CITY OF BEDFORD

Discover the Center

INVITATION FOR BIDS

Being all of Tract 22-A-R-1, part of Tract 22-R-1, and part of Tract 14-R, Sotogrande addition in the City of Euless, containing in the aggregate approximately 8.46 acres, more or less, with physical address being the Sotogrande Community Building and Tennis Center at 3601 W. Pipeline Road, Euless, Texas.

Please be advised that Addendum #1 extends the deadline for submission of sealed bids and Addendum #2 further extends that deadline.

Addendum #2

The deadline for submission of sealed bids has been extended until **Friday, March 30, 2012 at 2:00 p.m**. Sealed bids will be received at City Hall and will be publically opened and read at that time. Bidders are not required to be present at the opening.

Addendum #1

The deadline for submission of sealed bids has been extended until **Friday, March 16, 2012 at 2:00 p.m**. Sealed bids will be received at City Hall and will be publically opened and read at that time. Bidders are not required to be present at the opening.

CITY OF
BEDFORD
Discover the Center

INVITATION FOR BIDS

The City of Bedford's Council, at its regular meeting on July 12, 2011, approved Resolution No. 11-82 authorizing the solicitation for sale of the following property located in the City of Euless, Tarrant County, Texas:

> Being all of Tract 22-A-R-1, part of Tract 22-R-1, and part of Tract 14-R, Sotogrande addition in the City of Euless, containing in the aggregate approximately 8.46 acres, more or less, with physical address being the Sotogrande Community Building and Tennis Center at 3601 W. Pipeline Road, Euless, Texas.

The City of Bedford will retain all oil, gas and mineral rights to the subject property.

Sealed bids addressed to David Miller, Deputy City Manager, (817.952.2106), 2000 Forest Ridge Drive, Bedford, TX 76021, will be received at City Hall until no later than **2:00 p.m.**, **February 16, 2012**, and be publicly opened and read at that time. Bidders are not required to be present at the opening.

No environmental assessments have been performed on this property.

Disclosure: A lease exists for a portion of this property, herein attached. The lease shall transfer to the new owner upon sale.

All properties are sold "AS IS", without any representation or warranty either expressed or implied as to whether any such property can be developed or used for any specific purpose or is otherwise free of any liability or impediment to the ownership, development or use of such property. **Tours of the facility are available by appointment only.**

Specifications terms of sale and other information are available upon request at the City Secretary's Office, City Hall, 2000 Forest Ridge Drive, Bedford, Texas. No deposit or charge will be required for copies of the proposal and instructions to bidders. **The City of Bedford reserves the right to reject any or all bids and waive any and all informalities**.

s/s Jim Story
Mayor

s/s Michael Wells
City Secretary

1st Publication: 01/26/2012
2nd Publication: 01/30/2012
Newspaper: Fort Worth Star-Telegram

Instructions to Bidders

1. All conditions set forth in the Invitation for Bids and the Bid Proposal are hereby made a part of these instructions to bidders for all purposes.

2. The bidder's proposal shall be the bidder-completed form attached to these instructions.

3. All questions about the meaning or intent of the Invitation for Bids, Instructions to Bidders and the Bid Proposal shall be submitted to the Deputy City Manager in writing. Questions received less than three days prior to the date of opening of bids may not be answered. Only questions answered by formal written addenda will be binding.

4. Tours of the facility are available by appointment only.

5. Bids may be modified or withdrawn by an appropriate document duly executed (in the manner that a bid must be executed) and delivered to the place where bids are to be submitted at any time prior to the opening of bids. Bids may not be withdrawn after the opening. All bids shall remain open for a thirty (30) day period of time, but the City may, in its sole discretion, release any bid prior to that date.

