EARNEST MONEY CONTRACT

This Earnest Money Contract ("the Contract") is made by and between BEAUMONT INDEPENDENT SCHOOL DISTRICT ("Seller") and Mike Hawkins and Richard Vaughan, ("Buyer"), upon the following terms and conditions.

1. Purchase and Sale. Subject to the terms of this Contract, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the surface rights of __120 Creek Road, Lumberton TX 77657 (64.52 Acres)__ together with all improvements thereon, including but not limited to a structure permanently affixed thereto, and all rights, privileges and appurtenances pertaining thereto, including but not limited to, water rights, claims and permits, easements, all rights and obligations of applicable government programs and cooperative memberships, subject to Buyer's approval of the following exceptions, reservations, conditions and restrictions, if any, as they may appear in the Preliminary Title Policy: minerals, royalties and/or timber interest; mineral leases; surface leases; easements; deed restrictions; or others so described. Seller does not convey any mineral rights to Buyer on the Property. The Property will be more specifically described by metes and bounds in the Special Warranty Deed using the survey provided by Seller, or if one is obtained by Buyer, then the new survey obtained by Buyer.

2. Purchase Price. The "Purchase Price" of the Property shall be the sum of ___Four Hundred Twenty Thousand Dollars__ ($420,000.00_). The earnest money deposit in the sum of FIVE THOUSAND AND NO/100 DOLLARS ($5000) (the "Earnest Money") is tendered herewith by Buyer to Seller to be deposited with Hooks Title ("Title Company"). The earnest money deposit is not refundable and shall be credited to the Purchase Price at the Closing Date set forth below.

3. Payment of Purchase Price. The Purchase Price shall be payable as a lump sum in cash at Closing. Within sixty (60) days after the Seller awards Buyer as the winning bid, Buyer shall provide to Seller proof satisfactory to Seller that Buyer is financially qualified to purchase the Property (e.g., bank letter or other assurance from a lender). Failure to do so is a material breach of this Contract.

4. Title Policy and Preliminary Title Report. Buyer shall obtain, at its own expense, an Owners' Policy of Title Insurance ("Title Policy") issued by the Title Company. From the date of receipt of the Earnest Money by the Title Company, Title Company shall with due diligence prepare and issue to both Seller and Buyer a preliminary title report (the "Title Report") concerning the Property. The Title Policy shall guarantee Buyer's title to the Property to be good and indefeasible subject only to: (i) accepted restrictive covenants and easements affecting the Property, (ii) any discrepancies, conflicts or shortages in area or boundary lines or any encroachments, or any overlapping of improvements, (iii) all taxes, if any, for the current and subsequent years, and subsequent assessments for prior years due to a change in land usage or ownership, (iv) any existing

building and zoning ordinances, (v) rights of parties in possession, (vi) any liens created or assumed as security for the sale consideration, and (vii) any reservations or exception permitted by the Deed. Seller shall furnish tax statements indicating no delinquent taxes and a Special Warranty Deed conveying title subject only to liens securing payment of debt created or assumed as part of the consideration, taxes for the current year and easements, restrictions, and conditions permitted by this Contract or otherwise acceptable to Buyer.

5. Procedures for Objections to Title. Buyer shall give Seller written notice on or before the expiration of twenty (20) days after Buyer receives the Title Report, that the condition of title, as set forth in the Title Report, is not satisfactory, and in such event Seller may, but shall not be required to, promptly make all reasonable efforts to eliminate or modify all unacceptable matters to the reasonable satisfaction of Buyer. In the event Seller (i) fails or is unable to eliminate such exceptions to title to the reasonable satisfaction of Buyer within seven (7) days prior to the date of Closing, or (ii) provides written notice to Buyer of Seller's unwillingness to remove an objection to title within seven (7) days prior to the date of Closing, Buyer, at its option, may terminate this Contract without liability to Seller (including the return of the Earnest Money) by providing Seller with written notice of same prior to Closing, in which event the Earnest Money shall be returned to Buyer, as Buyer's sole remedy. Buyer may also, at its option, waive any unacceptable matters and require that Seller proceed to Closing by providing Seller with written notice of same.

