

## **CONTRACT OF SALE**

**STATE OF TEXAS       §**  
**§**  
**COUNTY OF TARRANT   §**

THIS CONTRACT OF SALE ("Contract") is made by and between the MANSFIELD ECONOMIC DEVELOPMENT CORPORATION ("Seller"), a nonprofit corporation organized under Title 12, Subtitle C1 of the Texas Local Government Code, and HOFFMAN CABINETS, INC., and/or assigns ("Purchaser"), a Texas corporation, to be effective on the Effective Date as specified below. For convenience, Seller and Purchaser may be referred to hereinafter collectively as "parties" or individually as a "party."

### **ARTICLE I** **PURCHASE AND SALE**

By this Contract, Seller sells and Purchaser agrees to purchase certain real property situated in Tarrant County, Texas described generally as a 5.472 acre tract of land which is more particularly described by metes and bounds on Exhibit "A" which is attached hereto and incorporated herein for all purposes, together with all and singular the rights and appurtenances pertaining to the Property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (all of such real property, rights, and appurtenances being referred to in this Contract as the "Property"), together with any improvements and fixtures situated on and attached to the Property, for the consideration and upon and subject to the terms, provisions, and conditions set forth below.

### **ARTICLE II** **PURCHASE PRICE**

The purchase price for the Property shall be \$225,000.00 ("Purchase Price") to be paid by Purchaser to Seller in good and final funds at Closing.

### **ARTICLE III** **PURCHASER'S RIGHTS AND OBLIGATIONS**

The rights and obligations of Purchaser hereunder to consummate the transaction contemplated hereby are subject to the satisfaction of each of the following conditions, any of which may be waived in whole or in part by Purchaser at or prior to the Closing.

**3.01 Title Commitment.** Purchaser, at Purchaser's sole cost and expense, may have a title company of Purchaser's choosing issue a preliminary title commitment covering the Property ("Title Commitment"). The Title Commitment shall bind the Title Company to issue a Texas Owner's Policy of Title Insurance at the Closing on the

standard form of policy prescribed by the Texas Department of Insurance. If any condition of title is not satisfactory to Purchaser, Purchaser shall give Seller written notice of such objection on or before the 30<sup>th</sup> day prior to the Closing of this Contract. Seller shall promptly undertake to eliminate or modify all unacceptable matters to the reasonable satisfaction of Purchaser. In the event Seller chooses not to or is unable to comply with Purchaser's written notice within 20 days after receipt of such notice, this Contract may be terminated by Purchaser by providing written notice of termination to Seller. If Purchaser's written notice of objection to the Title Commitment is not received by Seller on or prior to the 30<sup>th</sup> day prior to the Closing, all conditions specified in the Title Commitment shall be deemed to be acceptable to Purchaser and any objection thereto shall be deemed to have been waived for all purposes.

**3.02 Survey.** Within 10 days after the Effective Date of this Contract, Seller shall, at Seller's sole cost and expense, deliver to Purchaser a true and correct copy of any existing survey of the Property in the possession, custody or control of Seller. Purchaser, at Purchaser's sole cost and expense, may cause to be prepared a current plat and/or survey of the Property, prepared by a duly licensed Texas land surveyor or registered professional engineer acceptable to Purchaser.

In the event any portion of the survey is unacceptable to Purchaser, then Purchaser shall give Seller written notice of this fact on or before the 30<sup>th</sup> day prior to the Closing. Seller shall, at Seller's option, promptly undertake to eliminate or modify all the unacceptable portions of the survey to the reasonable satisfaction of Purchaser. In the event Seller chooses not to or is unable to comply with Purchaser's written notice within 20 days after Seller's receipt of such notice, Purchaser may terminate this Contract by providing written notice of termination to Seller. Purchaser's failure to provide Seller with this written notice shall be deemed to be Purchaser's acceptance of the survey and any objection thereto shall be deemed to have been waived for all purposes.