6. It is expected that the City's evaluation of bids and award of same will be made within thirty (30) days of the bid opening. The award will be to the highest and best successful bidder. **However, the City of Bedford reserves the right to reject any and all bids.**

7. Only cash offers will be considered in making the award.

8. **All bids shall be accompanied by a cashier's check or money order payable to the City of Bedford for an amount not less than 10% of the total bid price.**

9. Cashier's checks and money orders of unsuccessful bidders will be returned to such bidders **only** after an award of the bid has been approved by the City Council.

10. The successful bidder will be required to enter into a Purchase Contract within 10 days of being awarded the bid. Failure to execute the Purchase Agreement within this 10 day period will result in this bid award being null and void.

11. Should the successful bidder fail to close on the property within thirty (30) days after bid is approved by City Council, the City may retain the successful bidder's cashier's check or money order as specified above as liquidated damages.

12. The City of Bedford will convey ownership of the subject property by Special Warranty Deed (See attached example).

13. Possession of the property shall be given to the successful bidder upon full payment.

14. No commission fees shall be paid by the City.

15. The successful bidder, if the successful bidder requests it, shall pay the cost of a title insurance policy on the subject property. The successful bidder shall also pay all other expenses associated with closing.

16. All bids must be sealed in an envelope which has the name, return address and telephone number of the bidder on it and be addressed to the City of Bedford, Attention: Bid Opening, Address of Property, as set forth in the Invitation for Bids.

17. No environmental assessments have been performed on these properties.

18. The property and improvements are sold "AS IS," without any representation or warranty either expressed or implied as to whether any such property can be developed or used for any specific purpose, or is otherwise free of any liability or impediment to the ownership, development or use of such property.

19. **THE CITY OF BEDFORD WILL RETAIN ALL OIL, GAS AND MINERAL RIGHTS TO THE SUBJECT PROPERTY.**

RESOLUTION NO. 11-82

A RESOLUTION AUTHORIZING THE CITY MANAGER TO MOVE FORWARD WITH THE SALE OF THE CITY-OWNED PROPERTIES OF SOTOGRANDE COMMUNITY BUILDING AND TENNIS CENTER LOCATED AT 3601 W. PIPELINE ROAD, EULESS, TEXAS, THE CENTRAL DRIVE WELL SITE LOCATED AT 2445 CENTRAL DRIVE, BEDFORD, TEXAS, AND THE BROWN TRAIL WELL SITE LOCATED AT 3300 BROWN TRAIL, BEDFORD, TEXAS.

WHEREAS, the City Council of Bedford, Texas desires to proceed with the sale of certain City-owned properties; and,

WHEREAS, the City Council of Bedford, Texas desires to proceed in a manner most advantageous to the City; and,

WHEREAS, the City Council of Bedford, Texas authorizes the preparation of a bid package or the services of a broker to move forward with the sale of certain City-owned properties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. **That the City Council authorizes the City Manager to move forward with the sale of Sotogrande Community Building and Tennis Center, being all of Tract 22-A-R-1, part of Tract 22-R-1, and part of Tract 14-R, Sotogrande addition in the City of Euless.**

SECTION 2. **That the City Council authorizes the City Manager to move forward with the sale of the Central Drive Well Site, being a 0.460 acre tract of land in the Thomas Beedy Survey, Abstract Number 71, in the City of Bedford.**

SECTION 3. **That the City Council authorizes the City Manager to move forward with the sale of the Brown Trail Well Site, being a 0.473 acre tract of land in the Alexander Allen Survey, Abstract Number 11, in the City of Bedford, save and except the Brown Trail Right-of-Way.**

PASSED AND APPROVED this 12th day of July 2011, by a vote of 7 ayes, 0 nays and 0 abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

_____
Jim Story, Mayor

ATTEST:

_____
Michael Wells, City Secretary

APPROVED AS TO FORM:

_____
Stan Lowry, City Attorney

Bid Proposal

3601 W. Pipeline Road, City of Euless, Texas

_____, 2012

PROPOSAL OF

_____,

a corporation organized and existing under the laws of the State of _____

_____, a partnership consisting of

_____, the business name of

_____, an individual

TO: David Miller
Deputy City Manager
City of Bedford
2000 Forest Ridge Drive
Bedford, Texas 76021

PROPOSAL FOR:

Being all of Tract 22-A-R-1, part of Tract 22-R-1, and part of Tract 14-R, Sotogrande addition in the City of Euless, containing in the aggregate approximately 8.46 acres, more or less, with physical address being the Sotogrande Community Building and Tennis Center at 3601 W. Pipeline Road, Euless, Texas.

