RESOLUTION NO. 2026-R21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EARLY, TEXAS AND THE COMMISSIONERS COURT OF BROWN COUNTY, TEXAS, AUTHORIZING A SALE PURCHASE AGREEMENT BETWEEN THE TWO GOVERNMENT ENTITIES OF WHICH IS THE SALE, TRADE, AND CONSTRUCTION OF CERTAIN REAL PROPERTY OWNED BY EACH; FINDING OF PUBLIC PURPOSE; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS

WHEREAS, Texas Local Government Code 791 authorizes cities and counties to enter into Interlocal Cooperation Contracts and Texas Local Government Code 272 authorizes cities and counties to donate or sell property to each other at less than fair market value; and

WHEREAS, the City of Early, Texas (hereinafter "City") owns certain real property located at 109 Hutton St., Early, Texas 76802 and being 5.115 acres., more or less (hereinafter "City Property"); and

WHEREAS, Brown County, Texas (hereinafter "County") owns certain real property located at 1951 Old May Road, Early, Texas 76802 and being 2.283 acres, more or less. (hereinafter "County Property"); and

WHEREAS, the City desires to convey the City Property to the County for the public purpose of relocating the County Precinct 3 maintenance yard to this location; and

WHEREAS, the County desires to convey the County Property to the City for the public purpose of encouraging economic development in that area by redeveloping the current County Precinct 3 maintenance yard into a property that will generate property tax, sales tax, utility revenues, and generate local jobs; and

WHEREAS, the City finds that the conveyance of the City Property to the County and the County Property to the City serves a valid public purpose; and

WHEREAS, the County finds that the conveyance of the County Property to the City and the City Property to the County serves a valid public purpose; and

WHEREAS, the City Council has determined that the sale of the Property to the County is in the best interest of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EARLY, TEXAS, AND THE COMMISSIONERS COURT OF BROWN COUNTY, TEXAS AS FOLLOWS:

SECTION 1. FINDING OF PUBLIC PURPOSE. The City finds that the conveyance of the City Property to the County and the County Property to the City serves a valid public purpose; and the County finds that the conveyance of the County Property to the City and the City Property to the County serves a valid public purpose, and the relocation of the County Precinct 3 maintenance yard from its current location to the proposed location will meet the public purpose of encouraging economic development in that area by redeveloping the current County Precinct 3 maintenance yard into a property that will generate property tax, sales tax, utility revenues, and generate local jobs.

SECTION 2. SALE OF PROPERTY. The City hereby authorizes the sale of the City Property to the County, subject to the terms and conditions set forth in the Purchase and Sale Agreement attached hereto as Exhibit A, and The County hereby authorizes the sale of the County Property to the City, subject to the terms and conditions set forth in the Purchase and Sale Agreement attached hereto as Exhibit A.

SECTION 3. PURCHASE PRICE. The purchase price for the County Property shall be SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS ($75,000.00), payable by the City to the County at Closing, and other consideration as set forth in the Purchase and Sale Agreement attached hereto as Exhibit A.

SECTION 4. AUTHORIZATION TO EXECUTE DOCUMENTS. The Mayor and/or the City Administrator are hereby authorized to execute and deliver all necessary documents, including but not limited to the Purchase and Sale Agreement and the deed of conveyance, to effectuate the sale of the City Property to the County. The County Official appointed by the Commissioners

Courtis hereby authorized to execute and deliver all necessary documents, including but not limited to the Purchase and Sale Agreement and the deed of conveyance, to effectuate the sale of the County Property to the City.

SECTION 5. SEVERABILITY. If any provision of this Resolution is held to be invalid or unenforceable, such holding shall not affect the validity or enforceability of the remaining provisions.

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption by both the City and County.

PASSED AND APPROVED this 8/11/26, by the City Council of the City of Early, Texas.

Robert Mangrum

Mayor

City of Early

ATTEST:

Brenda Kilgo

Brenda Kilgo

City Secretary

City of Early, Texas

STATE OF TEXAS
CITY OF EARLY

Thomas A. Munson
Acting Brown County Judge

PASSED AND APPROVED this 8-24-26, by the Commissioners Court of Brown County, Texas

Brown County Commissioners Court

Brown County, Texas

ATTEST:

Sharon Ferguson

Sharon Ferguson

Brown County Clerk
Brown County, Texas

EXHIBIT A: Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** ("Agreement") is made and entered into by and between CITY OF EARLY (the "City"), and Brown County (the "County").