**3.03 Due Diligence Period.** Purchaser shall have 6 months from the Effective Date of this Contract ("Due Diligence Period") to perform Purchaser's due diligence to determine if the Property is acceptable to Purchaser, in its sole discretion. During this Due Diligence Period, Purchaser may, at Purchaser's sole cost and expense, conduct a Phase I Environmental Assessment of the Property. Should the Phase I Environmental Assessment indicate that a Phase II Environmental Assessment is merited, Purchaser shall thereafter be entitled to conduct a Phase II Environmental Assessment, at Purchaser's sole cost and expense. Seller hereby grants Purchaser or Purchaser's designated agents the right to enter onto the Property to conduct such assessments. If at any time during the Due Diligence Period, it should be determined by Purchaser, in its sole discretion, that the Property is not suitable for Purchaser's intended purposes, then Purchaser may terminate this Contract by providing written notice of termination to Seller on or before the expiration of the Due Diligence Period. If the written notice of termination is not received by Seller prior to the expiration of the Due Diligence Period, the Property shall be deemed to be acceptable to Purchaser and any objection thereto (other than objections to the Title Commitment and survey as set forth above) shall be deemed to have been waived for all purposes. Purchaser agrees to restore the surface

of the Property to the condition existing immediately prior to Purchaser's feasibility tests if Purchaser terminates this Contract pursuant to the terms of this section 3.03. The provisions of this section 3.03 shall survive the Closing or any termination of this Contract. In consideration of Purchaser's right to inspect the Property during the Due Diligence Period, Purchaser has paid to Seller the sum of Fifty and No/100 Dollars (\$50.00) (the "Independent Agreement Consideration"), which amount the parties bargained for and agreed to as consideration for Purchaser's termination rights. The Independent Agreement Consideration shall be nonrefundable to Purchaser under any circumstances and shall be applied as a credit towards the Purchase Price at Closing.

#### **ARTICLE IV**

#### **REPRESENTATIONS AND WARRANTIES OF SELLER**

#### **AND AGREEMENT OF PURCHASER**

**4.01 Seller's Representations and Warranties.** Seller hereby represents and warrants to Purchaser as follows, which representations and warranties shall be deemed made by Seller to Purchaser as of the Effective Date of this Contract and as of the date of the Closing:

- (a) To the best of Seller's knowledge, there are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers;
- (b) Seller is the record owner of the Property and has the right and ability to convey to Purchaser good and marketable title in fee simple to the Property; and
- (c) Seller has duly authorized the execution of this Contract and the person signing this Contract on Seller's behalf has been duly authorized by Seller to sign this Contract.

**4.02 Limitation of Warranties.** Purchaser acknowledges that the Property is being sold on an "as is, with all faults" basis and that Purchaser makes no warranties or representations regarding the Property or the sale of the Property other than those warranties and representations contained in this Contract.

#### **ARTICLE V**

#### **CASUALTY LOSS**

All risk of loss to the Property shall remain upon Seller prior to the Closing. If, prior to the Closing, the Property shall be damaged or destroyed by fire or other casualty to a material extent, Purchaser may either terminate this Contract by written notice to Seller or proceed to Closing. If Purchaser elects to proceed to Closing, despite said material damage or destruction, there shall be no reduction in the Purchase Price, and Seller shall assign to Purchaser all of Seller's right, title and interest in and to all insurance proceeds, if any, resulting or to result from said damage or destruction.

Unless otherwise provided herein, the term "material" shall mean damage or destruction of the Property or the improvements thereon, the cost of repairing which exceeds ten percent (10%) of the Purchase Price. In the event of less than material damage or destruction to the Property prior to the Closing, Seller shall either repair the damage prior to the Closing, at Seller's sole cost and expense, or reimburse Purchaser for the cost of repairing the damage by assigning any insurance proceeds resulting therefrom to Purchaser and/or by allowing Purchaser to deduct such cost from the cash payable to Seller at the Closing. If the extent of damage or the amount of insurance proceeds to be made available is not able to be determined prior to the Closing Date, or the repairs are not able to be completed prior to the Closing Date, either party, by written notice to the other, may postpone the Closing Date to such date as shall be designated in such notice, but not more than 30 days after the Closing Date.