THE CITY WILL RETAIN ALL GAS AND MINERAL RIGHTS

The undersigned bidder has carefully examined the Invitation for Bids, Instruction to Bidders, this Bid Proposal, the site of the property to be purchased and the marketability of such property, and hereby binds himself/herself upon formal acceptance of his/her proposal to execute the various legal instruments required to transfer to the City's property referenced above to bidder. The undersigned bidder proposes to purchase all of Tract 22-A-R-1, part of Tract 22-R-1, and part of Tract 14-R, Sotogrande addition in the City of Euless, containing in the aggregate approximately 8.46 acres, more or less, with physical address being the Sotogrande Community Building and Tennis Center at 3601 W. Pipeline Road, Euless, Texas, for the following amount of cash:

$_____

The undersigned expressly agrees that ten percent (10%) of the undersigned's bid is reasonable liquidated damages that may be retained by the City of Bedford in the event the apparent best bidder is selected but fails to close on the property in accordance with generally accepted reasonable closing procedures. The undersigned agrees that failure to close will result in damages to the City of Bedford and the damages are, and will continue to be, impracticable and furthermore difficult to determine.

Respectfully submitted,

_____

By:_____

Title:_____

Address:_____

_____

Phone:_____

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

Date: _____, 2012

Grantor: City of Bedford, a municipal corporation

Grantor's Mailing Address (including county): 2000 Forest Ridge Drive
Bedford, Tarrant County, Texas

Grantee: _____

Grantee's Mailing Address (including county):

Consideration: _____ $( ) cash and other good and valuable consideration, the receipt of which is hereby acknowledged, and for which no lien, expressed or implied, is retained in this deed.

Property (including any improvements)**:**

See Exhibit "A" attached and made a part of this Deed for all purposes

Reservations from and Exceptions to Conveyance and Warranty:

1. **SELLER WILL RETAIN ALL OIL, GAS AND OTHER MINERAL RIGHTS IN AND UNDER AND THAT MAY BE PRODUCED FROM THE PROPERTY**; provided, however, Seller shall not have the right to use the surface of the Property for any purpose, including without limitation, for the purpose of mining, drilling, exploring, operating and developing such oil, gas and other minerals. Notwithstanding the foregoing, nothing shall prevent Seller from developing or producing the reserved oil, gas and other minerals by pooling or by directional or horizontal drilling under the Property from well sites located on tracts other than the Property**.**

2. This conveyance is made and accepted subject to all existing conditions, encumbrances, rights-of-way, easements, prescriptive rights, covenants and conditions, reservations or restrictions.

3. **THERE ARE NO WARRANTIES OF GRANTOR. GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE PROPERTY OR ANY INFORMATION DELIVERED BY GRANTOR TO GRANTEE IN CONNECTION WITH THE PROPERTY. GRANTEE IS PURCHASING THE PROPERTY "AS IS" WITH ALL FAULTS AND DEFECTS KNOWN OR UNKNOWN, PATENT OR LATENT, WITHOUT ANY REPRESENTATION OR WARRANTY, ORAL OR WRITTEN, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY, MERCHANTABILITY, SUITABILITY OR QUALITY, AND IN SOLE RELIANCE ON GRANTEE'S OWN INDEPENDENT INSPECTION, INQUIRY OR INVESTIGATION. GRANTOR IS NOT MAKING AND SPECIFICALLY DISCLAIMS 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, ZONING, PLATTING, SUBDIVISION, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, AVAILABILITY OF ACCESS, INGRESS OR EGRESS, VALUATION, GOVERNMENT APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTERS OR THINGS RELATING TO OR AFFECTING THE PROPERTY. THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY GRANTOR, ANY AGENT OF GRANTOR OR ANY THIRD PARTY. GRANTOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON.**