RECITALS:

The City owns certain real property located at 109 Hutton St., Early, Brown County, Texas 76802 PCT 3 DEVELOPMENT LOT 1, BLOCK 1 approximately 5.115 acres. (hereinafter "City Property"); and

The County owns certain real property located at 1951 Old May Road, Early, Brown County, Texas 76802 YRMA C JONES SUBDIVISION, BLOCK B, LOT 85' OF 2, 76.5' OF 3, HENRY KRABER, SURVEY 19, ABSTRACT 584, ACRES 2.0782 and YRMA C JONES SUBDIVISION, BLOCK B, LOT 2, PART 1 & 3, ACRES 0.205 for an approximately 2.283 acres. (hereinafter "County Property"); and

City desires to convey the City Property to the County for the public purpose of relocating the County Precinct 3 maintenance yard to this location; and

The County desires to convey the County Property to the City for the public purpose of encouraging economic development in that area by redeveloping the current County Precinct 3 maintenance yard into a property that will generate property tax, sales tax, utility revenues, and generate local jobs; and

Property

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1)

DEFINITIONS

a) Definitions. As used herein, the following terms shall have the following meanings:

Closing: The exchange of documents and funds to consummate the transaction contemplated herein.

Closing Date: The date of Closing, which shall be on or before the day which is thirty (30) days following the last condition of closing is met by the City and County, whichever is the latter.

Deed: A special warranty deed, conveying good and marketable title in the Land and Improvements to the County, subject to the Permitted Exceptions.

Earnest Money: The cash funds, in the amount of TEN AND NO/100 DOLLARS ($10.00) which shall be delivered by County to Escrow Agent contemporaneously with the execution of this Agreement, and which shall be applied to the Purchase Price or otherwise disbursed in accordance with the provisions of this Agreement.

Effective Date: The date the Escrow Agent acknowledges its receipt of a copy or original of a fully executed version of this Agreement and agrees to be bound by the provisions hereof.

Escrow Agent: Brown County Abstract 201 South Broadway Brownwood, Texas 76801.

Inspection Period: The period of time beginning with the Effective Date and sixty (60) days thereafter.

Land: All of the land described on Exhibit "A" is attached hereto and made a part hereof.

Permitted Exceptions: The defects, liens, encumbrances and other matters affecting title to the Property to which County does not object or is deemed to have accepted in accordance with this Agreement, except schedule C items in the title commitment are never waived and shall not be a Permitted Exception

Plan Review: A review of the design and plans for the Project conducted by the County and City as a condition of thc sale of the property

Project: The City plans to construct the PCT 3 maintenance barn in the same design, fashion, square footage, and material as the existing barn currently located on the County Property, together with fencing in the same style and material as the fencing currently located around the existing barn on the County Property The Project is further described in "Exhibit B" attached hereto and made a part hereof

Project Construction Schedule: The City will begin construction on the Project within 180 days from the closing date, and work diligently to complete the project in a timely fashion.

Property(s): The land described on the attached Exhibit A.

Public Purpose:
City desires to convey the City Property to the County for the public purpose of relocating the County Precinct 3 maintenance yard to this location; and the County desires to convey the County Property to the City for the public purpose of encouraging economic development in that area by redeveloping the current County Precinct 3 maintenance yard into a property that will generate property tax, sales tax, utility revenues, and generate local jobs; and

Purchase Price: The purchase price for the City Property shall be $10.00 TEN AND NO/100 DOLLARS. The purchase price for the County Property shall be SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS ($75,000.00) and other consideration.

Survey: A current land title survey, and metes and bounds description, of the Land, prepared in accordance with the Texas Surveyors Association's Manual of Practice for Land Surveying in Texas

for a Category 1A, Condition 1A survey, by a licensed Texas surveyor selected by City, with all costs to be paid for by City

Title Commitment: A current Commitment for Title Insurance for the issuance to City and County of the Title Policy from the Title Company pertaining to the Land.

Title Company: Brown County Abstract 201 S. Broadway, Brownwood, Texas 76802

Title Policy: An Owner Policy of Title Insurance in the standard form promulgated for use in the State of Texas to be issued by the Title Company in the full amount of the Purchase Price, dated as of the Closing Date, insuring County's fee simple title to the Land to be good and indefeasible, subject to the Permitted Exceptions, other exceptions approved by County in writing and the standard printed exceptions contained in a standard form Owner Policy of Title Insurance.