## **ARTICLE VI** **CLOSING**

**6.01 Closing Date.** The closing of this Contract ("Closing") shall be held on or before the 30<sup>th</sup> day after the expiration of the Due Diligence Period or at such time and place as Seller and Purchaser may agree upon in writing (which date is herein referred to as the "Closing Date"). If the Closing Date happens to fall on a Saturday, Sunday or legal holiday, the Closing Date shall be the next business day that is not a Saturday, Sunday or legal holiday. The parties may agree in writing to modify the Closing Date for any reason.

**6.02 Conditions at Closing.** The Closing and Purchaser's obligations under this Contract to purchase the Property are expressly conditioned on the following:

- (a) Seller's delivery to Purchaser at Closing of a duly executed and acknowledged Special Warranty Deed, acceptable to Purchaser, conveying good and marketable title in fee simple to all of the Property, free and clear of any and all liens, encumbrances, conditions, assessments, and restrictions other than as provided in this Contract;
- (b) Seller's execution of such documents and instruments reasonably requested by Purchaser's title company to consummate the transactions contemplated herein; and
- (c) Seller's delivery of possession of the Property to Purchaser at Closing, including, if applicable, delivery of any keys and disclosure of any security codes for entry onto the Property and for entry into any buildings thereon (including interior locking doors).

At Closing, Purchaser shall deliver to Seller the Purchase Price in accordance with the terms of this Contract.

**6.03 Failure of Conditions.** Should Seller fail to satisfy any of the conditions specified in paragraph 6.02 of this Contract, Purchaser shall have the right to terminate this Contract.

**6.04 Taxes.** Any taxes or other assessments against the Property as of the Closing Date shall be paid by Seller on or before the Closing. In the event there exists any roll back or other deferred taxes which are retroactive to the period of Seller's ownership of the Property or any time prior thereto pursuant to a change in zoning, use, ownership or otherwise, such retroactive taxes shall be the obligation of Seller. This provision shall survive the Closing.

**6.05 Closing Costs.** All costs and expenses of Closing in consummating the sale and purchase of the Property shall be borne and paid as follows:

Owner's Policy of Title Insurance paid by Purchaser  
Current survey paid by Purchaser  
Environmental Inspections paid by Purchaser  
Filing fees paid by Purchaser  
Attorney's fees paid for by the party incurring same  
All other costs paid by Purchaser

## **ARTICLE VII**

### **OPTION TO REPURCHASE**

In the event Purchaser notifies Seller that it does not intend to construct improvements on the Property within 5 years of the date of Closing, Seller shall have a right, but not an obligation, to repurchase the Property for an amount equal to the Purchase Price, plus all costs of closing. For purposes of this article, "improvements" means an office/warehouse facility of a minimum of 26,000 square feet and meeting all city codes. In the event, Seller fails to exercise its repurchase option within sixty (60) days following notification from Purchaser of its intent to not construct improvements to the Property, the option to repurchase shall automatically expire and Purchaser may sell the Property to a third party free and clear of any repurchase rights of Seller. Seller shall exercise its repurchase option by depositing in the United States Mail a written notice of intent to exercise the option—such notice to be sent to the address of Purchaser as stated in this Contract. If Purchaser does not construct the improvements within 5 years from the date of Closing, Seller shall have one hundred eighty (180) days following the expiration of said 5 year period to exercise its right to repurchase the Property for an amount equal to the Purchase Price, plus all costs of closing. In the event, Seller fails to exercise its repurchase option within said one hundred eighty (180) days, the option to repurchase shall automatically expire and Purchaser may sell the Property to a third party free and clear of any repurchase rights of Seller. Any sale of the Property that does not conform to the provisions of this section shall be null and void. This provision of the Contract shall survive the Closing.

