

SEALED BID FORM – MARINE EDUCATION CENTER

SALE OF SURPLUS REAL PROPERTY – 100 MARINE CENTER DRIVE, PALACIOS, TX

Section I. Property and Bidder’s Bid

The undersigned bidder (“Bidder”) understands that Matagorda County Navigation District No. 1 (MCND #1) is requesting bids to purchase the surface estate of 75.79 acres of an Upland Tract and 42.64 acres of a Marsh Land Tract, together with all improvements there on located in Matagorda County (“Property”). A more detailed description of the surplus Property is provided below. Bidder represents and warrants to MCND #1 that they have read, understand, and agree to the terms and conditions for the bidding and purchasing of this property set forth in this Sealed Bid Form and the Notice of Request for Sealed Bids and intending and agreeing to be bound by all these terms and conditions, Bidder hereby submits the following bid:

I (We) make the following cash offer for the real property as listed below:

\$ _____ (dollars)

[Enter amount of bid numerically (in numbers) and alphabetically (fully written). In the event of ambiguity or inability to reconcile to the enclosed payment, the District reserves the right to reject the bid.]

Bidder must include with this Sealed Bid Form a payment in the form of a cashier’s check, certified check or bidder’s bond in an amount equal to five (5) percent of the bid price for the Property, payable to Matagorda County Navigation District No. 1 (“MCND #1”). The payment for the unsuccessful bids or rejected bids will be returned to the address listed on the Sealed Bid Form if payment is not retrieved by bidder within three (3) days after notification of unsuccessful bid.

Property Description: Marine Education Center property, which consists of 75.79 Acre Upland Tract and 42.64 Acre Marsh Land Tract, for a total of 118.43 acres located in Matagorda County, Texas. This includes the improvements to each of the buildings on the Marine Education Center property commonly known as and listed as Hulen House, Main Education Classroom Building, Small Lab, Large Lab, Well House, Covered Walkway, Wood Pier, and the Building known as the Diesel Mechanic Shop.

A survey of the Property (118.43 acres) is attached as Exhibit 1. A full legal description will be set out in the Special Warranty Deed that will be provided at closing.

Section II. Terms and Condition

A. General Terms:

Matagorda County Navigation District No. 1 reserves the right to accept or reject any and all bids. MCND #1 will not consider and will reject any bid that modifies any of the terms or conditions set forth in this Sealed Bid Form. However, MCND #1 reserves the right to waive any formalities in the bidding.

The sale of the Surplus Property to the winning bidder is subject to the approval of the MCND#1 Board of Commissioners.

The Surplus Property must be accepted by the successful bidder “as is, where is, with all faults” based upon the bidder’s own investigations and not in reliance upon any statements or records furnished to the bidder by MCND#1. Further, the Surplus Property is subject to all instruments of record.

MCND #1 reserves all Oil, Gas and Mineral Rights (“Mineral Rights”) it presently owns, if any, associated with the Property, provided, however that MCND #1 agrees to waive its surface rights associated with the Mineral Rights reserved and as part of this transaction, will convey to Grantee by deed the exclusive right of ingress and egress to and from the surface of the Property relating to the portion of the mineral estate owned by Grantor.

Notwithstanding the foregoing, however, MCND #1, as to any mineral rights retained unto itself reserves the right to pool or otherwise unitize the portion of the mineral estate owned by Grantor with land other than the Property and may explore and produce the oil, gas, and other minerals by means of wells that are drilled or mines that open on land other than the Property but enter or bottom under the Property, provided that these operations in no manner interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Property.

MCND #1 also reserves a right-of-way easement over the gravel road that is located on the northside of the 75.79 acre upland tract that runs east and west approximately 1,550 feet, for access to its 61.35 Acre Tract.

The Parties acknowledge and understand that the Property includes all related Permits for the use and benefit of the Property.

It is the responsibility of all bidders to examine all applicable building codes and County ordinances to determine whether the Property can be used for the purposes desired.

To the maximum extent allowed by law, MCND#1 shall expressly disclaim, and Bidder shall expressly waive, any warranty or representation, express or implied, including without limitation any warranty of condition, habitability, merchantability or fitness for a particular purpose. This provision shall survive closing.

