

**CITY OF SHERMAN CITY COUNCIL
AND
SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS
JOINT MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
TUESDAY, SEPTEMBER 12, 2023
12:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER DARON HOLLAND**
- A. 3. INVOCATION BY COUNCIL MEMBER DARON HOLLAND**

Citizen Comments

B. 1. CITIZEN COMMENTS

During this meeting, the City Council welcomes public comment **only** on agenda items listed under the Open Meeting portion of the agenda, in accordance with Texas Government Code Section 551.007. For items not listed on the agenda, those matters may be discussed with City staff during regular business hours, or with the Mayor or any Council member by contacting them at times other than at City Council meetings.

SEDCO Board to Discuss and Consider Approval of the SEDCO Investment Policy

Resolutions

D. 1. RESOLUTION NO. 7154

Authorizing Execution of a Purchase and Sale Agreement with Sherman Economic Development Corporation for the Purchase of Approximately 10.0 Acres of Land, Generally Located South of F.M. 1417, South of U.S. Highway 75 and behind Movie, Bowl, Grill in the City of Sherman, Texas

SEDCO Work Program

E. 1. SEDCO WORK PROGRAM 2022 - 2023

SEDCO'S Presentation of the 2022 - 2023 Work Program Results

E. 2. SEDCO WORK PROGRAM 2023 - 2024

SEDCO'S Presentation of the 2023 - 2024 Work Program

E. 3. SEDCO WORK PROGRAM 2023 - 2024

SEDCO Board to Discuss and Consider Approval of the SEDCO Work Program 2023-2024

E. 4. SEDCO WORK PROGRAM 2023 - 2024

City Council to Discuss and Consider Approval of the SEDCO Work Program 2023-2024

SEDCO Budget 2023 - 2024

- F. 1. SEDCO BUDGET 2023-2024**
City Council to Discuss and Consider Approval of the 2023-2024 SEDCO Budget
- F. 2. SEDCO BUDGET 2023-2024**
SEDCO Board to Discuss and Consider 2023-2024 Budget
- F. 3. SEDCO BUDGET 2023-2024**
SEDCO's Presentation of the SEDCO Budget 2023-2024
- G. COUNCIL COMMENTS**

Executive Session

H. 1. EXECUTIVE SESSION

In accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may hold an Executive Session if the discussion of any of the items identified in this agenda, or any of the items identified below, concern one or more of the following:

Tex. Gov't Code § 551.071	Seeking the advice of its attorney about pending or contemplated litigation, settlement offers or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.
Tex. Gov't Code § 551.072	Deliberating the purchase, exchange, lease or value of real property if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.073	Deliberating a negotiated contract for a prospective gift or donation to the City if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.074	Deliberating the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.
Tex. Gov't Code § 551.076	Deliberating the deployment, or specific occasions for implementation, of security personnel or devices or a security audit.
Tex. Gov't Code § 551.087	Discussing or deliberating commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay or expand in or near the City and with which the City is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect.

The Council reconvenes into General Session

I. 1. OPEN MEETING

Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

J. ADJOURNMENT

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Called Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on Friday, September 8, 2023 at 4:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 8th day of September 2023.
City of Sherman, Texas

City Clerk

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

All agenda items are subject to final action by the City Council.

An unscheduled closed executive session may be held if the discussion of any of the above agenda items concerns the purchase, exchange, lease or value of real property; the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; the deployment or use of security personnel or equipment; or requires consultations with the City Attorney.

At the discretion of the City Council, non-agenda items under the headings of "Citizens Requests", "Media Questions", and "Council Concerns" may be presented to the Council for informational purposes; however, by law, the Council shall not discuss, deliberate, or vote upon such matters except that a statement of specific factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place.

The City Attorney has approved the Executive Session items on this agenda.

PERSONS WITH DISABILITIES, WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT LINDA ASHBY AT (903) 892-7204, TWO (2) WORKING DAYS PRIOR TO THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

Mayor

David Plyler

Deputy Mayor

Josh Stevenson

Council Members

Henry Marroquin, Council-At-Large, PL #1

Juston Dobbs, Council-At-Large, PL #2

Shawn C. Teamann, Council – District #1

Josh Stevenson, Council – District #2

Pamela L. Howeth, Council – District #3

Daron Holland, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

Joint Meeting with City Council and SEDCO Board

D. 1.

Meeting Date: 09/12/2023

Prepared By: Robby Hefton, City Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 7154

Authorizing Execution of a Purchase and Sale Agreement with Sherman Economic Development Corporation for the Purchase of Approximately 10.0 Acres of Land, Generally Located South of F.M. 1417, South of U.S. Highway 75 and behind Movie, Bowl, Grill in the City of Sherman, Texas

Issue:

To consider a Purchase and Sale Agreement with the SEDCO for the purchase of approximately 10 acres of land generally located in the City of Sherman, Texas South of F.M. 1417, South of US Highway 75 and behind Movie, Bowl, Grill in the City of Sherman, Texas

Background:

In Fall 2017, the City began working with SEDCO to purchase about 13 acres of land owned by SEDCO at the southeast corner of FM1417 and US 75. This parcel was a former truck stop and was initially purchased by SEDCO about two years prior to that. As part of a retail economic development project in 2018 led by the City, SEDCO agreed to convey this 13 acre tract to the City in exchange for the City paying for: 1) reimbursement to SEDCO of their original purchase price of the property plus site demolition costs paid by SEDCO, totaling about \$620,000, and 2) a profit/return on purchase of the property to SEDCO of \$250,000, for a total of \$870,000. The total reimbursement to SEDCO of \$870,000 was paid to SEDCO in May 2018 from the proceeds of the sale of adjacent City-owned property combined with a portion of that SEDCO 13 acre tract. At the time of that sale in May 2018, about 9 acres of the original 13 acres remained that were never transferred to the City, although the City had reimbursed SEDCO for it.

Later in 2018, SEDCO purchased for about \$255,000 a 1 acre tract, which was adjacent to the originally remaining 9 acres, that also had a house on it. This house was leased to Sherman Movie Bowl Grille (SMBG) by SEDCO to be used as an on-site project management office while SMBG was being constructed. The understanding at the time of the purchase by SEDCO was that the City would purchase and reimburse SEDCO for those costs of that 1 acre tract.

This agenda item, then, relates to SEDCO conveying the remaining approximate 10 acre site (9 acres remaining from the original purchase in 2018, and 1 acre containing the previous house) to the City. While the City has already reimbursed SEDCO for the original 9 acre remainder, it has not done so for the 1 acre site cost of about \$255,000. This reimbursement to SEDCO by the City will be made upon

conveyance of the property.

Origination:

City Manager's Office

Financial Consideration:

Total acreage will be verified by boundary survey, approximate acreage is 10.0 acres. Total cost will be about \$254,818.00.

Staff Recommendation:

It is recommended that the City Council authorize the purchase of this land

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 7154

Purchase and Sale Agreement

Location Map

RESOLUTION NO. 7154

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH SHERMAN ECONOMIC DEVELOPMENT CORPORATION FOR THE PURCHASE OF APPROXIMATELY 10.0 ACRES OF LAND, GENERALLY LOCATED SOUTH OF F.M. 1417, EAST OF U.S. HIGHWAY 75 AND BEHIND MOVIE, BOWL, GRILL IN THE CITY OF SHERMAN, TEXAS; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a Purchase and Sale Agreement with Sherman Economic Development Corporation for the purchase of approximately 10.0 acres of land generally located at the south of F.M. 1417, east of U.S. Highway 75 and behind Movie, Bowl, in the City of Sherman, Texas, for a total amount of Two Hundred Fifty Four Hundred Thousand Eight Hundred Eighteen dollars (\$254,818.00); in accordance with the terms and provisions of the contract documents attached hereto and incorporated herein for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 12th day of September 2023.

CITY OF SHERMAN, TEXAS

ATTEST:

**BY: _____
LINDA ASHBY, CITY CLERK**

**BY: _____
DAVID PLYLER, MAYOR**

**APPROVED AS TO FORM:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C**

**BY: _____
RYAN D. PITTMAN, CITY ATTORNEY**

PURCHASE AND SALE AGREEMENT
+/- 10.0 acres, City of Sherman, Grayson County, Texas

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into between **THE CITY OF SHERMAN, TEXAS**, a home-rule municipality (the “Purchaser”), and **SHERMAN ECONOMIC DEVELOPMENT CORPORATION**, a Texas nonprofit corporation (“Seller”).

WHEREAS, defined terms are indicated by initial capital letters. Defined terms shall have the meaning set forth herein, whether or not such terms are used before or after the definitions are set forth.

WHEREAS, Purchaser desires to purchase the Property and Seller desires to sell the Property, all upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual terms, provisions, covenants and agreements set forth herein, as well as the sums to be paid by Purchaser to Seller, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Purchaser and Seller agree as follows:

ARTICLE 1
BASIC INFORMATION

Section 1.1 Certain Defined Terms

The following defined terms shall have the meanings set forth below:

- A. City.** The City of Sherman, Texas.
- B. Closing.** The completion of the transaction described in this Agreement.
- C. Closing Date.** The date that is fifteen (15) days after the Effective Date.
- D. Due Diligence Delivery Date.** The date that is five (5) days after the Effective Date.
- E. Effective Date.** The date on which this Agreement is executed by the last of Seller and Purchaser.
- F. Purchase Price.** The sum of TWO HUNDRED FIFTY-FOUR THOUSAND EIGHT HUNDRED EIGHTEEN AND 00/100 DOLLARS (\$254,818.00).

