

MEMORANDUM

Date: August 11, 2021

To: Ms. Connie Morgenroth,
Assistant Superintendent of Business and Operations
Galveston Independent School District

From: Mark E. ^{MEC}Ciavaglia
Managing Partner of Galveston County Office
Linebarger Goggan Blair & Sampson, LLP

Re: Offer to Purchase Tax Foreclosed Property Located on Bolivar Peninsula

The purpose of this memorandum is to submit to the Galveston Independent School District (GISD) Board of Trustees an offer to purchase a parcel of property that is owned jointly by GISD, Galveston County and Galveston College.

➤ Background Facts

The property at issue is described as 'Lots 134 and 135, in BAY-VUE ADDITION on Bolivar Peninsula Galveston County, Texas.' Per the attached map, the property is an undeveloped parcel being 0.2296 acres located on Bolivar Peninsula.

The taxing entities interest in the property was created by virtue of a lawsuit and sheriff sale for delinquent property taxes under cause number 122,530 on the docket of the 122ND District Court of Galveston County. Pursuant to the Texas Property Tax Code, the property was offered to the public at public auction conducted on June 4, 1996, but no offers were received. By operation of law under the Texas Property Tax Code, the property thus became owned jointly by the taxing entities (a copy of the Sheriff's Deed attached).

➤ Offer to Purchase

The taxing entities are in receipt of an offer from Randy and Kimberly Ptacek to purchase the property for the total sum of \$2,060.00. If approved by all parties, the taxing entities share of the sale proceeds of \$2,060.00 in proportion to amounts owed to each entity at the time of the sheriff sale.

To provide some general guidance and context for this offer, the current valuation of the property by Galveston Central Appraisal District is \$13,720.00.

➤ Mechanism for Sale of the Property

Since title to this property was gained by the taxing entities pursuant to a delinquent property tax foreclosure sale, the Texas Property Tax Code provides the statutory framework for disposition of the property. Accordingly, the typical laws governing the disposition of government owned property do not apply.

Texas Property Tax Code §34.05 provides that each taxing entity that was a party to the tax foreclosure must approve the offer to purchase the property in order for the offer to be accepted. As such, the offer is being submitted to the governing bodies of GISD, Galveston County and Galveston College for formal consideration.

➤ Distribution of Proceeds

If the offer is accepted, Texas Property Tax Code §34.06 provides the statutory priority for distribution of the sale proceeds. Attached to this Memorandum is a worksheet setting forth the distribution of the taxing entities' shares. If the offer is approved by each taxing entity, our office will see that the funds are distributed to the taxing entities in the appropriate amounts.

Please note that there are no attorney's fees or other costs due associated with this sale.

➤ Conveyance

If the offer is accepted, the presiding officer of the Board of Trustees will need to execute the attached Trustee's Deed. If the offer is approved by all of the taxing entities and the Trustee's Deed is executed by each presiding officer, our office will arrange to have the Trustee's Deed recorded in the deed records.

➤ Alternative Method of Sale

If any one of the three taxing entities believes the offer is unacceptable for any reason, the offer can be rejected. Each taxing entity has the authority to then direct our firm to offer the property for sale through public auction conducted by the Galveston County Sheriff. The entity directing our firm to sell the property at public auction would need to do so by official action of the Board of Trustees and by providing a minimum bid for the property to be offered at sheriff sale.

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

TRUSTEE'S DEED

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

WHEREAS, by Order of Sale, issued by the Galveston County District Court, 122nd Judicial District in Cause Numbered **122,530**, styled "**Galveston Independent School District, et al. vs. Andrew M. Johnson, et al** ", the Sheriff of Galveston County, on 5th of April, A.D., 1996, seized and levied upon the right, title and interest the defendants had in the premises hereinafter described; and

WHEREAS, the Sheriff on the first Tuesday of **June, A.D., 1996** (the same being the 4th day of said month), sold and conveyed the premises to **Galveston Independent School District**, as Trustee for itself and for **County of Galveston and Galveston College** for the sum of **Three Thousand Four Hundred Forty-four and 12/100 Dollars (\$3,444.12.12)**, it being the highest bidder therefore; and

WHEREAS, the GRANTEE named herein desires to purchase this property for the sum of **Two Thousand Sixty and 00/100 Dollars (\$2,060.00)**;

WHEREAS, this sale is authorized pursuant to V.T.C.A., Tax Code §34.05(b);

NOW, THEREFORE, in consideration of the sum of **Two Thousand Sixty and 00/100 Dollars (\$2,060.00)** paid by the GRANTEE named below, the receipt and sufficiency of which is acknowledged, Galveston Independent School District, County of Galveston, and Galveston College ("GRANTOR"), have GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY to **Randy Ptacek and Kimberly Ptacek of 708 S. 8th Street, Nederland, TX 77627** ("GRANTEE"), the following described real property, to wit:

LOTS 134 AND 135, BAY-VUE ADDITION, JONES SHAW SURVEY, ABSTRACT 179, PAGE 12, IN THE COUNTY OF GALVESTON, TEXAS.

GRANTOR excludes and excepts from this conveyance any warranties, express or implied, on the property, including, without limitation, any warranties arising by common law or Section 5.023 of the Texas Property Code.