MCND#1 disclaims responsibility as to the accuracy or completeness of any information relating to the Surplus Property for sale, and for any misrepresentations, failures of disclosures, errors or negligent or wrongful acts occurring in the context of or pertaining to the solicitation of bids or closing of the transaction.

Bidder shall waive and release any rights Bidder may have, either now or in the future, to undertake any legal or equitable action against MCND#1 for failure of MCND#1 to properly advertise or notice the sale of the Property or to properly conduct the sale of the Property and Bidder shall covenant not to sue MCND#1 in connection with the advertisement, notice of the sale or the sale of this Property. This provision shall survive closing.

First Right of Refusal to MCND #1 – In the event Bidder should decide to sell all or part of the Property to an entity or individual not associated with Bidder and/or with a different ownership or management interest than Bidder, Bidder agrees that it will give MCND #1 the first option to purchase the Property being offered for sale, whether Bidder’s offer is of the Property in whole or in part, under terms set forth herein. Any entity or individual not associated with Bidder and/or with a different ownership or management interest than Bidder is referred to herein as “Third Party Buyer”

Upon Bidder providing MCND #1 with written Notice of its intent to sell all or part of the Property to a Third Party Buyer, MCND #1 shall have thirty (30) days from receipt of such Notice to consider the offer and if MCND #1 accepts, MCND #1 shall have an additional twenty-one (21) days to close. MCND #1 and Bidder agree that any such acquisition by MCND #1 from Bidder shall be on the same "as is, where is, with all faults" terms as the Property is herein conveyed.

If MCND #1 declines or fails to purchase the Property being sold at the listing price, Bidder shall be free to sell the Property to a Third Party Buyer. MCND #1's right to purchase the Property from Bidder or its successor pursuant to this right of first refusal shall expire twenty (20) years from the date the Property is conveyed to Bidder by MCND #1 pursuant to this bid process.

For purposes of this section, "entity or individual not associated with Bidder" or "**Third Party Bidder**" shall mean any individual or any entity of whatever kind or nature EXCEPT any such individual or entity in which the Bidder or a Parent or Subsidiary of the Bidder holds a substantial ownership interest or vice versa and EXCEPT any such entity of whatever type that acquires from Bidder not more than eighty (80) percent of the property with Bidder retaining ownership of the remainder and under terms which prohibits any change in general use for the property from the use made of the property at the time MCND #1 approves the bid.

This provision shall survive closing.

B. Due Diligence Review; Title Commitment and Environment Objection

1. Due Diligence Review. Between the date MCND # 1 accepts the successful bid and for thirty (30) days thereafter, Bidder shall have the right, at its sole cost and expense, to inspect, review and make copies of (if applicable) all characteristics and aspects of the Property, including all documents, reports or similar information relating to the Property, including without limitation, the most recent boundary surveys, prior title commitments and environmental assessments and reports, if any, Permits and any outstanding leases in effect.

2. Title Commitment. Within twenty (20) days after MCND #1's acceptance of the successful bid, MCND #1 shall furnish to Bidder for Bidder's review (i) a commitment for title insurance issued by the Title Company showing MCND #1 as the record owner of the Property, insuring Bidder's fee simple title to the Property, Bidder's title to the Improvements to be good and indefeasible, subject to the terms of such commitment and the exceptions specified therein, in the amount of the Purchase Price, naming Bidder as the proposed insured and having an effective date after the Effective Date (the "**Title Commitment**"), (ii) complete and legible copies of all restrictive covenants evidencing exceptions in the Title Commitment (collectively, the "**Title Exception Documents**"), and (iii) an ALTA/ACSM Land Title Survey of the Property (the "**Survey**"), which meets the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys. MCND #1 shall pay for the cost of the survey.

MCND #1 authorizes the Title Company to deliver the Title Commitment and the Title Exception Documents to Bidder at Bidder's address set forth herein.

Bidder shall have seven (7) days after delivery to Bidder of the last of the Title Commitment, the Title Exception Documents, and the Survey (the "**Title and Survey Objection Date**"), to provide MCND #1 with any objections Bidder has (i) to any matters affecting title to the Property or any portion thereof, or (ii) to any matters set forth on the Survey (collectively, "**Bidder's Title and Survey Objections**").