ARTICLE 2)

PURCHASE AND SALE

a) The Property. Subject to the terms, provisions and conditions hereinafter set forth, City agrees to sell and convey to County the City Land, and County Agrees to sell and covey to the City the County Land for the Purchase Price and other consideration stated herein.

b) Independent Consideration. Contemporaneously with the execution of this Agreement, City hereby delivers to County and County hereby acknowledges the receipt of a check in the amount of Ten and No/100 Dollars ($10.00), and the County hereby delivers to City and City hereby acknowledges the receipt of a check in the amount of Ten and No/100 Dollars ($10.00), which amount the parties bargained for and agreed to as consideration for City's grant to County of County's exclusive right to purchase the City Property pursuant to the terms hereof. Such consideration is in addition to and independent of any other consideration or payment provided in this Agreement, is nonrefundable under any circumstances, and shall be retained by County notwithstanding any other provisions of this Agreement. Which amount the parties bargained for and agreed to as consideration for County's grant to City of City's exclusive right to purchase the County Property pursuant to the terms hereof. Such consideration is in addition to and independent of any other consideration or payment provided in this Agreement, is nonrefundable under any circumstances, and shall be retained by City notwithstanding any other provisions of this Agreement.

ARTICLE 3)

PURCHASE PRICE

a) Amount. The Purchase Price shall be due and payable in cash, wire transfer, cashier's check or other immediately available funds at the Closing. The Purchase Price for the County Property, being SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS ($75,000.00), shall be paid by the City to the County at the Closing. The Purchase Price for the City Property shall be paid by the County to the City at the Closing.

ARTICLE 4)

EARNEST MONEY

a) Deposit. County shall deliver the Earnest Money to Escrow Agent within three business days following the Effective Date. Upon the Closing, the Earnest Money shall be applied to the Purchase Price.

b) Escrow Agent. The Escrow Agent must sign this Agreement as evidence that the Escrow Agent agrees to be bound by the obligations contained herein with respect to the Earnest Money. In the event the Escrow Agent cannot comply with the obligations imposed pursuant to this Section, the County and City shall mutually and reasonably select another escrow agent on or before the expiration of ten (10) days following written notice by either party to the other that said selection is required, failing which the Earnest Money shall be returned to County and this Agreement shall terminate.

ARTICLE 5)

SURVEY AND TITLE MATTERS

a) Survey. Within ten (10) days from the Effective Date, City shall provide a copy of its existing Survey to County. The City shall pay all costs associated with preparing the Plat.

b) Title Commitment City Property. Within ten (10) days from the Effective Date, City shall furnish to County the Title Commitment, together with copies of all documents constituting exceptions to City's title as reflected in the Title Commitment. The failure of City, Escrow Agent or Title Company to deliver a copy of any documents giving rise to a title exception in the Title Commitment or Title Policy, the illegibility thereof, or the failure of the Survey to reflect any matter required hereby, shall not be deemed to be a breach by City of the obligation to deliver the Title Commitment (with title exception documents) within the time periods herein specified or to extend the period of time in which County would have otherwise had to review and object thereto, but shall

be dealt with by County as an objection thereto in accordance with the provisions of Section 5.3 hereof.

c) Review Period City Property. County shall have a period of twenty (20) days from the delivery of the Title Commitment in which to review such items and to deliver to City in writing such reasonable objections as County may have to anything contained or set forth in the Title Commitment. Each item to which County does not object within such period shall be deemed to be a Permitted Exception, except schedule C items shall not be Permitted Exception and shall not be waived. In the event County timely objects to any matter contained in the Title Commitment as herein provided, City shall have fifteen (15) days after receipt of County's objections within which City may attempt to cure such objections as specified by County; provided, however, City shall be under no obligation to incur any costs whatsoever in connection with such cure. In the event City notifies County that City is unable or unwilling to cure any such objections, then, County shall within three (3) business days from City's notice, at its option, either (i) terminate this Agreement, whereupon the Earnest Money shall be immediately returned to County, or (ii) waive any such objection and the transaction contemplated hereby shall be consummated as provided herein. In the event County fails to elect either clause (i) or (ii) within such three (3) business day period, then, County shall be deemed to have elected clause (i). Notwithstanding the foregoing, City shall remove any monetary liens encumbering the Property at Closing.

d) Title Policy County Property. At Closing, County shall cause the Title Company to modify the Title Commitment so as to then reflect a current commitment by a duly licensed title insurance company to issue to County the Title Policy, insuring good and marketable title to the Land and Improvements in County, subject only to the Permitted Exceptions and the standard printed exceptions, except that:

Title Commitment County Property. Within ten (10) days from the Effective Date, County shall furnish to City, the Title Commitment, together with copies of all documents constituting exceptions to County's title as reflected in the Title Commitment. The failure of County, Escrow Agent or Title Company to deliver a copy of any documents giving rise to a title exception in the Title Commitment or Title Policy, the illegibility thereof, or the failure of the Survey to reflect any matter required hereby, shall not be deemed to be a breach by County of the obligation to deliver the Title Commitment (with title exception documents) within the time periods herein specified or to extend the period of time in which City would have otherwise had to review and object thereto, but shall be dealt with by City as an objection thereto in accordance with the provisions of Section 5.3 hereof.