Section 1.2 Closing Costs

Closing costs shall be allocated and paid as follows:

COST	RESPONSIBLE PARTY
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Recording Fees	Seller
All other Closing costs, expenses, charges and fees customarily paid by purchasers in Grayson County	Purchaser
All other Closing costs, expenses, charges and fees customarily paid by sellers in Grayson County	Seller

Section 1.3 Notice Addresses

Purchaser: City of Sherman
 Attn: Robby Hefton, City Manager
 220 Mulberry Street
 Sherman, Texas 75454
 Telephone: 903-819-7452
 Email: robbyh@cityofsherman.com

with copy to: Abernathy, Roeder, Boyd & Hullett, P.C.
 Attn: Ryan D. Pittman
 1700 Redbud Boulevard, Suite 300
 McKinney, Texas 75069
 Telephone: 214-544-4046
 Email: rpittman@abernathy-law.com

Seller: Sherman Economic Development Corporation
 307 W. Washington, Suite 102
 Sherman, TX 75090
 Attn: Kent Sharp, President
 Telephone: 903-868-2566
 Email: kents@sedco.org

with copy to: Brown & Hofmeister, LLP
 740 East Campbell Road, Suite 800
 Richardson, Texas 75081
 Attn: Jeffrey L. Moore
 Telephone: 214-747-6100
 Email: jmoore@bhlaw.net

ARTICLE 2 **PROPERTY**

Section 2.1 Property Description

Upon the terms and conditions hereinafter stated, Seller hereby agrees to sell and convey to Purchaser the following (collectively, the “Property”):

A. Land. Good and indefeasible title to approximately 10.0± acres of land in the City of Sherman, Grayson County, Texas, generally located at the southeast corner of FM 1417 and US Highway 75 (the “Land”), together with all benefits, privileges, easements, tenements, hereditaments, rights and appurtenances thereon or pertaining to such Land, as more specifically described and depicted in **Exhibit “A”**, attached hereto and incorporated herein by this reference.

B. Improvements. All buildings, structures, fixtures, and improvements situated on, in, or under the Land, if any (“Improvements”); all benefits, privileges, tenements, hereditaments, rights and appurtenances thereon or pertaining to the Improvements and all easements owned by Seller, if any, which are used or needed in connection with the operation or development of the Land (the Land and the Improvements are herein referenced as the “Real Property”).

C. Personal Property. All of Seller’s right, title, and interest in any personal property owned by Seller, if any, as of the Closing Date that is attached to or located on and used exclusively in connection with the operation, repair, or maintenance of the Real Property, including but not limited to all fixtures, fittings, appliances, apparatuses, equipment, tools, machinery, heating, ventilating, air-conditioning, lighting, plumbing, and electrical fixtures, hot-water heaters, furnaces, heating controls, Agreement rights, claims, systems, and other items of tangible and intangible personal property and replacements, affixed or attached to, situated on, or used exclusively in connection with the Real Property, including any and all warranties and guaranties made by third parties relating to the same (collectively, “Personal Property”).

D. Licenses and Permits. To the extent assignable by Seller to Purchaser, and to the extent any of the following exist and run with the Real Property, all of Seller’s right, title, and interest in and to (i) licenses, permits, certificates of occupancy, or similar documents relating to the Real Property and Personal Property; (ii) all permits, approvals, licenses, water and sewer capacity commitments, all engineering and architectural plans; and (iii) all plans, drawings, specifications, surveys, engineering reports, and other technical descriptions of the Real Property and/or Personal Property (collectively, “Licenses and Permits”).

Section 2.2 Legal Description

The legal description of the Land set forth in the final Survey certified to the Purchaser shall be substituted for **Exhibit “A”** at a later date as the description of the Property to be conveyed hereunder and shall become part of this Agreement.

ARTICLE 3 PURCHASE PRICE

Purchaser agrees to purchase the Property at the Purchase Price and upon the terms set forth herein. Upon the earlier of: (a) ten (10) days after Purchaser closes on the sale of the Property to a third party, or (b) the one year anniversary of the Effective Date, Purchaser shall deliver to Seller the Purchase Price in cash or other immediate funds.