4. All presently recorded restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other instruments, other than liens and conveyances, that affect the property;

5. Rights of adjoining owners in any walls and fences situated on a common boundary;

6. Any discrepancies, conflicts or shortages in area or boundary lines;

7. Any encroachments or overlapping of improvements;

8. Any assessments for prior years or change in land usage, ownership or both;

9. All zoning laws, regulations and ordinances applicable to the property.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty listed, does grant, sell and convey to Grantee the above described property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors or assigns forever.

Grantor binds Grantor and Grantor's heirs, executors, administrators and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors and assigns against every person lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty, as set forth above, BY, THROUGH AND UNDER GRANTOR, BUT NOT OTHERWISE.

GRANTOR
CITY OF BEDFORD, TEXAS

BY _____
Beverly Griffith, City Manager

ATTEST:

_____
Michael Wells, City Secretary

APPROVED AS TO FORM:
STAN LOWRY, City Attorney

BY_____

GRANTEE

_____

THE STATE OF TEXAS §

COUNTY OF TARRANT §

Acknowledgment

The foregoing instrument was acknowledged before me on the _____ day of _____, 2012, by **_____,** as the act and deed of the **CITY OF BEDFORD, TEXAS**, a municipal corporation of the State of Texas, Tarrant County, Texas, and as the **CITY MANAGER** thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

_____
Notary Public In and For
The State of Texas

_____
My Commission Expires

_____
Notary's Printed Name

THE STATE OF TEXAS §

COUNTY OF TARRANT §

Acknowledgment

The foregoing instrument was acknowledged before me on the _____ day of _____, 2012, by _____**,** for the purposes and consideration therein expressed and in the capacity therein stated.

_____
Notary Public In and For
The State of Texas

_____
My Commission Expires

_____
Notary's Printed Name

EXHIBIT “A”

Being all of Tract 22-A-R-1, part of Tract 22-R-1, and part of Tract 14-R, Sotogrande addition in the City of Euless, containing in the aggregate approximately 8.46 acres, more or less, with physical address being the Sotogrande Community Building and Tennis Center at 3601 W. Pipeline Road, Euless, Texas.

STATE OF TEXAS §
§
COUNTY OF TARRANT §
§
CITY OF BEDFORD §

LEASE AGREEMENT

This lease agreement is made and entered into by and between the City of Bedford, Texas, a Texas home-rule municipality, referred to in this lease agreement as "Lessor" or "City" and Somerset Village Partners, L.P. referred to in this lease as "Lessee" or "Somerset".

In consideration of the mutual covenants and agreements set forth in this lease, and other good and valuable consideration, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, a tract of land being a portion of Tract 14-R, Sotogrande, as recorded in Plat Volume 388/63, Page 1, County Records, Tarrant County, Texas, and being a portion of that tract of land described in a Deed to the City of Bedford, as recorded in Volume 7147, Page 605 of said County Records, said tract being more particularly described in Exhibit A attached to this lease. These premises are referred to in this lease as "the premises" or "the leased premises."

ARTICLE 1. TERM

Fixed Commencement and Termination Date

§1.01. This lease shall be for a term of twenty five (25) years, referred to as the Lease term, commencing on January 1, 1997, and ending on December 31, 2021, subject, however, to earlier termination as provided in this Lease.

Right to Extend

§1.02. Subject to being approved in writing by Lessor, Lessee may extend this lease for two (2) additional periods of ten (10) years by giving Lessor written notice of Lessee's intention to do so within the last six (6) months prior to the expiration of the Lease term, under all the terms and conditions of this lease, and provided Lessee is not in default as provided herein.

