacant			6/14/2021	5/31/2022	\$1,256	\$1,656	\$0	\$1,687	MTM
#7	Lindsey Johnson	3								
#8	Deneisha Grimes	3		10/1/2021	9/30/2022	PAID	\$951	\$579	\$1,530	
#9	Catharine Austin	3		6/1/2021	5/31/2022	PAID	\$1,267	\$299	\$1,566	MTM
#10	Aubrenae Davis	3		9/15/2022	8/31/2023					
				7/1/2021	6/30/2022	PAID	\$1,596	\$0	\$1,596	MTM
TOTAL							\$3,342	\$11,676	\$1,173	\$12,880

(Leases past the lease end date shown above are on month-to-month leases).

1610 43rd Street

Tenant	Start Date	End Date	Sec Dep	Rent
Andrea Jobe	5.1.22	4.30.23	\$0	\$1,665.00

EXHIBIT F

LIST OF SERVICE CONTRACTS

1. Trash Collection Service Contract – Republic Services and Great Scott Enterprises
(Account # 3-0853-2200697)
2. Electricity Service Contract – Cirro Energy and Great Scott Enterprises (Account # 17
849 527 -1)

EXHIBIT G
LEASE EXPENSES

None.

SCHEDULE 6.1(d)

1. List of Prepaid Rent

None

2. List of Landlord Tenant Improvement Obligations

None

3. Tenant Assignments and Sublets

None

4. Tenant Rights to Additional Space

None

5. List of Brokerage Obligations

None.