ARTICLE 4
INTENTIONALLY DELETED

ARTICLE 5
DUE DILIGENCE AND CONTINGENCIES

Section 5.1 Intentionally Deleted

Section 5.2 Due Diligence

On or prior to the Due Diligence Delivery Date, Seller shall deliver to Purchaser copies of all environmental assessments, geotechnical reports and other soil, engineering or flood studies relating to the Property to the extent any of the foregoing are in Seller's possession or control. Notwithstanding Seller's delivery of the above described studies, tests and other due diligence material, if any, Purchaser acknowledges that any information of any type which Purchaser has received or may receive from Seller, or its agents, is furnished to Purchaser as a courtesy only and on the express condition that Purchaser shall make an independent verification of the accuracy of such information, and that all such information is being furnished without any representation or warranty by Seller as to the truth, accuracy, or completeness of such information; provided, however, that Seller confirms that Seller has no current actual knowledge of any material inaccuracies or errors in any such due diligence materials. Further, as a condition to Seller's delivery of any due diligence materials to Purchaser, Purchaser expressly acknowledges the foregoing in its acceptance of such due diligence items from Seller, and agrees to waive any and all claims against Seller for any cause of action arising from Purchaser's reliance on such Seller furnished due diligence materials.

Section 5.3 Intentionally Deleted

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

Section 6.1 Seller's Representation and Warranties and Covenants

Seller represents and warrants to Purchaser as of the Effective Date and as of the Closing as follows:

A. Title. Seller has the right to convey and will convey to Purchaser good and indefeasible fee simple title to the Property free and clear of any and all liens, assessments, unrecorded easements, security interests and other encumbrances except only to the Permitted Exceptions.

B. Licenses. There are no parties in possession of any portion of the Property as licensees, tenants at sufferance or trespassers except for those disclosed, and delivered to Seller as part of the due diligence materials.

C. Negative Covenants. Seller shall not further encumber any of the Property or allow an encumbrance upon the title to any of the Property or enter into any contract affecting the Property without the written consent of Purchaser.

D. Liens and Debts. There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Property, and Seller shall not allow any such liens to attach to the Property prior to Closing, which will not be satisfied out of the Closing proceeds. Except for obligations for which provisions are made in this Agreement for prorating at Closing, there will be no obligations of Seller with respect to the Property outstanding as of Closing.

E. Litigation. To Seller's knowledge, there is no pending or threatened litigation, condemnation, or assessment affecting any of the Property. Seller shall promptly advise Purchaser of any litigation, condemnation or assessment affecting any of Property which is threatened or instituted after the Effective Date.

F. Patriot Act. To the extent applicable to Seller, Seller has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such laws are applicable to Seller. To the best of Seller's knowledge, Seller is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

G. Organization and Authority. Seller is a nonprofit corporation validly existing under the laws of the State of Texas. The execution and delivery of this Agreement by those executing this Agreement on Seller's behalf and Seller's performance of this Agreement has been duly authorized by Seller, and this Agreement is binding on Seller and enforceable against Seller in accordance with its terms. The execution of this Agreement and the consummation of the transaction contemplated herein will not violate any restriction, court order or agreement to which Seller or the Property is subject.

H. Compliance with Laws. To the best of Seller's current actual knowledge, neither the Property, nor Seller are currently subject to (i) any existing, pending or threatened investigation or inquiry by any governmental authority or (ii) any remedial obligations, under any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction or zoning ordinance or classification affecting the Property, including, without limitation, all applicable building codes, fire codes, health codes, water codes, flood disaster laws and health and Environmental Laws and regulations (hereinafter sometimes collectively called the "Applicable Laws"). Seller has received no notice from any municipal, state, federal or other governmental authority of any violation of any Applicable Laws issued in respect of the Property which has not been heretofore corrected, and no such violation exists.

I. "AS IS". EXCEPT AS EXPRESSLY PROVIDED HEREIN OR IN ANY CLOSING DOCUMENTS DELIVERED TO PURCHASER, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TITLE (OTHER THAN SELLER'S WARRANTY OF TITLE SET FORTH IN THE DEED TO BE DELIVERED AT CLOSING), ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION, ABSENCE OF LATENT DEFECTS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY. EXCEPT AS EXPRESSLY PROVIDED HEREIN, PURCHASER AGREES THAT WITH RESPECT TO THE PROPERTY, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR SELLER'S REPRESENTATIVES. PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND RELY UPON SAME, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, LATENT DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. EXCEPT AS EXPRESSLY PROVIDED HEREIN, PURCHASER AGREES TO TAKE WHATEVER ACTION AND PERFORM WHATEVER INVESTIGATIONS AND STUDIES PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OF, OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO, ANY HAZARDOUS AND/OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS", WITH ALL FAULTS AND THERE ARE NO ORAL OR WRITTEN AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER OR ANY THIRD PARTY. FURTHER, PURCHASER HEREBY ACKNOWLEDGES TO SELLER THAT PURCHASER AND SELLER ARE NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION. THE TERMS AND CONDITIONS OF THIS PARAGRAPH SHALL EXPRESSLY SURVIVE THE CLOSING AND SHALL NOT BE MERGED THEREIN.