**ARTICLE VIII**  
**REAL ESTATE COMMISSIONS**

It is understood and agreed that no real estate brokers were involved in the negotiation and consummation of this Contract, and that no commission is to be payable in cash at the Closing. If this Contract is terminated for any reason prior to Closing, the parties agree that there will be no commission due or payable hereunder.

**ARTICLE IX**  
**BREACH BY SELLER**

In the event Seller shall fail to fully and timely perform any of its obligations hereunder or shall fail to consummate the sale of the Property for any reason, except because of Purchaser's termination of this Contract or because of Purchaser's default, Purchaser may either terminate this Contract or enforce specific performance of this Contract.

**ARTICLE X**  
**BREACH BY PURCHASER**

If Purchaser shall fail to consummate this Contract for any reason, except Seller's default or the termination of this Contract pursuant to a right to terminate given herein, Purchaser shall be in default, and Seller may either terminate this Contract or enforce specific performance of this Contract. In the event Purchaser is in breach of Article VII of this Contract, Seller may additionally bring any cause of action against Purchaser that is permitted by law.

**ARTICLE XI**  
**MISCELLANEOUS**

**11.01 Effective Date.** The effective date of this Contract will be the date the last party executes the Contract.

**11.02 Survival of Covenants.** Any of the representations, warranties, covenants, and contracts of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the closing date of the transactions contemplated hereby shall survive the closing.

**11.03 Notices.** All notices required or permitted to be sent hereunder shall be delivered in person, by courier or overnight delivery service or by depositing same in the United States mail, return receipt requested. Such notices shall be deemed delivered on the date received and shall be delivered to the intended recipient at the addresses shown below, with a copy to such recipient's legal counsel, if the name of such legal counsel is shown below, or faxed to the facsimile transmission numbers of such persons shown on the signature page of this Contract. Any address for notice may be changed by written notice as provided herein.

Notices to be sent to:

PURCHASER: Hoffman Cabinets, Inc.  
204 Sentry Dr.  
Mansfield, Texas 76063

and

SELLER: Mansfield Economic Development Corporation  
301 South Main Street  
Mansfield, Texas 76063

**11.04 Governing Law/Venue.** This Contract shall be construed under and governed by and in accordance with the substantive laws of the State of Texas, notwithstanding any choice-of-law provisions thereof. All obligations of the parties created by this Contract are fully performable in Tarrant County, Texas. Venue in any suit or cause of action under this Contract shall lie exclusively in Tarrant County, Texas.

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

**11.06 Severability.** In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Contract, and this Contract shall be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

**11.07 Entirety.** This Contract constitutes the sole and only agreement of the parties regarding the subject matter of this Contract and supersedes any prior understandings or written or oral contracts between the parties respecting the subject matter of this Contract.

**11.08 Amendment.** This Contract may not be modified or amended unless such modification or amendment is in writing and signed by both parties.

**11.09 Time.** In this Contract, time is of the essence and compliance with the times for performance is required.

**11.10 Assignment.** This Contract or any obligation of a party hereunder may not be assigned by any party without the express written consent of the other party to the Contract.

11.11 **No Waiver.** The failure of a party to enforce a right under this Contract shall not be construed to waive such party's right to enforce any other rights under this Contract. Nothing in this Contract shall be construed to waive the Purchaser's governmental immunity under Texas law.

11.12 **Captions.** The captions to the various provisions of this Contract are for informational purposes only and shall not alter the substance of the terms and conditions of this Contract.

11.13 **Construction.** This Contract shall not be construed against the drafting party, but all other rules of contract construction shall apply.

**[signature pages to follow]**



EXECUTED to be effective on the Effective Date.