e) Review Period County Property. City shall have a period of twenty (20) days from the delivery of the Title Commitment in which to review such items and to deliver to County in writing such reasonable objections as City may have to anything contained or set forth in the Title Commitment. Each item to which County does not object within such period shall be deemed to be a Permitted Exception, except schedule C items shall not be Permitted Exception and shall not be waived. In the event County timely objects to any matter contained in the Title Commitment as herein provided, County shall have fifteen (15) days after receipt of City's objections within which County

may attempt to cure such objections as specified by City; provided, however, County shall be under no obligation to incur any costs whatsoever in connection with such cure. In the event County notifies City that County is unable or unwilling to cure any such objections, then, City shall within three (3) business days from County's notice, at its option, either (i) terminate this Agreement, whereupon the Earnest Money shall be immediately returned to County, or (ii) waive any such objection and the transaction contemplated hereby shall be consummated as provided herein. In the event City fails to elect either clause (i) or (ii) within such three (3) business day period, then, City shall be deemed to have elected clause (i). Notwithstanding the foregoing, County shall remove any monetary liens encumbering the Property at Closing.

f) Title Policy County Property. At Closing, City shall cause the Title Company to modify the Title Commitment so as to then reflect a current commitment by a duly licensed title insurance company to issue to City the Title Policy, insuring good and marketable title to the Land and Improvements in County, subject only to the Permitted Exceptions and the standard printed exceptions, except that:

ARTICLE 6)

SUBMISSION ITEMS; CONDITIONS TO CLOSING

a) Submission Items. Within ten (10) days from the Effective Date, City shall, at City's sole cost and expense, deliver to County, to the extent available to City, copies of: (a) a list or tax certificate or statement showing the ad valorem taxes for the latest period available with respect to the Property; and (b) such other items as County request, and Within ten (10) days from the Effective Date, County shall, at County's sole cost and expense, deliver to City, to the extent available to County, copies of: (a) a list or tax certificate or statement showing the ad valorem taxes for the latest period available with respect to the Property; and (b) such other items as City request.

b) Covenants Prior to Closing.

a. Public Utility Improvements: City agrees to design and construct the necessary water and wastewater mains and necessary component improvements at City's expense to serve the County's intended use at the Property, (hereinafter the "Project").

b. Private Utility Improvements: City agrees to work with electric, and fiber internet providers to design and construct, at City's and/or the perspective utility providers' expense, the necessary utilities to service the Project up to the property line of the Project.

c. Public Street Construction: City shall design and construct, at City's expense, the necessary portion of Hutton Street which is the street that provides service and access to the Project.

d. Project Construction: The City will construct or cause to have constructed at its own cost the PCT 3 maintenance barn in the same design, fashion, square footage, and material as the existing barn currently located on the County Property, together with fencing at the Property in the same style and material as the fencing currently located around the existing barn on the County Property The Project is further described in "Exhibit B" attached hereto and made a part hereof. The County will construct or cause to have constructed their parking lot and other certain improvements as defined in the project. The Project is further described in "Exhibit B" attached hereto and made a part hereof

e. Plan Review: Prior to construction the City and County will review the construction plans of the project for both parties approval.

f. Project Construction Schedule: City represents that the project will begin construction within 180 days after closing and plan approval by both parties. The City will work diligently to complete the project in a timely manner.

ARTICLE 7)

INSPECTION AND AUDIT

7.1 Plat, Survey, Geological, Engineering, Architectural, and Other Due Diligence Material Upon request for the County or City shall provide access to materials relating to the Property that are within the perspective parties possession.

7.2 Scope of Inspection. City and County agrees that each party shall be entitled to enter upon the Property(s) and to conduct such inspections and audits as may desire, at sole cost and expense of that party. Either party shall immediately restore the Property to its original pre-inspection condition if changed due to the tests and inspection performed. In undertaking any inspection hereunder, each party will treat, and will cause any representative to treat, all information obtained pursuant to the terms of this Agreement as strictly confidential.

7.3 Inspection Period. The inspection period will be for 90 days from the execution of this document. In the event either party shall notify the other in writing on or before the expiration of the Inspection Period that for any reason whatsoever, either party does not desire to consummate the purchase of the Property pursuant to this Agreement, then this Agreement shall automatically terminate, and the parties hereto shall have no further obligations one to the other hereunder except pursuant to the indemnity provisions hereof which by their express terms survive the termination of this Agreement. Upon termination of this Contract pursuant to this Section the Earnest Money shall be refunded to the respective party without further notice.

