

COMMERCIAL CONTRACT – IMPROVED PROPERTY

1. PARTIES: Seller agrees to sell and convey Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the Sales Price stated in Paragraph 3. The parties to this Contract are:

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Seller: Grover C. Keeton and Kathleen Keeton Smith
Address: 15100 Nightingale, Austin, TX 78734 11805 Meadowglen #2201, Houston, TX 77056
Phone: _____

Buyer: Corpus Christi Housing Finance Corporation
Address: 1200 Leopard Street; P. O. Box 9277, Corpus Christi, TX 78469
Phone: 361-826-3898

2. PROPERTY:

A. The property sold by this contract is called the "Property." The Property is that real property situated in Nueces County, Texas, at 540 Chaparral Street, Corpus Christi, Texas (address) that is legally described on the attached Exhibit A or as follows:

Lots Three (3) and Four (4), Block Eleven (11), Beach Portion of the City of Corpus Christi, Texas, as shown by the map or plat thereof recorded in Volume A, Page 3, Map Records, Nueces County, Texas, and being the same property as described in that Lease Agreement between Grover C. Keeton, as Landlord, and Beach Center Corporation, as Tenant, dated June 30, 1983, as amended.

B. The Property is sold together with:

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (4) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, leases, reservations, or restriction.)

The terms and conditions of that Lease Agreement between Grover C. Keeton, as Landlord, and Beach Center Corporation, as Tenant, dated June 30, 1983, as amended.

3. SALES PRICE: At or before Closing, Buyer will pay the following Sales Price for the Property:

- A. Cash portion payable by Buyer at Closing (including earnest money).....\$ 225,000.00
- B. Sum of all financing described in Paragraph 4\$.00
- C. Sales Price (Sum of A and B).....\$ 225,000.00

Initialed for Identification by Buyer _____ Seller JCK

4. **FINANCING:** No financing is required in connection with this Contract.
5. **EARNEST MONEY:** Not later than three days after the Effective Date of this Contract, Buyer shall deposit the sum of \$ 5,000.00 as Earnest Money with Gracy Title Company at 1313 Ranch Road 620 S, Suite 101, Lakeway, TX 78734 (address), as Escrow Agent. The Earnest Money shall be placed in an interest-bearing account by the Escrow Agent upon the written request of Buyer, and any interest thereon shall be part of the Earnest Money. If Buyer fails to deposit the Earnest Money as required by this Contract, Buyer shall be in default.

6. **TITLE POLICY:**

A. **Title Policy:** Seller shall furnish to Buyer at Seller's expense Buyer's expense an Owner's Policy of Title Insurance (the "Title Policy") issued by Stewart Title Company (the "Title Company") in the amount of the Sales Price and dated at or after Closing, insuring Buyer's fee simple title to the Property to be good and indefeasible subject only to those title exceptions permitted herein, or as may be approved by Buyer in writing, and the standard printed exceptions contained in the usual form of the Title Policy. The Title Company shall deliver to Buyer within twenty (20) days after the Effective Date of this Contract a Commitment for Title Insurance (the "Commitment") and legible copies of all recorded instruments affecting the Property and recited as exceptions in the Commitment.

B. **Survey:** No new survey is required in connection with this Contract.

C. **Buyer's Objections to the Commitment:**

- (1) Within 20 days after Buyer receives the Commitment and copies of the documents evidencing the title exceptions, Buyer may object in writing to matters disclosed in the items if the matters disclosed constitute a defect or encumbrance to title other than those permitted by this Contract or liens that Seller will satisfy at Closing or Buyer will assume at Closing.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 20 days after Seller receives the objections. The Closing Date will be extended as necessary to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this Contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the Earnest Money will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object, except that Buyer shall not be deemed to waive the requirements in Schedule C of the Commitment.

7. **PROPERTY CONDITION:**

- (1) Buyer accepts the Property in its present "as-is" condition.
- (2) Buyer accepts the Property in its present condition provided that Seller, at Seller's expense, shall complete the following repairs prior to Closing: N/A.