Termination

§1.03. This lease shall terminate and become null and void without further notice on the expiration of the term specified in §1.01, and any holding over by Lessee after the expiration of that term, other than as provided in §1.02, shall not constitute a renewal of the lease or give Lessee any rights under the Lease in or to the Leased premises. Further, either party may terminate this lease, if a breach of any of the terms or conditions herein

occur, by giving the other party thirty (30) days written notice. Provided, however, that the party in breach of any of the terms or conditions herein shall have thirty (30) days from the date of the written notice to cure said breach. Failure to cure said breach within the timeframe described above will automatically terminate the lease.

Lessee at their sole discretion shall have the ability to close the Golf Course AND Terminate this Lease by giving Lessor 6 months Notice.

ARTICLE 2. RENT

Minimum Yearly Rent

§ 2.01. Lessee agrees to pay Lessor the sum of $250.00 per year for years one (1) through ten (10) of the lease. During years eleven (11) through fifteen (15) Lessee shall pay to Lessor the sum of $500.00 per year. During years sixteen (16) through twenty (20) Lessee shall pay to Lessor the sum of $750.00 per year. During years twenty-one (21) through twenty-five (25) Lessee shall pay to Lessor the sum of $1,000.00 per year. If the lease is extended pursuant to §1.02 Lessee shall increase its by yearly payment to Lessor by the sum of $250.00 for every (5) years of said extension.

Place of Payment

§ 2.02. Lessee agrees to pay rent as provided in §2.01 to Lessor at Lessor's office, located at 2000 Forest Ridge Drive, Bedford, Texas, or at such other location or locations as Lessor shall from time to time designate by written notice to Lessee.

Time and Manner of Payments

§2.03. All rent due under this article shall be payable by Lessee on a yearly basis and in advance, on the first business day of January of each year. All installments of rent shall be paid in lawful money of the United States.

Interest on Delinquent Payments

§2.04. Yearly rent installments unpaid for thirty (30) days shall bear interest at the rate of six (6)% per annum, commencing on the day after each such installment was due and continuing until the installment is paid as provided in §2.03 above.

ARTICLE 3. USE OF PREMISES

Primary Purpose

§3.01. Lessee shall have the right to use the leased premises for a golf course. In this connection, and without detracting from the foregoing, it is understood and agreed that any construction, improvement, or use related to the golf course use must be constructed and maintained pursuant to the Code of Ordinances of the City and any other applicable State and Federal laws.

Waste, Nuisance or Illegal Uses

§ 3.02. Lessee shall not use, or permit the use of, the premises in any manner that results in waste of the premises or constitutes a nuisance. Nor shall Lessee use, or permit the use of, the premises for any illegal purpose. Lessee, at its expense, will comply, and will cause its officers, employees, agents, and invitees to comply, with all applicable laws and ordinances and with all applicable rules and regulations of governmental agencies, concerning the use of the premises.

ARTICLE 4. MAINTENANCE AND SURRENDER

Maintenance and Surrender by Lessee

§ 4.01. Lessee shall maintain the leased premises and keep them free from waste or nuisance and in compliance with all applicable City ordinances, State and Federal laws, throughout the lease term. At the termination of the lease, Lessee shall surrender and deliver the leased premises to Lessor in as good a state of repair and condition as they were in at the time Lessor delivered possession to Lessee, reasonable wear and tear and damage by fire, tornado, or other casualty excepted. Lessee shall be responsible for any maintenance, repairs or replacements on or to the leased premises for any and all improvements presently existing or to be constructed in the future by Lessee on the leased premises.

ARTICLE 5. TAXES AND ASSESSMENTS

Personal Property Taxes

§ 5.01. If applicable, Lessee shall pay and fully discharge all taxes, special assessments, and governmental charges of every character imposed during the term of this lease on the furniture, trade fixtures, appliances, and other personal property placed by Lessee in, on, or about the leased premises.