7.4 Closing Documents. To the extent that any documents are required for the Closing, but the form of which has not been attached to this Agreement, then City and County agree to negotiate and resolve, in good faith, the form of any of such documents during the Inspection Period.

ARTICLE 8)

RISK OF LOSS

a) Casualty. In the event of damage by fire or other casualty of all of the Property, or any portion of the Property, either party shall have the option to terminate this Agreement upon written notice of such election to the other party within ten (10) days of such casualty, but in no event later than one (1) day prior to Closing, and neither County nor City shall have any further right or obligation hereunder except as otherwise set forth herein. If either party fails or elects not to exercise its option to terminate as provided above, then this Agreement shall remain in full force and effect and both parties shall pay or assign to the other at Closing their respective interest in and to all insurance proceeds and/or other causes of action arising from or with respect to such casualty.

b) Condemnation. In the event of a taking by condemnation or similar proceedings or actions of only a portion of the Property, either party shall have the option to terminate this Agreement upon written notice to the other within ten (10) days of such condemnation, but in no event later than one (1) day prior to Closing, in which event neither County nor City shall have any further rights or obligations hereunder except with respect to the indemnity and other provisions hereof which by their express terms survive the termination hereof. If neither party does not exercise its option to so terminate this Agreement, then this Agreement shall remain in full force and effect and both parties shall pay or assign to the other at Closing City's interest in and to any and all condemnation awards or proceeds from any such proceedings or actions in lieu thereof.

ARTICLE 9)

REPRESENTATIONS AND WARRANTIES

a) City and County Representations and Warranties. Both parties makes the following representations and warranties, as of the date of this Agreement:

(a) Foreign Investor Disclaimer. Neither party is a "foreign person", as such term is defined in Section 1445 of the Internal Revenue Code, and the sale of the Property is not subject to the federal income tax withholding requirements of such section of the Internal Revenue Code.

(b) Authority. City and the County has full right, power, and authority to execute, deliver, and perform this Agreement without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties (or if any such consents, approvals, or other action are required, the same will be accomplished prior to the Closing Date) and this Agreement will constitute the valid and binding agreement of City and County, enforceable against the City and the County in accordance with its terms.

(c) Title. City owns good and marketable title to the Property. County owns good and marketable title to the Property.

(d) Defects. Both parties have disclosed all latent and patent defects at the Property to the other party. There are no environmental contamination located at either Property known or reported by the respective owner.

(e) Litigation. The Property(s) are not subject to any condemnation or similar proceeding. Not litigation is pending or threatened with respect to the Property(s).

(f) Survival. Each of the representations provided in this Article 9 shall survive the Closing.

ARTICLE 10)

CLOSING

a) Time and Place. The Closing shall take place on the Closing Date at a time set up by the Title Company.

b) Delivery. At the Closing, Both parties shall deliver or cause to be delivered to the other, at each parties' sole cost and expense, each of the following:

(a) A general warranty deed, duly executed and acknowledged by City and by the County.

(b) A FIRPTA Certificate, duly executed and acknowledged by City and by the County.

(c) The final revised Title Commitment in the form specified in Section 5.4 hereof.

(d) All additional documents and instruments as in the mutual and reasonable opinion of City's and County's counsel are reasonably necessary to the proper consummation of this transaction.

(e) The Purchase Price in the amount and manner required by Section 3.1 hereof;

(f) Such evidence or documents as may reasonably be required by either party or the Title Company evidencing the status and capacity of parties and the authority of the person or persons who are executing the various documents on behalf of the City or County in connection with the sale of the Property(s).

c) Adjustments and Prorations. At Closing, the following items shall be adjusted or prorated between City and County:

(a) Taxes. Ad valorem taxes for the Property for the current calendar year shall be prorated to the Closing Date, and either party shall pay to the other, in cash at Closing, each parties' pro rata portion of such taxes. The pro rata portion of such ad valorem taxes shall be based upon taxes actually assessed for the current calendar year. If, for any reason, ad valorem taxes for the current calendar year have not been assessed against the Property(s), such proration shall be estimated based upon ad valorem taxes for the immediately preceding calendar year, and adjusted within thirty (30) days following the date when exact amounts are available. Either party shall pay all ad valorem taxes for years prior to the Closing Date. Either party shall be responsible for any ad valorem rollback taxes triggered as a result of the

change of use at the Property(s) by County post-closing. It is expressly intended that this covenant shall survive the Closing.

(b) Other Items. All other income and expenses pertaining to the Property(s) shall be prorated at the Closing effective as of the Closing Date.