J. Contracts Affecting Property. There are no contracts, leases, or other agreements affecting the Property, or correspondence or default notices related thereto, other than those which Seller shall deliver to Buyer pursuant to Section 5.2 above.

Section 6.2 Purchaser's Representations and Warranties

Purchaser represents and warrants to Seller as of the Effective Date and as of the Closing as follows:

A. Organization and Authority. Purchaser is a home-rule municipality validly existing under the laws of the State of Texas. The execution and delivery of this Agreement by those executing this Agreement on Purchaser's behalf and Purchaser's performance of this Agreement has been duly authorized by Purchaser, and this Agreement is binding on Purchaser and enforceable against Purchaser in accordance with its terms. The execution of this Agreement and the consummation of the transaction contemplated herein will not violate any restriction, court order or agreement to which Purchaser is subject. If Purchaser assigns this Agreement to an allowed third party, such entity shall be duly organized, validly existing and in good standing under the laws of the State of Texas and have all the requisite power and authority to enter into, deliver and perform this Agreement.

B. Litigation. To Purchaser's knowledge, there is no pending or threatened (in writing) litigation affecting Purchaser that would materially impact the transaction described in this Agreement. Purchaser shall promptly advise Seller of any litigation affecting Purchaser and its ability to consummate the transaction contemplated herein which is threatened or instituted after the Effective Date.

C. Patriot Act. To the extent applicable to Purchaser, Purchaser has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such laws are applicable to Purchaser. To the best of Purchaser's knowledge, Purchaser is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

D. No Prohibitions. Neither Purchaser, nor any employee executing this Agreement on behalf of Purchaser is prohibited from (i) executing or delivering this Agreement; (ii) complying with the terms of this Agreement or (iii) consummating the transactions contemplated by this Agreement by any applicable governmental requirement, agreement, instrument, restriction, or by a judgment, order or decree of any governmental authority having jurisdiction over Purchaser.

Section 6.3 Knowledge

A. Seller's Knowledge. For purposes of this Agreement and any closing document, whenever the phrase "to Seller's actual knowledge," "to Seller's knowledge," "the knowledge of Seller," or "to the best of Seller's knowledge" or similar words of similar import are used, they shall be deemed to refer to facts within the actual knowledge of Kent Sharp, at the times indicated only, without independent inquiry, without any actual or implied duty of inquiry whatsoever and

without imputation to such person of the knowledge of any other person. The named individuals are acting for and on behalf of Seller and in a capacity as an officer or representative of Seller and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Purchaser waives any right to sue or seek any personal judgment or claim against such individuals.

B. Purchaser's Knowledge. For purposes of this Agreement and any closing document, whenever the phrase "to Purchaser's actual knowledge," "to Purchaser's knowledge," "the knowledge of Purchaser," or "to the best of Purchaser's knowledge" or similar words of similar import are used, they shall be deemed to refer to facts within the actual knowledge of Robby Hefton, at the times indicated only, without independent inquiry, without any actual or implied duty of inquiry whatsoever and without imputation to such person of the knowledge of any other person. The named individuals are acting for and on behalf of Purchaser and in a capacity as an officer or representative of Purchaser and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Seller waives any right to sue or seek any personal judgment or claim against such individuals.

Section 6.4 Remedies

If either party discovers prior to Closing that any of the other party's representations or warranties have been misrepresented or are inaccurate, that such other party has breached any covenant contained herein, or any condition to closing benefiting any party has not been satisfied by Closing (any of the foregoing, a "Default"), then such discovering party may notify the party with deficient representations and/or warranties in writing, and the deficient party may attempt to correct or remedy the misrepresentation or inaccuracy. If the breach or failed condition is not remedied prior to Closing, upon written notice to the deficient party, the discovering party may: (i) proceed to Closing without waiving any claim for breach of warranty or misrepresentation; (ii) delay Closing until ten (10) days after the misrepresentation or inaccuracy is remedied; or (iii) exercise any remedies available for default by the deficient party under this Agreement (including, by way of example only, those set forth in Article 9). The Parties agree that neither party will incur liability or damages pursuant to this section for any claim or cause of action asserted more than six (6) months after the date of the Closing.

Section 6.5 Non-Conformance

Purchaser has or will independently investigate and verify to Purchaser's satisfaction the extent of any limitations or permitted uses of the Property. Purchaser acknowledges that the current use of the Property or any improvements located on the Property (or both) may not conform to applicable Federal, State or municipal laws, ordinances, codes or regulations. Zoning, permitted uses, height limitations, setback requirements, minimum parking requirements, limitations on coverage of improvements to total area of land, requirements of the Americans with Disabilities Act, wetlands restrictions and other matters may have a significant economic impact upon Purchaser's intended use of the Property. Purchaser is not relying upon any warranties or representations of Seller concerning the permitted uses of the Property or with respect to any nonconformance of the Property.