Initialed for Identification by Buyer _____ Seller JK

8. BROKERS:

The parties represent to each other that no real estate brokers or agents have been utilized in connection with this Contract, and Seller shall not be responsible for the payment of any real estate commissions at Closing.

9. CLOSING:

A. The closing of the sale shall be on or before sixty (60) days, or within seven (7) days after any title objections have been cured, whichever date is later (the "Closing Date") at the offices of the Title Company; however, if financing or assumption approval has been obtained pursuant to Paragraph 4, the Closing Date shall be extended up to 15 days only if necessary to comply with lender's closing instructions (for example, survey and closing documents). If either party fails to close this sale by the Closing Date, the non-defaulting party shall be entitled to exercise the remedies contained in Paragraph 15.

B. At Closing Seller shall furnish, at Buyer's expense:

- (1) a Special Warranty Deed conveying good and indefeasible title to the Property showing no additional exceptions to those permitted in Paragraph 6; and
- (2) an assignment of all leases to or on the Property duly executed by Seller, if any.

C. At Closing Buyer shall:

- (1) pay the Sales Price in good funds acceptable to the Escrow Agent; and
- (2) execute and deliver any notices, statements, certificates, or other documents required by this Contract or law necessary to close the sale.

D. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

10. **POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition "AS IS" and "WITH ALL FAULTS."

11. **SPECIAL PROVISIONS:** (Insert factual statements and business details applicable to this sale.) Attached hereto are the following Exhibits and Addenda which are a part hereof:

The existing Lease Agreement referenced in Section 2 above shall be terminated by Buyer at closing and funding since Buyer holds the leasehold interest under said Lease.

Buyer shall pay all current and any past due taxes assessed against the Property. Buyer shall pay all closing costs, including the escrow fees required by Escrow Agent, and for preparation of the deed by Buyer's attorney. Seller only shall be responsible for the legal fees of any attorney retained by Seller for review of the documents.

Buyer agrees to exercise reasonable efforts to install a memorial brass marker naming the building on the Property the "Annie Uehlinger Building." If the building is removed by Buyer or during any period in which Buyer owns the Property, Buyer agrees to install a brass marker on the land comprising the Property dedicating it to Annie Uehlinger.

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12. SALES EXPENSES:

A. SELLER'S EXPENSES: None.

B. BUYER'S EXPENSES: Preparation of the deed and recording fees; tax certificates; all of any escrow fee; and any other expenses stipulated to be paid by Buyer under other provisions of this Contract.

13. PRORATIONS:

No prorations shall occur at Closing.

14. CASUALTY LOSS AND CONDEMNATION:

[This section is intentionally omitted.]

15. DEFAULT:

A. If Buyer fails to comply herewith, Buyer shall be in default, and Seller may (1) enforce specific performance or (2) terminate this Contract and receive the Earnest Money as liquidated damages, thereby releasing Buyer from this Contract.

B. If Seller is unable without fault, within the time herein required, to deliver the Commitment, Buyer may either terminate this Contract and receive the Earnest Money as the sole remedy or extend the time for performance up to fifteen (15) days and the Closing Date shall be extended as necessary.

C. If Seller fails to comply herewith for any other reason, Seller shall be in default, and Buyer may (1) enforce specific performance or (2) terminate this Contract and receive the Earnest Money, thereby releasing Seller from this Contract.

D. Seller's failure to satisfy Buyer's objections under Paragraph 6 shall not constitute a default by Seller.

16. ATTORNEY'S FEES: If Buyer, Seller, or Escrow Agent is a prevailing party in any legal proceeding brought under or with relation to this Contract or transaction, such party shall be additionally entitled to recover court costs, reasonable attorney's fees, and all other litigation expenses from the non-prevailing parties.