(c) Adjustments. In the event any adjustments pursuant to this Section 10.4 are, subsequent to Closing, found to be erroneous, then either party hereto who is entitled to additional monies shall invoice the other party for such additional amounts as may be owing, and such amount shall be paid within ten (10) days from receipt of the invoice.

d) Possession. Possession of the Property shall be delivered to respective parties at the Closing, subject only to such rights of others as have been expressly disclosed herein or in the documents delivered at the Closing.

e) Costs and Expenses. All costs and expenses in connection with the transaction contemplated by this Agreement shall, except as otherwise expressly provided herein, be borne by the party incurring the same.

ARTICLE 11)

REAL ESTATE COMMISSION

a) Commission. City and County covenant and agree one with the other that no real estate commissions, finders' fees or brokers' fees have been or will be incurred in connection with this Agreement or the sale contemplated hereby.

b) Indemnity. Each party hereto represents to the other that, except as set forth above in the immediately preceding Section, such party has not authorized any broker or finder to act on such party's behalf in connection with the sale and purchase hereunder. Each party hereto agrees to indemnify and hold harmless the other party from and against any and all claims, losses, damages, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding (except as set forth in the immediately preceding Section) alleged to have been made by such party with any broker or finder in connection with this Agreement or the transaction contemplated hereby. This obligation shall survive the Closing or any earlier termination of this Agreement.

c) Title. The City and County acknowledges that, at the time of execution of this Agreement, Each party advises the other that both parties should have the abstract covering the Property examined by an attorney of each parties' own selection or that each party should be furnished with or obtain a policy of title insurance.

ARTICLE 12)

REMEDIES OF DEFAULT

a) City Default. In the event all conditions which are for the benefit of City under this Agreement are satisfied by County or waived by City, and in the event all covenants and agreements to be performed by County prior to Closing are fully performed, and in the further event that performance of this Agreement is tendered by County and the sale is not consummated through default on the part of City on the Closing Date, then County shall be entitled to either (i) enforce specific performance hereunder, or (ii) terminate this Agreement and obtain the return of the Earnest Money.

b) County Default. In the event of County's default hereunder, County shall immediately deliver to City all studies or tests, including, but without limitation, soil tests, topographical information, structural tests, engineering and economic feasibility studies, or other similar preliminary work. Further, the Earnest Money shall in such event be retained by City or paid to City by the Escrow Agent, as the case may be, as liquidated damages for County's default. Such amount is agreed upon by and between City and County as liquidated damages, due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof; and no other damages, rights or remedies shall in any case be collectible, enforceable or available to City other than expressly provided in this Article 12, and City shall accept said cash payment as City's total damages and relief by virtue of County's default hereunder. The remedies set forth in this Section 12.2 shall be City's sole remedies.

ARTICLE 13)

MISCELLANEOUS

a) Notices. All notices, demands or other communications of any type given by City to County or by County to City, whether required by this Agreement or in any way related to the transactions contracted for herein, shall be void and of no effect unless given in accordance with the provisions of this Section 12.1. All such notices shall be in writing and delivered to the person to whom the notice is directed, either in person, by expedited delivery service with proof of delivery, or by United States Mail, postage prepaid, as a Registered or Certified item, Return Receipt Requested. Notices delivered by expedited delivery service shall be deemed to have been given at the time of such delivery to the office of the addressee and notices delivered by mail shall be effective when deposited in a United States Post Office with proper postage affixed and addressed, as follows:

If to County:

200 S Broadway Street Rm 111

Brownwood, Tx, 76801

If to City:

PO Box 3100

Early, Texas 76803

Any party hereto may change the address for notice specified above by giving the other party ten (10) days' advance written notice of such change of address.

b) Successors and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, and permitted successors and assigns.

c) No Oral Modification. This Agreement may not be modified or amended, except by an agreement in writing signed by both City and County.

d) Time of Essence. Time is of the essence in the performance of the covenants contained in this Agreement.

e) Attorneys' Fees. In the event it becomes necessary for either party hereto to file a suit to enforce this Agreement, the party prevailing in such action shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs incurred by such prevailing party in such suit.

f) Total Agreement. This Agreement constitutes the entire agreement pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements of the parties in connection therewith. No representation, warranty, covenant, agreement or condition not expressed in this Agreement shall be binding upon the parties hereto or shall affect or be effective to interpret, change or restrict the provisions of this Agreement.

g) Partial Invalidity. If any provision of this Agreement should ever be held to be illegal, invalid, or unenforceable under any present or future law applicable to the terms hereof, then it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and that in lieu of each such clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

h) Counterpart Execution. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required.

i) Holidays. In the event that the date upon which any duties or obligations hereunder to be performed shall occur upon a Saturday, Sunday or legal holiday, then, in such event, the due date for the performance of any duty or obligation shall thereupon be automatically extended to the next succeeding business day.