**SELLER: MANSFIELD ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Larry Klos, Board President

Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Board Secretary

**PURCHASER: HOFFMAN CABINETS, INC.**

By: \_\_\_\_\_  
Jon Hoffman, President

Date: \_\_\_\_\_

### **ACKNOWLEDGEMENT**

BEFORE ME, the undersigned authority, on this date personally appeared Jon Hoffman, who after being duly sworn stated that he is the President of Hoffman Cabinets, Inc., and that he signed the foregoing instrument on behalf of said entity for the purposes expressed therein.

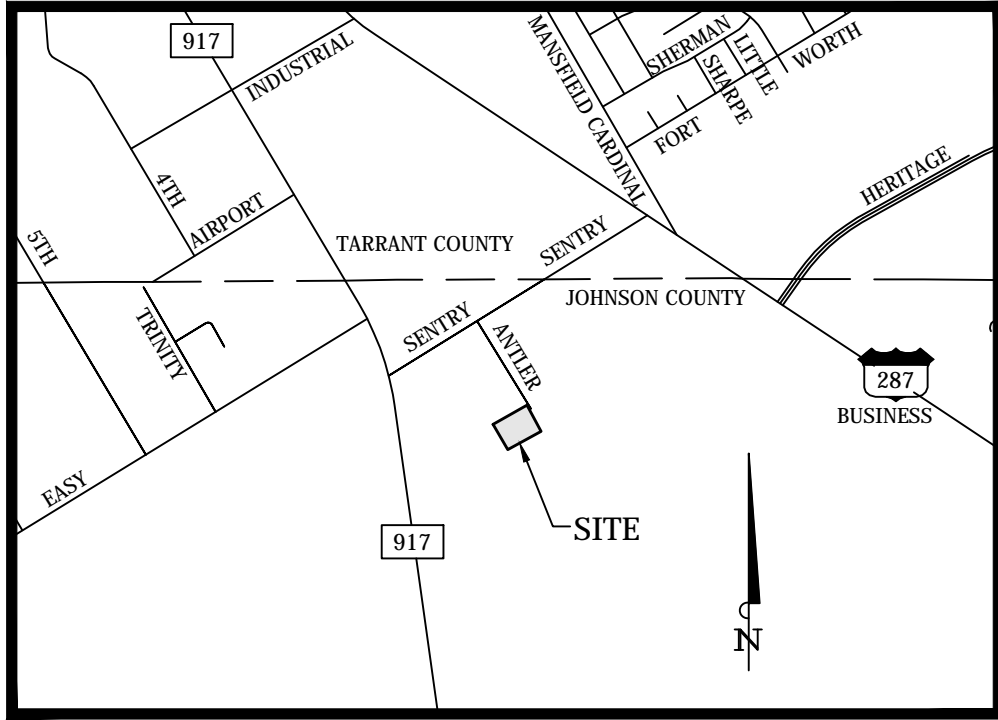
\_\_\_\_\_  
Notary Public, in and for the State of Texas

My commission expires: \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit “A”**

### **Property Description**



VICINITY MAP  
NOT TO SCALE  
MANSFIELD, TEXAS

GENERAL NOTES:

1. The tract shown herein and described above was not abstracted by the surveyor. Additional easements or other encumbrances, whether of record or not may affect the subject tract.
2. According to surveyor's interpretation of information shown on the National Flood Insurance Program (NFIP) "Flood Insurance Rate Map" (FIRM), Community Panel No. 48251C01001, dated December 4, 2012. The property appears to lie within Zone "X" and the entire property lies within a "Areas determined to be outside the 0.2% annual chance floodplain" zone as defined by the U.S. Department of Housing and Urban Development, Federal Insurance Administration, or the Federal Emergency Management Agency.
3. The above referenced "FIRM" map is for use in administering the "NFIP"; it does not necessarily show all areas subject to flooding, particularly from local sources of small size, which could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. There may be other streams, creeks, low areas, drainage systems or other surface or subsurface conditions existing on or near the subject property which are not studied or addressed as a part of the "NFIP".
4. The surveyor has made no attempt to locate or define hazardous waste areas, habitats, endangered species or any other environmentally sensitive areas on the tract of land shown herein; nor does this survey make any representations of being an environmental assessment of the tract of land shown herein.
5. The surveyor has made no attempt to locate or define archeological sites, historical sites or undocumented cemeteries on the tract of land shown herein; nor does this survey make any representation of being an archeological or historical survey of the tract of land shown herein.
6. The surveyor has made no attempt to locate abandoned or plugged oil and gas wells, or any other wells on the tract of land shown herein; nor has the surveyor made any attempt to research same with the Railroad Commission of Texas or any other State agency; nor has the surveyor investigated any mineral or royalty interests in the tract of land shown herein.
7. Existing utilities shown hereon are from above ground visible features coupled together with maps and plans provided to the surveyor. The surveyor does not make any representation of being a Quality Level A or B sub-surface utility survey of the tract of land shown hereon.
8. All coordinates and bearings shown herein are Texas State Plane Coordinate System, NAD83 (CORS), Texas North Central Zone (4202). All distances shown herein are surface distances.
9. SOURCE BENCHMARK: Mansfield Monument No. 17-07, being a concrete monument with a 3-inch brass disc marked "GPS CONTROL MONUMENT CITY OF MANSFIELD TEXAS, MANSFIELD MONUMENT NO. 17-07" found at the center median of FM 917 approximately 450 feet North of Second Avenue.

Elevation = 670.14'

LEGEND

D.R.J.C.T.  
DEED RECORDS,  
JOHNSON COUNTY, TEXAS

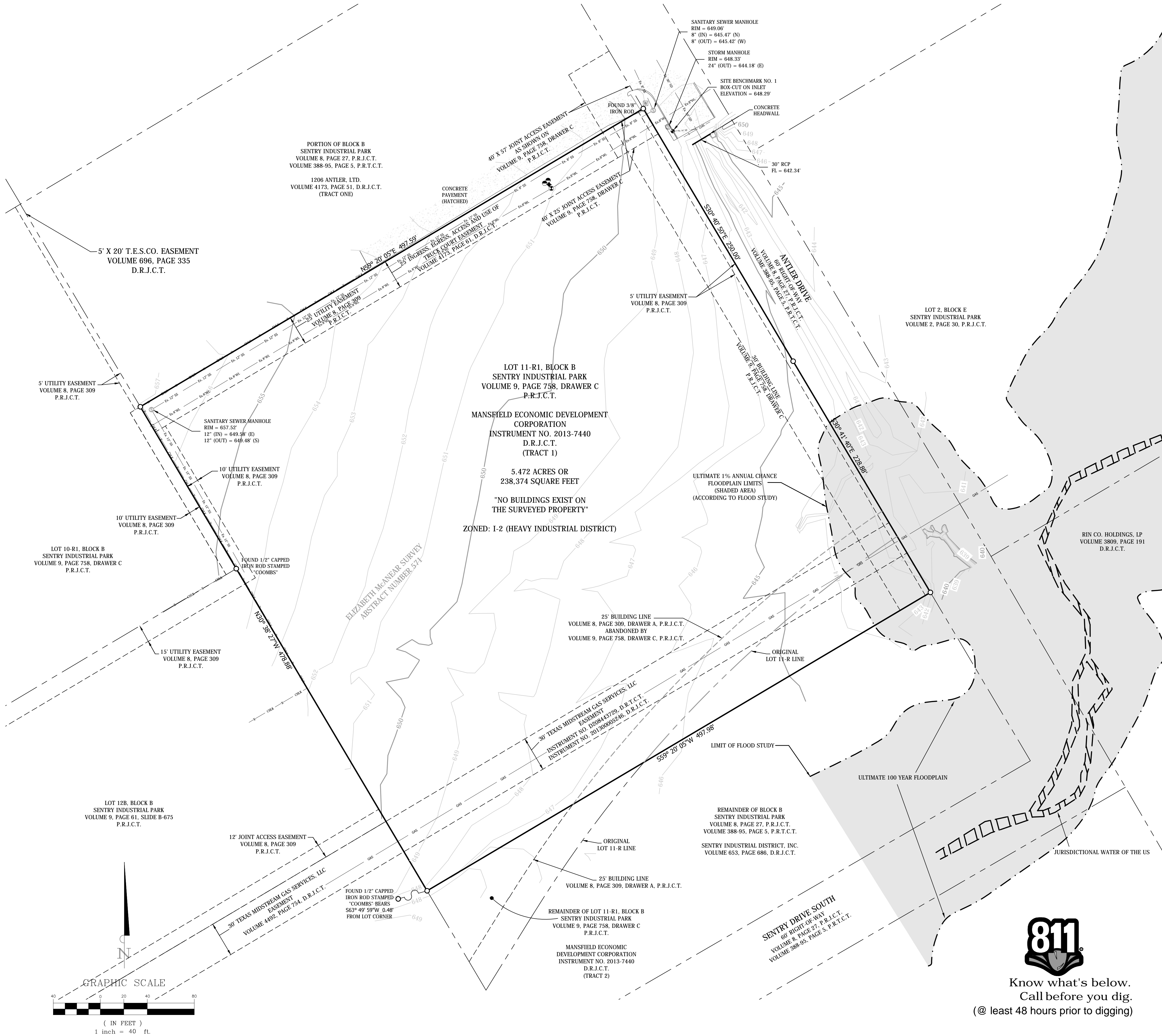
P.R.J.C.T.  
PLAT RECORDS,  
JOHNSON COUNTY, TEXAS