ARTICLE 7

CLOSING

Section 7.1 Closing Date

The Closing shall occur on or before the Closing Date. Seller shall deliver possession of the Property at Closing.

Section 7.2 Seller's Closing Documents

At the Closing, Seller shall deliver the following to Purchaser, the delivery of which such documents shall be conditions to Closing benefitting the Purchaser:

A. A duly executed Special Warranty Deed (the "Deed"), in the form attached hereto as **Exhibit "B"**, conveying the Property to Purchaser in fee simple according to the legal description prepared by the surveyor as shown on the Survey, subject only to the Permitted Exceptions;

B. Only if necessary, a Bill of Sale conveying all of Seller's right, title, and interest in the Personal Property, if any, to Purchaser free and clear of all restrictions, conditions, easements, liens, and other encumbrances, except the Permitted Exceptions;

C. A general assignment assigning to Purchaser all of Seller's interest in any Licenses and Permits;

D. An assignment to Purchaser of Seller's interest in any Leases;

E. Evidence of Seller's authority and capacity to close this transaction;

F. All other documents reasonably required from Seller to close this transaction.

Section 7.3 Purchaser's Closing Documents

At the Closing, Purchaser shall deliver the following to Seller, the delivery of which such documents shall be conditions to Closing benefitting the Seller:

A. Evidence of Purchaser's authority and capacity to close this transaction;

B. All other documents reasonably required from Purchaser to close this transaction.

Section 7.4 Closing Costs

Each party shall pay its respective costs associated with the Closing in accordance with Section 1.2 above.

Section 7.5 Ad Valorem Taxes

As Seller is a Texas nonprofit corporation, Seller is not subject to ad valorem taxes with respect to the Property. As Purchaser is a Texas nonprofit corporation home-rule municipality, Purchaser is also not subject to ad valorem taxes with respect to the Property.

Section 7.6 Notice Regarding Possible Liability for Additional Taxes

NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES. If for the current ad valorem tax year the taxable value of the Property that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the Property at less than its market value, the person to whom the Property is transferred may not be allowed to qualify the Property for that special appraisal in a subsequent tax year and the Property may then be appraised at its full market value. In addition, the transfer of the Property or a subsequent change in the use of the Property may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the Property. The taxable value of the Property and the applicable method of appraisal is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

ARTICLE 8
CASUALTY LOSS; CONDEMNATION.

All risk of loss to the Property shall remain upon Seller prior to the Closing. If, prior to the Closing, any portion of the Property is damaged or destroyed by fire or other casualty, or subject to a condemnation or taking or the threat of a condemnation or taking, Purchaser may either terminate this Agreement by delivering a written termination notice to Seller or elect to close. If the transaction is to proceed to Closing, there shall be no reduction in the Purchase Price, but Seller shall assign to Purchaser all of Seller's right and interest in any insurance proceeds and/or condemnation awards, as applicable, plus an amount equal to any insurance deductible.

ARTICLE 9
DEFAULT

Section 9.1 Purchaser's Remedies

If Seller Defaults or otherwise fails to perform its obligations under this Agreement for any reason except Purchaser's default, which continues for more than ten (10) days following delivery of written notice of such default from Purchaser to Seller, then Seller shall be in default and Purchaser may elect to (i) terminate this Agreement, or (ii) pursue the remedy of specific performance, as its sole and exclusive remedies.

Section 9.2 Seller's Remedies

If Purchaser Defaults or otherwise fails to perform its obligations under this Agreement for any reason except Seller's default, which continues for more than ten (10) days following delivery of written notice of such default from Seller to Purchaser, then Purchaser shall be in default, and Seller may terminate this Agreement as its sole and exclusive remedy.

ARTICLE 10

REAL ESTATE COMMISSIONS

Each party to this Agreement represents and warrants to the other party that such party has had no dealings with any person, firm, agent or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein and no real estate broker, agent, attorney, person, firm or entity is entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such party. To the extent permitted by law, each party hereby agrees to indemnify, defend, protect and hold the other party harmless from and against any costs, expenses or liability for compensation, commission, fee, or charges which may be claimed by any agent, finder or other similar party by reason of any dealings or acts of the indemnifying party.

ARTICLE 11

MISCELLANEOUS PROVISIONS

Section 11.1 Notices

All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed delivered on the earlier of: (i) actual receipt, if delivered in person or by messenger with evidence of delivery; (ii) the date and time of transmission if delivered by email; (iii) email, which shall be effective on the date sent by the sender; or (iv) three (3) business days after deposit in the United States Mail as required below. Notices delivered by mail must be deposited with the U.S. Postal Service and sent by certified mail return receipt requested with postage prepaid, and properly addressed to the intended recipient at the address set forth below. Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in the manner set forth above.