EXECUTED on this the 24 day of August 2026, by County.

BROWN COUNTY:

Brown County Representative

By: _____

EXECUTED on this the 24 day of Aug, 2026, by City.

CITY OF EARLY:

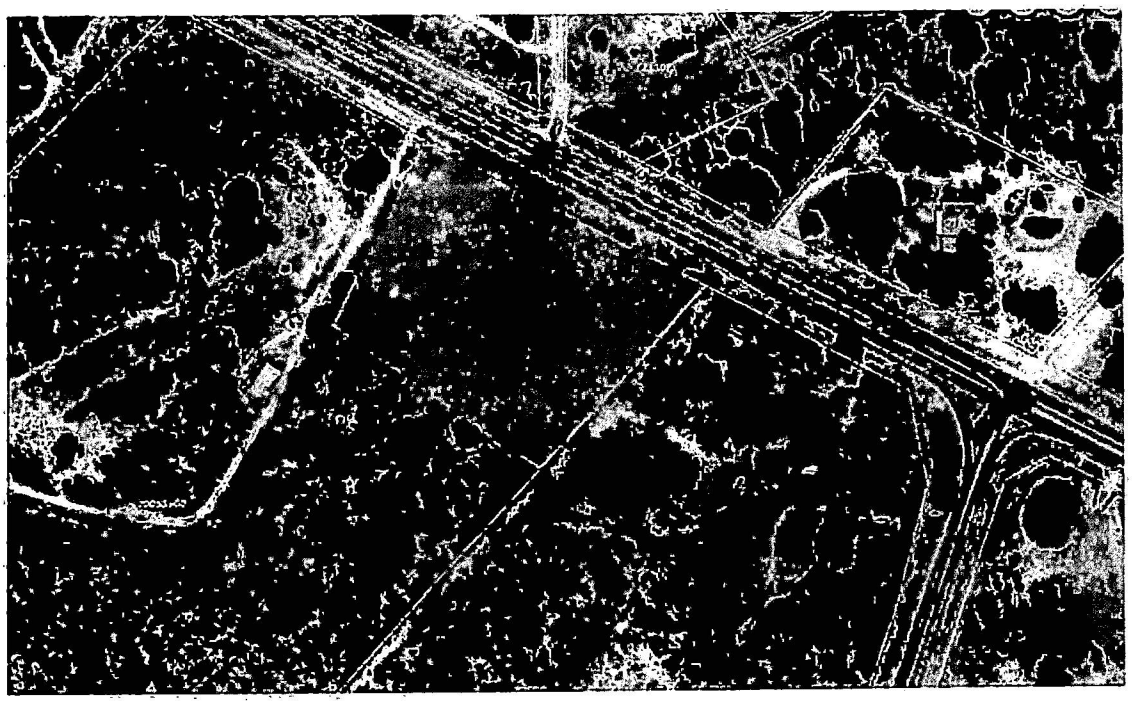
By: _____

Tony Aaron, City Administrator

EXHIBIT "A"

City Land Description

109 Hutton St., Early, Brown County, Texas 76802 PCT 3 DEVELOPMENT LOT 1, BLOCK 1 approximately 5.115 acres. (hereinafter "City Property"); and