6. Survey. Seller has had the property surveyed by metes and bounds through a registered professional land surveyor and is attached as an exhibit to the contract.

7. Property Condition. As a material part of the consideration for this Agreement, Buyer accepts the Property "AS IS AND WHERE IS, WITH ANY AND ALL LATENT AND PATENT DEFECTS AND FAULTS." THERE IS NO WARRANTY OF ANY KIND BY THE DISTRICT, INCLUDING THAT THE PROPERTY IS FIT FOR A PARTICULAR PURPOSE, EXCEPT THE LIMITED WARRANTIES OF TITLE WHICH MAY BE CONTAINED IN THE BID PACKET. IN ADDITION, THE PROPERTY WILL BE SOLD SUBJECT TO THE CONDITIONS, EXCEPTIONS AND RESERVATIONS CONTAINED IN THIS BID PACKAGE AND SUBJECT TO ALL RECORDED INTERESTS. Seller agrees to remove any and all personal property items, if any, located inside and around the building structures on the Property before the Closing Date. After the Closing Date, Seller is not permitted reentry into the Property for any purpose, including the retrieval of said personal items. Failure to abide by this provision will be construed as a trespass by the Buyer.

8. Closing Date. The closing of the sale ("Closing Date") shall occur on or before sixty (60) days from the date of the last signature hereon, or within thirty (30) days after objections to title have been cured and all the terms and conditions herein have been satisfied, whichever is later. The closing will be held at the offices of the Title Company.

9. Possession. Possession of the Property shall be conveyed to Buyer at closing.

10. Sales Expenses to be Paid in Cash at or Prior to Closing.

A. Seller's Expenses. Seller shall pay for all costs of releasing existing loans, liens and the cost to record such releases, if any.

B. Buyer's Expenses. Buyer shall pay Deed recording fees; any escrow fee; copies of restrictions, easements, reservations or conditions affecting the Property; and other expenses agreed to herein.

11. Prorations. The following expenses, if applicable, will be prorated to the Date of Closing - assessments, current taxes, and any rents and maintenance fees.

12. Default. If Buyer fails to comply herewith, Seller may terminate this Contract and receive the Earnest Money as liquidated damages. If Seller is unable, without fault, to deliver Title Policy required herein within the time herein specified, Buyer may either terminate this Contract and receive return of the Earnest Money as the sole remedy or extend the time up to (30) days. If the Seller fails to comply herewith for any other reason, Buyer may: (i) terminate this Contract and receive the Earnest Money, thereby releasing Seller from this Contract; (ii) enforce specific performance of the Contract; or (iii) seek such other relief as may be provided by law.

13. Attorney's Fees. Any signatory to this Contract who is the prevailing party in any legal proceeding against any other signatory brought under or with relation to this Contract or transaction shall be additionally entitled to recover court costs and reasonable attorney's fees from the non-prevailing party, but only to the extent allowed by Texas law.

14. Escrow. The Title Company as Escrow Agent: (i) does not assume or have any liability for performance or non-performance of any party; (ii) has the right to require the receipt, release and authorization in writing of all parties before paying the Earnest Money to any party; and (iii) is not liable for interest or other charge on the funds held. If any party unreasonably fails to agree in writing to an appropriate release of Earnest Money, then such party shall be liable to the other parties as provided herein. At closing, Earnest Money shall be applied to the Purchase Price. In preparation for closing, the Escrow Agent may incur actual expenses on behalf of Seller or Buyer; therefore, any refund or payment of the Earnest Money under this Contract shall be reduced by the amount of any actual expenses incurred on behalf of the party receiving the Earnest Money, and the Escrow Agent will pay the same to the creditors entitled thereto.

15. Representations. Seller represents that on Closing Date: (i) all assumed loans(s) will not be in default, and (ii) unless securing payment of any deferred consideration, there will be no unrecorded liens or Uniform Commercial Code liens against

any of the Property which will not be satisfied out of the Sale Price. If any representation above is untrue, this Contract may be terminated by Buyer and Earnest Money shall be refunded without delay. All representations in this Contract shall survive closing.