GRANTOR conveys the property:

- a) "as is", "with all faults" and without any warranty as to condition or environmental hazard,
- b) subject to all restrictions, easements, rights-of-way leases, oil, gas and mineral leases, royalties, mineral conveyances, and mineral reservations of record, if any, in the office of the County Clerk of said County,
- c) subject to any right of redemption; and
- d) subject to rights of parties in possession.

GRANTOR disclaims any warranty, guaranty or representation, oral or written, on:

- a) the nature and condition of the property or other items conveyed hereunder, including, without limitation, the water, soil and geology,
- b) the suitability of the property conveyed hereunder for any and all activities and uses which GRANTEE may elect to conduct thereon,
- c) the existence of any environmental hazards or conditions thereon (including but not limited to the presence of asbestos or other hazardous materials),
- d) compliance with applicable environmental laws, rules or regulations; and
- e) the compliance of the property with any laws, ordinances, or regulations of any governmental entity or body.

By acceptance of this deed, GRANTEE acknowledges and agrees:

- a) that GRANTOR acquired the property through foreclosure of a tax lien as Trustee and as such has little, if any, knowledge of the physical or economic characteristics of the property,
- b) GRANTEE has inspected the property and are relying solely on their own investigation of the same and not on any information provided or to be provided by on behalf of GRANTOR,
- c) that any information provided with respect to the property was obtained from a variety of sources,
- d) GRANTOR (1) has not made any independent investigation or verification of such information; and (2) does not make any representations as to the accuracy or completeness of such information; and
- e) that if there are any improvements on the property, GRANTOR shall not be responsible for or liable to GRANTEE for any construction defects, errors, omissions, of any other conditions affecting the property.

GRANTEE or anyone claiming by, through or under GRANTEE, hereby fully releases GRANTOR, its employees, officers, directors, representatives, attorneys and agents from any and all claims that it may now have or hereafter acquire against GRANTOR, its respective employees, officers, directors, representatives, attorneys and agents for any cost, loss, liability, damage, expense, demand, action or cause of action arising from or related to the conveyance of the premises herein as well as any construction defects, errors, omissions, or other conditions affecting the property and other items conveyed hereunder. GRANTEE further acknowledges and agrees that this release shall be given full force and effect according to each of its express terms and provisions, including, but not limited to, those relating to unknown and suspected claims, damages and causes of action. This covenant releasing GRANTOR shall be a covenant running with the property and shall be binding upon GRANTEE, their heirs, successors, beneficiaries and assigns. GRANTOR hereby assigns without recourse or representation of any nature to GRANTEE, effective upon the execution and delivery hereof, any and all claims that GRANTOR may have for any such errors, omissions or defects in the property an other items conveyed hereunder. As a material covenant and condition of this conveyance, GRANTEE agrees that in the event of any such construction defects, errors, omissions or on account of any other conditions affecting the property, GRANTEE shall look solely to GRANTOR's predecessors or to such contractors and consultants as may have contracted for work in connection with the property and other items conveyed hereunder for any redress or relief. Upon the assignment by GRANTOR of its claims, GRANTEE releases GRANTOR of all right, express or implied, GRANTEE may have against GRANTOR arising our of or resulting from any errors, omissions or defects in the property and other items conveyed hereunder. GRANTEE further understands

that some of GRANTOR's predecessors in interest may be or become insolvent, bankrupt, judgment-proof or otherwise incapable of responding in damages, and GRANTEE may have no remedy against such predecessors, contractors or consultants.

GRANTEE hereby further agrees on behalf of himself and his heirs, successors, beneficiaries and assigns to indemnify, protect, defend, save and hold harmless GRANTOR and GRANTOR's elected and appointed officials, employees, officers, directors, representatives, attorneys and agents from and against any and all debts, duties, obligations, liabilities, suits, claims, demands, cause of action, damages, losses, costs and expenses (including, without limitation, attorneys' fees and expenses and court costs) in any way relating to, connected with or arising out of the property and other items conveyed hereunder or the ownership, leasing, use, operation, maintenance and management thereof from and after the date hereof, including, without limitation, the cost of any removal of hazardous substances or contaminants from the property and other items conveyed hereunder.

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto in any wise belonging unto GRANTEE, their heirs, and assigns, forever.

Taxes for the current year are to be paid by GRANTEE.

EXECUTED this the ____ day of _____, 2021.

GALVESTON INDEPENDENT SCHOOL DISTRICT

By: _____
Anthony Brown, President
Board of Trustees

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Anthony Brown as President of the Board of Trustees of Galveston Independent School District, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the ____ day of _____, 2021.

NOTARY PUBLIC, in and for the State of Texas

Printed or Typed Name of Notary

EXECUTED this the _____ day of _____, 2021.

COUNTY OF GALVESTON

By: _____
Hon. Mark Henry
Galveston County Judge

STATE OF TEXAS §
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COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Mark Henry as County Judge for County of Galveston, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the _____ day of _____, 2021.

NOTARY PUBLIC, in and for the State of Texas

Printed or Typed Name of Notary

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EXECUTED this the _____ day of _____, 2021.

GALVESTON COLLEGE

By: _____
Karen F. Flowers, Chairperson
Board of Regents

STATE OF TEXAS §
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COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Karen F. Flowers, Chairperson of the Board of Regents for Galveston College, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the _____ day of _____, 2021.

NOTARY PUBLIC, in and for the State of Texas

Printed or Typed Name of Notary

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