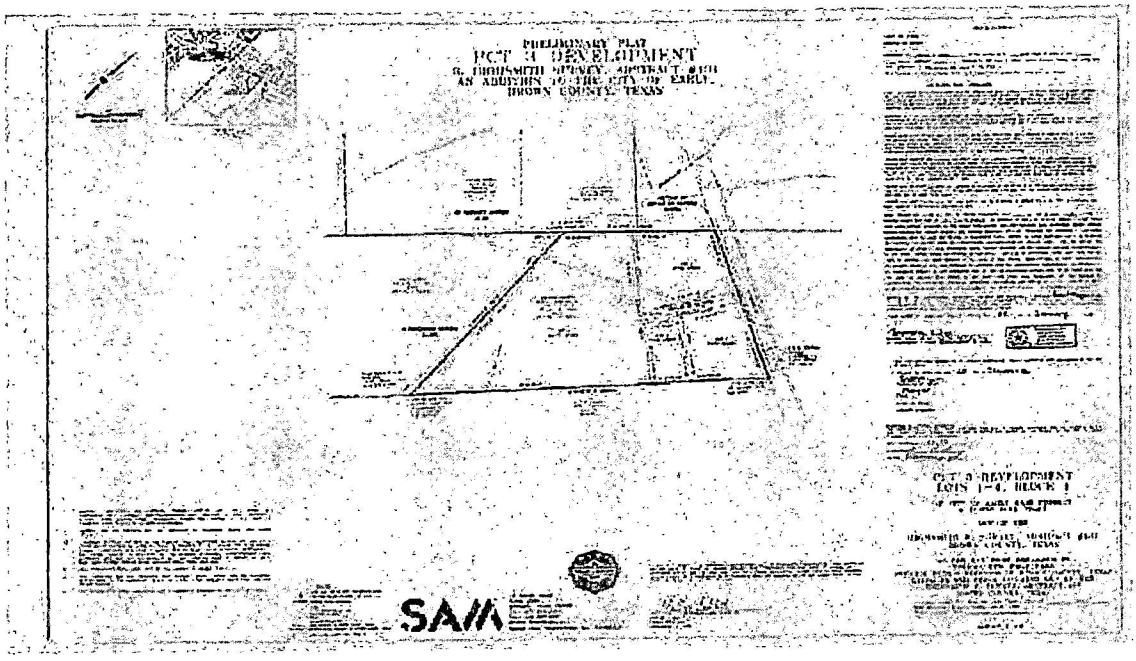


EXHIBIT "A"

(Continued)

County Land Description

1951 Old May Road, Early, Brown County, Texas 76802 YRMA C JONES SUBDIVISION, BLOCK B, LOT 85' OF 2, 76.5' OF 3, HENRY KRABER, SURVEY 19, ABSTRACT 584, ACRES 2.0782 and YRMA C JONES SUBDIVISION, BLOCK B, LOT 2, PART 1 & 3, ACRES 0.205 for approximately 2.283



EXHIBIT "B"

Project Work Letter

The City will construct or cause to have constructed at its own cost the PCT 3 maintenance barn in the same design, fashion, square footage, and material as the existing barn currently located on the County Property, together with the fencing described in Section 2(g) below. The County will construct or cause to have constructed the parking lot and other certain improvements both inside and out as defined in the Project Work letter detailed below.

City shall provide and install, at no cost to County, the following to the Premises per plans and specifications and all applicable code requirements (collectively "City's Work"). Certain items shall be completed, finished, owned and maintained by County.

1. City and County's cooperative work:

   a. Site Clearing:
   The City and the County will work together collectively and with labor and equipment owned by both to clear the site and make ready for construction.

   b. Street
   The City and County will work together collectively and with labor and equipment to construct the connection and entrance known as Hutton Street to Hwy 84/183. Any design, material cost, or contract labor cost necessary will be paid for by the City.

2. City's Scope of Work and General Requirements:
   In general, County shall accept the Premises in its "As-Is, Where Is" condition, pursuant to City final permitted set of plans and subject to the following modifications as detailed below:

   a. Slab
   City to construct a slab throughout the Premises with oil and lube bay in the same configuration and square footage that the current PCT 3 Barn located at 1951 Old May Road, Early, Brown County, Texas 76802.

   b. Building Structure
   The City will construct or cause to be constructed a building consistent to the size, square footage, material and finish, both interior and exterior as the current PCT 3 Barn located at 1951 Old May Road, Early, Brown County, Texas 76802.

   c. Water / Plumbing
   City shall provide the necessary water meter, water lines, and shut off valve to provide water in the building. The County will pay the ongoing cost of the water service.

   d. Sewer Line
   City shall provide a sewer tap, sewer line connected to the main sewer lateral or septic system, and the necessary sewer for the building. The County will pay the ongoing cost of the sewer service or septic maintenance.

e. Electric Service and Distribution
City shall provide a commercial grade electrical service to the building, and the necessary electrical circuits, breakers, plugs, and lighting for the building consistent to the current PCT 3 Barn located at 1951 Old May Road, Early, Brown County, Texas 76802. The County will pay the ongoing cost of the electrical.

f. Telephone & Data
Telephone and data service access is provided via conduit extended from the telephone service & Date connection point installed by the City. The County will pay the ongoing cost of the telephone and/or data service.

g. Fencing
City shall provide and install, at no cost to the County, fencing at the Premises in the same style and material as the fencing currently located around the existing PCT 3 Barn at 1951 Old May Road, Early, Brown County, Texas 76802. The location and extent of the fencing shall be shown on the construction plans reviewed and approved by both the City and the County pursuant to the Plan Review. Upon completion, the fencing shall be owned and maintained by the County.

3. County Scope of work and Responsibility:

a. Parking Lot
The County will be responsible for constructing and installing the parking lot necessary for the building as determined by the County and City.

b. Any and all construction items necessary for County to open in the Premises that are not specifically detailed in this City's portion of the project work letter as being City responsibility shall be the responsibility of the County. The County shall bear the sole cost and expense of County's Work plans and permits for construction.

End Project Work Letter