▲ UTILITY PIN FLAG  
● GAS MANHOLE  
▽ GAS MARKER  
⊞ GAS METER  
⊞ TRANSFORMER  
⊞ ELECTRIC METER  
⊞ TELEPHONE RISER  
⊞ MAIL BOX  
T SIGN  
⊞ POWER POLE  
☆ LIGHT  
⊞ SANITARY SEWER  
MANHOLE  
● CLEAN-OUT  
◆ FIRE HYDRANT  
● WATER VALVE  
⊞ WATER METER  
⊞ WATER MANHOLE  
⊞ FIRE WATER CONNECTION  
⊞ IRRIGATION CONTROL  
VALVE

○ TRAFFIC SIGNAL  
● BOLLARD  
⊞ GRATE INLET  
⊞ STORM MANHOLE  
N NORTH/NORTHING  
S SOUTH  
E EAST/EASTING  
W WEST

° DEGREES  
' MINUTES/FEET  
" SECONDS/INCHES

-GAS- GAS LINE  
-EX.\_WL- WATER LINE  
-EX.\_SS- SEWER LINE  
-EX.\_SD- STORM DRAIN LINE  
-OH-OVERHEAD UTILITY  
-UGT- UNDERGROUND  
TELEPHONE  
-CDRL- GUARD RAIL  
-CHLK- CHAIN LINK FENCE  
-WIRE- WIRE FENCE  
-WOOD- WOOD FENCE  
-METAL- METAL FENCE  
-IRON- IRON FENCE  
-SILT- SILT FENCE



Know what's below.  
Call before you dig.  
(@ least 48 hours prior to digging)

PROJECT: Lot 11-R1, Block B  
Sentry Industrial Park  
Being 5.472 acres or (238,374 square feet) out of  
Elizabeth McAnear Survey, Abstract No. 571  
City of Mansfield, Johnson County, Texas

TOPOGRAPHIC  
SURVEY

PROJECT NO.:  
050-15-01

SCALE: 1" = 40'

DRAWN BY: sa

CKD BY: md2

SHEET NUMBER

1 OF 1

**BANNISTER**  
ENGINEERING  
1696 Country Club Drive | Mansfield, TX 76063 | 817.842.2094 | 817.842.2095 fax  
TBPLS REGISTRATION NO. 10193823