Bidder shall deliver written notice to MCND #1 of Bidder's Title and Survey Objections (the "**Title and Survey Objection Notice**") on or prior to the Title and Survey Objection Date. MCND #1 may, but is not obligated to, cure Bidder's Title and Survey Objections within ten (10) days after the Title and Survey Objection Date (the "**Cure Period**"). If MCND #1 fails to cure all of Bidder's Title and Survey Objections within the Cure Period, Bidder shall have the right to terminate this agreement on that basis by delivering a written notice so terminating this agreement to MCND #1 on or prior to 5:00 p.m. CDT on the last day of the Cure Period. In the event Bidder terminates this agreement pursuant to the preceding sentence, Bidder's Payment shall be refunded to Bidder by MCND #1, and all obligations and liabilities of the Parties shall cease and terminate, except with respect to the Surviving Provisions, if any.

If Bidder does not exercise such termination right, any unresolved Bidder's Title and Survey Objections shall be deemed to be Permitted Encumbrances.

If Bidder fails to deliver a Title and Survey Objection Notice on or prior to the Title and Survey Objection Date, Bidder shall be deemed to have waived its right to object to matters shown on Schedule B of the Title Commitment and to any matters set forth on the Survey, and all matters shown on Schedule B of the Title Commitment or set forth on the Survey shall be Permitted Encumbrances.

3. **Environmental Reports and Studies.** Bidder shall have the right in its sole discretion and at its sole expense, to engage independent consultants to inspect the Property to determine the condition of the Property, including, without limitation, the presence of any Hazardous Materials and any apparent violation of any Environmental Law (the "**Environmental Audit**") and to deliver to Bidder a report describing the findings and conclusions of the Environmental Audit (the "**Environmental Report**"). Notwithstanding the foregoing, Bidder shall not perform or cause to be performed, without MCND #1's prior written consent, soil borings or other invasive or destructive sampling or testing which consent shall be in MCND #1's reasonable discretion, except that MCND #1 shall permit such sampling as is customary for purposes of any Property Condition Report. MCND #1 reserves the right to have a representative present during any access to the Property by Bidder or its employees, agents, or consultants or during the performance of any testing (whether or not invasive) at the Property. If the Environmental Audit reveals the existence of any environmental condition or violation of any Environmental Law with respect to the Property that Bidder is unwilling to accept or that MCND #1 is unwilling to cure, Bidder shall have the right and option to terminate this agreement on that basis by delivering written notice so terminating this agreement to MCND #1 on or prior to 5:00 p.m. CDT on the Environmental Objection Date. For purposes of this agreement, the Environmental Objection Date is ten (10) days after the Bidder receives the Environmental Report. Bidder shall have forty (40) days from the date MCND #1 accepts the successful bid to complete its inspection of the property and prepare an Environmental Report. In the event Bidder terminates this agreement pursuant to this subsection, Bidder's Payment shall be refunded to Bidder by MCND #1, and all obligations and liabilities of the Parties shall cease and terminate, except with respect to any Surviving Provisions.

4. **Waiver.** Bidder's election to proceed to Closing, subject to and in accordance with the terms and conditions of this bid form, shall be an acknowledgment by Bidder that Bidder had access to all documents and information relating to the Property as Bidder deemed necessary to complete its review and make its own independent investment decision to acquire the Property.

5. State of Title. Bidder shall take title to the Property subject to (i) all recorded restrictive covenants, easements, and oil and gas leases relating to the Property; (ii) any of Bidder's Title Objections which MCND #1 elected not to cure or is not obligated to cure; (iii) taxes, assessments, and governmental charges not yet due and payable or due and payable but not yet delinquent; (iv) applicable zoning regulations and ordinances, platting laws, and municipal and governmental ordinances and regulations; (v) the four (4) existing leases on the Property; and (vi) such other items shown on Schedule B of the Title Commitment and not objected to or not required to be objected to by Bidder (a "Permitted Encumbrance"). The easements will be described in the Title Commitment and may also be shown on the survey. The four (4) leases presently in affect that this sale is subject to are as follows:

1. Texas Parks & Wildlife Department – Lessee Term: 11/30/20 – 11/30/21
Location: Westside of Port Building #5
Renewed annually
2. David Aparicio – Lessee Term: 12/01/18 – 12/01/21
Location: Eastside of Port Building #5
Renewed every 3 years
3. David Aparicio – Lessee Term: 05/01/20 – 04/30/23
Location: Hay Lease on a portion of 75.79 Acre Upland Tract
4. Ed Rachal Foundation – Lessee Term: 03/03/20 – 03/02/30 (with an option on Lessee's part to renew for an additional 10 year period)
Location: 5 acres located on 75.79 Acre Upland Tract with 4 buildings located on said 5 Acres

All leases are available to Bidder for inspection upon request.