17. ESCROW: The Earnest Money is deposited with Escrow Agent with the understanding that Escrow Agent is not (a) a party to this Contract and does not assume or have any liability for the performance or non-performance of any party to this Contract, (b) liable for interest on the funds held unless required in Paragraph 5 and (c) liable for any loss of escrow funds caused by the failure of any banking institution in which such funds have been deposited unless such banking institution is acting as Escrow Agent. If both parties make demand for the payment of the Earnest Money, Escrow Agent has the right to require from all parties and brokers a written release of liability of Escrow Agent which authorizes the disbursement of the Earnest Money. If only one party makes

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demand for payment of the Earnest Money, Escrow Agent shall give notice to the other party of such demand. Escrow Agent is authorized and directed to honor such demand unless the other party objects to Escrow Agent in writing within thirty (30) days after Escrow Agent's notice to that party. At Closing, the Earnest Money shall be applied first to any cash down payment, then to Buyer's closing costs and any excess refunded to Buyer. 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 Escrow Agent shall pay the same to the creditors entitled thereto.

18. MATERIAL FACTS:

To the best of Seller's knowledge and belief: *(Check (1) or (2) only.)*


- (1) Seller is not aware of any material defects to the Property except as stated in the attached Property Condition Statement.
- (2) Seller is not aware of any of the following, except as described otherwise in this Contract:
 - (a) any subsurface structures, pits, waste, springs, or improvements;
 - (b) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (c) any environmental hazards or conditions that affect the Property;
 - (d) whether the Property is or has ever been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers.
 - (e) whether radon, asbestos insulation or fireproofing, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (f) whether wetlands, as defined by federal or state law or regulation, are on the Property; and
 - (g) whether threatened or endangered species or their habitat are on the Property.

19. NOTICES: All notices between the parties under this Contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties' addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

20. FEDERAL TAX REQUIREMENT: If Seller is a "foreign person", as defined by applicable law, or if Seller fails to deliver an affidavit that he is not a "foreign person", then Buyer or Escrow Agent, on instruction from Buyer, shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service, together with appropriate tax forms.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this Contract that may arise. If the dispute cannot be resolved by negotiation, the dispute shall be submitted to mediation before the parties resort to arbitration or litigation and a mutually acceptable mediator shall be chosen by the parties to the dispute who shall share the cost of mediation services equally.

22. AGREEMENT OF PARTIES: This Contract shall be binding on the parties, their heirs, executors, representatives, successors, and assigns. This Contract shall be construed under and in

Initialed for Identification by Buyer _____ Seller 

accordance with laws of the State of Texas. This Contract contains the entire agreement of the parties and cannot be changed except by written agreement. If this Contract is executed in a number of identical counterparts, each counterpart is deemed an original and all counterparts shall, collectively, constitute one agreement.

- 23. **TIME:** Time is of the essence in this Contract and strict compliance with the times for performance is required.
- 24. **EFFECTIVE DATE:** The Effective Date of this Contract for the purpose of performance of all obligations is the date the Escrow Agent receipts this Contract after all parties execute this Contract.
- 24. **ASSIGNMENT:**
 - A. Buyer may not assign this Contract.
 - B. Buyer may assign this Contract. If the assignee assumes in writing all obligations and liabilities of Buyer under this Contract, Buyer shall be relieved of all liability hereunder.
- 25. **TEXAS LAW TO APPLY:** This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in the county in which the Property is located.
- 26. **CONSULT YOUR ATTORNEY:** The Broker cannot give you legal advice. This is intended to be a legally binding contract. **READ IT CAREFULLY. NO REPRESENTATION OR RECOMMENDATION IS MADE BY BROKER OR ITS AGENTS OR ITS EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS DOCUMENT OR TRANSACTION.** If you do not understand the effect of any part of this Contract, consult your attorney **BEFORE** signing.

Buyer: Corpus Christi Housing Finance Corp.

Seller:

By: _____
Name: _____
Title: _____

By: 
Grover C. Keeton

By: 
Kathleen Keeton Smith

ESCROW RECEIPT

Escrow Agent acknowledges receipt of this Contract on _____ (Effective Date).

Escrow Agent: _____

By: _____