16. Inspections. Buyer and Buyer's agents may enter the Property before the Closing Date to inspect it, as long as they do not unreasonably interfere with existing activities on or occupants of the Property. Buyer agrees to abide by reasonable entry rules imposed by Seller.

17. Casualty Loss. If any part of the Property is damaged or destroyed by fire or other casualty, Seller shall restore the same to its previous condition as soon as reasonably possible, but in any event by Closing Date; and if Seller is unable to do so without fault, this Contract shall terminate at Buyer's option and Earnest Money shall be refunded.

18. Assignment of Contract. This Contract is not assignable by Buyer or Seller, unless agreed to in a separate writing.

19. Texas Law to Apply. This Contract shall be construed under and in accordance with the laws of the State of Texas. Venue for any action under this Contract shall be in Newton County, Texas.

20. Parties Bound. This Contract shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, representatives, successors and assigns.

21. Legal Construction. In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this invalidity, illegality, or unenforceability shall not affect any other provision, and this Contract shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Contract.

22. Time of the Essence. Except as expressly stated otherwise, time is of the essence with respect to the performance of all obligations provided in the Contract and the consummation of all transactions contemplated by it.

23. Prior Agreements Superseded. This Contract constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreement between the parties respecting the within matter.

24. Headings. The headings of sections or paragraphs are for purposes of convenient reference only. Headings shall not be construed to alter the meaning of any provision of this Contract.

25. Agreement of Parties. This Contract contains the entire agreement of the parties and cannot be changed except by their written consent.

26. Consult Your Attorney. This is intended to be a legally binding contract. READ IT CAREFULLY. If you do not understand the effect of any part, consult your attorney BEFORE signing.

AGREED:

SELLER: BEAUMONT INDEPENDNET SCHOOL DISTRICT

By: Thomas P Sigee DATE: 04/19/21

Print Name: Thomas P. Sigee

Title: President, BISD Board

AGREED:

BUYER:

By: _____ DATE: 4-6-21

BUYER:

By: _____ DATE: 4-6-21

RECEIPT OF EARNEST MONEY

Receipt of a fully executed original of the Contract and earnest money in the amount of $ 5,000.00 is acknowledged by the Title Company.

_____ TITLE COMPANY

By: Kayla Thomas

Time: 10:44 am

Date: 4/20/21

9353

Hawkins Homes, Inc.
PO BOX 8088
Lumberton, TX 77657

FIRST STATE Bank
(361) 783-2525
P.O. DRAWER 550
THREE RIVERS, TEXAS 78071
WWW.FSTTR.COM

88-1670/1149

4-6-21

PAY TO THE ORDER OF Hooks Title

$ 5000.00

Five thousand DOLLARS

MEMO

AUTHORIZED SIGNATURE

Security features. Details on back.

⑈009353⑈ ⑆114916705⑆ 20004669521⑈

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APPROVED
4/15/2021

BISD
Preparing Our Next Generation

Board Exhibit Cover Sheet

Meeting Date: April 15, 2021

Agenda Item/Exhibit Number: **II.F.5.**

Agenda Item Title: Approve Sale of Real Estate

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Beau Carroll

Executive Summary: There was a Request for Proposal (RFP 20.01) issued in January 2021 for the sale of 120 Creek Rd, Lumberton TX 77657 (64.52 acres) for the amount of $660,000. An all-cash offer in the amount of $420,000 has been received from a neighboring property owner. There are no REALTORS representing either party in this transaction.

Recommendation: Approve the sale of 120 Creek, Lumberton, TX 77657 (64.52 acres) for $420,000 to Mike Hawkins and Richard Vaughan. Title and transaction to be facilitated by Hooks Title, Lumberton, TX 77657.

Budget Impact* (if applicable):

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): Ch. 44.031

Policy Reference (if applicable, list policy/regulation): CH (LOCAL)

Legal Review (if necessary, list attorney and firm): N/A

Cabinet Level Presenter's Signature — Date: 4/8/21

General Counsel's Signature — Date: 4/8/2021