6. Condition of Property. Except as otherwise set forth in this Bid Form and in the Special Warranty Deed, MCND #1 makes no express or implied representations or warranties in connection with the Property, and Bidder shall accept the Property on the Closing Date in its existing condition as of such date, "AS IS, WHERE IS" and "WITH ALL FAULTS." Bidder hereby acknowledges that it will make its own investigations. Bidder has been advised to investigate the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, including, but not limited to, potential environmental hazards.

C. *Closing*

1. Title Insurance. On the Closing Date, MCND #1 shall cause the Title Company to issue, or to be unconditionally committed to issue, to Bidder a Texas Owner's Title Policy (the "Title Policy"), insuring Bidder's title to the Property in the amount of the Purchase Price, subject only to the standard exceptions and exclusions from coverage contained in such policy and the Permitted Encumbrances. MCND #1 and Bidder shall evenly divide the cost of the basic premium for the issuance of the Title Policy. Bidder shall pay the cost of any additional endorsements or expanded coverage requested by Bidder under the Title Policy.

2. Time and Place. Closing of the transaction contemplated by this Bid Form shall be held at the Title Company's office in Palacios, Texas, on the date which is no later than sixty (60) days after approval and acceptance of the successful bid, or such other date as mutually selected by Bidder and MCND #1.

3. Settlement at Closing - Transfer Documents. At the Closing, MCND #1 shall convey and transfer to Bidder (i) the Property and the Improvements thereon (to the extent constituting real property or fixtures), subject only to the Permitted Encumbrances applicable thereto, by executing, acknowledging, and delivering to Bidder a special warranty deed; (ii) the Improvements (to the extent constituting personal property), the Permits, and any Leases by executing and delivering a bill of sale and/or assignment. The Deed, the Bill of Sale, and any related transfer documents executed at the Closing are collectively referred to as the "Transfer Documents". Bidder and MCND #1 shall deliver any other documents at or following the Closing reasonably required by either Party or by the Title Company to effectuate the transactions contemplated by this Contract.