Section 11.2 Forms and Construction

This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions hereof shall be construed in accordance with their usual and customary meanings. Seller and Purchaser hereby waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of the same.

Section 11.3 Attorney's Fees

The prevailing party in any legal proceeding brought in relation to this Agreement or transaction shall be entitled to recover from the non-prevailing party's court costs, reasonable attorneys' fees and all other reasonable litigation expenses.

Section 11.4 Assignment

Purchaser may not assign this Agreement without the prior written consent of Seller. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to any

affiliated entity which directly or indirectly controls, is controlled by or is under common control with Purchaser without the consent of Seller, on the condition that the assignee expressly assumes all of the obligations of Purchaser hereunder in a written agreement, and such written agreement is delivered to Seller prior to the Closing Date. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties.

Section 11.5 Integration

This Agreement contains the complete agreement between the parties with respect to the Property and cannot be varied except by written agreement of the parties hereto. The parties agree that there are no oral or signed agreements, understandings, representations or warranties made by the parties which are not expressly set forth herein.

Section 11.6 Survival

Any warranty, representation, covenant, condition or obligation contained in this Agreement not otherwise consummated at the Closing will survive the Closing of this transaction for a period of one (1) year, except for the Post-Closing Obligations described in Article 11.

Section 11.7 Binding Effect

This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective heirs, legal representatives, successors and assigns.

Section 11.8 Time for Performance

Time is of the essence under each provision of this Agreement. If any date of performance hereunder falls upon a Saturday, Sunday or recognized holiday, such date will be deemed moved forward to the next day which is not a Saturday, Sunday or recognized holiday.

Section 11.9 Business Day

The term “business day” shall mean days elapsed exclusive of Saturday, Sunday or recognized holidays.

Section 11.10 Governing Law

This Agreement shall be construed under and governed by the laws of the State of Texas, and unless otherwise provided herein, all obligations of the parties created under this Agreement are to be performed in the county where the Property is located.

Section 11.11 Severability

If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the invalid, illegal or unenforceable provision shall not affect any other provisions, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision is severed and deleted from this Agreement.

Section 11.12 Counterparts

This Agreement may be executed in a number of identical counterparts. Each counterpart is deemed an original and all counterparts shall, collectively, constitute one agreement. Executed documents transmitted electronically shall be considered originals.

Section 11.13 Gender; Number

Unless the context requires otherwise, all pronouns used in this Agreement shall be construed to include the other genders, whether used in the masculine, feminine or neuter gender. Words in the singular number shall be construed to include the plural, and words in the plural shall be construed to include the singular.

Section 11.14 Immunity

It is expressly understood and agreed that, in the execution and performance of this Agreement, Purchaser has not waived, nor shall be deemed hereby to have waived, any defense or immunity, including governmental, sovereign and official immunity, that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.

Section 11.15 Further Assurances

The parties each agree that at any time, or from time to time, after the execution of this Agreement each party will, upon the request of the other party hereto, execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect fully the purposes of this Agreement

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

EXECUTED on the dates stated below, but to be **EFFECTIVE** on the Effective Date defined herein.