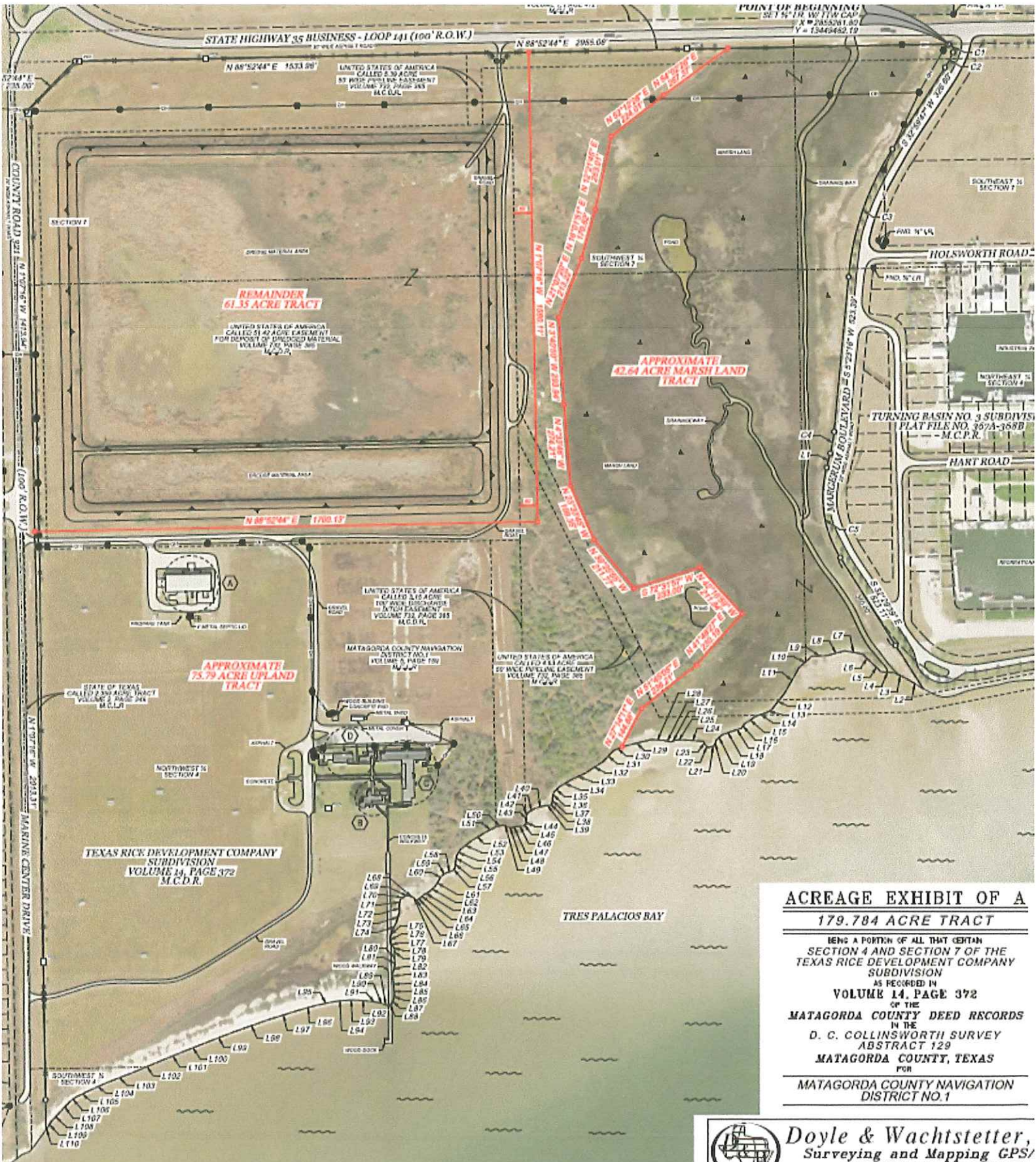
D. Remedies

1. MCND #1's Remedies. If the Closing fails to occur as a result of a default by Bidder in the performance of its obligations under this agreement and if MCND #1 is not in breach of its obligations under this Contract, MCND #1 shall, as MCND #1's sole and exclusive remedy, give Notice thereof to Bidder, in which event MCND #1 shall retain the 5% of the offered bid as liquidated damages and this agreement shall terminate and be of no further force or effect.

2. Bidder's Remedies. If the Closing fails to occur as a result of a default by MCND #1 in the performance of its obligations under this agreement after an opportunity to cure and if Bidder is not in breach of its obligations under this agreement, Bidder shall, as Bidder's sole and exclusive remedy, give Notice thereof to MCND #1, in which event MCND #1 shall promptly return Bidder's Payment to Bidder, and upon such disbursement this agreement shall terminate and be of no further force or effect.

BIDDER INFORMATION:

_____ Signature(s)	_____ Date
_____ Print full legal name and Corporate Title, if applicable	_____ Company Name, if applicable
Address:	
_____ Number, Street	_____ City, State, Zip Code
Phone: Home _____ Work _____	Cell _____ E-mail: _____



ACREAGE EXHIBIT OF A
179.784 ACRE TRACT
 BEING A PORTION OF ALL THAT CERTAIN
 SECTION 4 AND SECTION 7 OF THE
 TEXAS RICE DEVELOPMENT COMPANY
 SUBDIVISION
 AS RECORDED IN
VOLUME 14, PAGE 372
 OF THE
MATAGORDA COUNTY DEED RECORDS
 IN THE
D. C. COLLINSWORTH SURVEY
ABSTRACT 129
MATAGORDA COUNTY, TEXAS
 FOR
MATAGORDA COUNTY NAVIGATION
DISTRICT NO. 1



Doyle & Wachtstetter,
 Surveying and Mapping GPS/
 111 COMMERCE STREET, CLUTE, TEXAS 77531

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EXHIBIT
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