Date: _____

PURCHASER:
CITY OF SHERMAN, TEXAS,
a home-rule municipality

By: _____
Robby Hefton, City Manager

SELLER:
SHERMAN ECONOMIC DEVELOPMENT
CORPORATION,
a Texas nonprofit corporation

Date: _____

By: _____
Kent Sharp, President

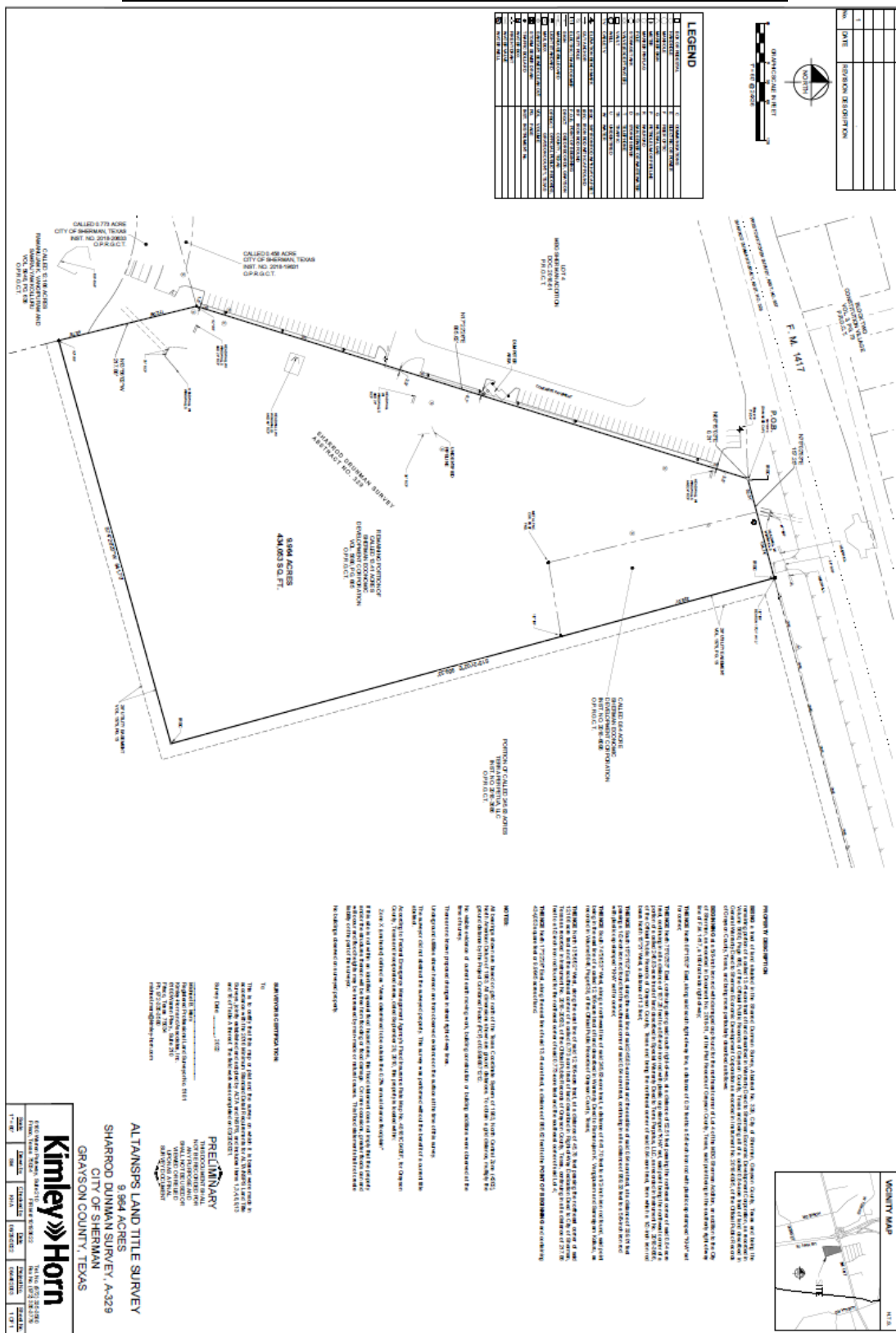


EXHIBIT "B"
FORM OF SPECIAL WARRANTY DEED

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.

SPECIAL WARRANTY DEED

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

THAT the **SHERMAN ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to Grantor in hand paid by **CITY OF SHERMAN, TEXAS**, a home-rule municipality ("Grantee"), the receipt and sufficiency of which is hereby acknowledged by Grantor, has GRANTED, SOLD AND CONVEYED, and by these presents does hereby GRANT, SELL AND CONVEY unto Grantee that certain real property more particularly described on Exhibit 1 attached hereto and incorporated herein (the "Land"), together with all and singular, the rights and appurtenances pertaining to the Land, including any right, title and interest of Grantor in and to adjacent streets, alleys or rights-of-way, and including all of Grantor's rights to all oil, gas and other minerals in and under the Land, if any, together with any improvements, fixtures, and personal property situated on and attached to the Land (collectively, the "Property").

This conveyance is made and accepted subject to all those certain easements, covenants, restrictions and other matters more particularly described in Exhibit 2 attached hereto and incorporated herein by this reference for all purposes, to the extent that same are valid and subsisting and affect the Property (the "Permitted Exceptions").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND, all and singular the title to 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, subject only, however, to the Permitted Exceptions.

[Signature pages follow.]

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed to be effective as of the _____ day of _____, 2023.

GRANTOR:

**SHERMAN ECONOMIC
DEVELOPMENT CORPORATION,**
a Texas non-profit corporation,

Kent Sharp, President

STATE OF TEXAS §
 §
COUNTY OF GRAYSON §

This instrument was acknowledged before me on the _____ day of _____, 202, by Kent Sharp, President of the Sherman Economic Development Corporation, a Texas non-profit corporation, on behalf of said Texas corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of _____, 2023.

Notary Public in and for the State of Texas
My Commission Expires: _____

After Recording Return to:

EXHIBIT 1
Legal Description of the Property

EXHIBIT 2
The Permitted Exceptions



City of Sherman, Texas
Development Services Department

CITY OF SHERMAN

200 blk Vietnam Veterans Parkway