Real Property Taxes and Assessments

§ 5.02. If applicable, Lessee shall pay and fully discharge all real property taxes, special assessments, and governmental charges of every character imposed on the leased premises during the term of this lease, including any special assessments imposed on or against the premises for the construction or improvement of public works.

ARTICLE 6. UTILITIES AND GARBAGE REMOVAL

Utility Charges

§ 6.01. Lessee shall pay all utility charges for water, electricity, heat, gas, sewer and telephone service used in and about the leased premises during the term of the lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same before the same shall become delinquent.

Garbage Removal

§ 6.02. Lessee shall pay for the removal of all garbage and rubbish from the leased premises during the term of the lease.

ARTICLE 7. ALTERATIONS, ADDITIONS, CONSTRUCTION, AND IMPROVEMENTS

Construction by Lessee

§7.01. Lessee shall have the right at any time and from time to time during the term of this Lease, to maintain, alter, remodel, reconstruct, rebuild and replace any improvements related to the golf course on the Leased premises, subject to the following general conditions:

a. The cost of any such work shall be borne and paid for by Lessee;

b. Lessor shall be notified of the time of commencement and the general nature of any such work, other than routine maintenance of existing buildings or improvements, at the time of commencement; and

c. The provisions of §7.04 concerning Lessor's approval of plans shall be followed.

Ownership of Building and Improvements

§ 7.02. All alterations, additions, or improvements, except furniture and trade fixtures constructed, placed, or maintained on any part of the leased premises, made by Lessee shall become the property of Lessor at the termination of this lease.

Right to Remove Improvements

§7.03. Lessee shall have the right at any time during Lessee's occupancy of the leased premises, or within a reasonable time thereafter, to remove any and all furniture, machinery, equipment, or other trade fixtures, owned or place by Lessee, its subleasees or licensees, in, under, or on the leased premises, or acquired by Lessee, whether before or during the Lease term.

Lessor's Approval of Plans

§7.04. No building or other improvement shall be repaired, constructed or reconstructed on the leased premises, unless the plans and proposed location of the building or other improvement has received the written approval of the Park Board and City Council of the Lessor.

ARTICLE 8. MECHANIC'S LIEN

§ 8.01 Lessee will not permit any mechanic's lien or liens to be placed upon the leased premises or upon improvements on the premises. If a mechanic's lien is filed on the leased premises or on improvements on the leased premises, Lessee will promptly pay the lien, or take any and all necessary steps to remove said lien.

ARTICLE 9. INSURANCE AND INDEMNITY

Liability Insurance

§ 9.01. Lessee, at its own expense, shall provide and maintain in force during the term of this lease liability insurance in the amount of $1,000,000.00, covering Lessor as well as Lessee, with one or more insurance companies authorised to transact business in Texas and approved by Lessor. Lessee shall have Lessor named as an additional insured.

Remedy for Failure to Provide Insurance

§ 9.02. Lessee shall furnish Lessor with certificates of all insurance required by this article. If Lessee does not provide such certificates upon Lessor's delivery of possession to Lessee, or if Lessee allows any insurance required under this article to lapse, Lessor may, at its option, take out and pay the premiums on the necessary insurance to comply with Lessee's obligations under the provisions of this article. Lessor is entitled to immediate reimbursement from Lessee for all amounts spent by it to procure and maintain such insurance, with interest at the rate of ten (10) percent per annum from the date of payment by Lessor until reimbursement by Lessee.

Release

§ 9.03. Lessor shall not be liable for any loss, damage, or injury of any kind or character to any person or property arising from any use of the Leased premises, or any part of the Leased premises, or caused by any defect in any building, structure, improvement, equipment or facility on the leased premises constructed by Lessee, or caused by or arising from any act or omission of Lessee, or of any of its agents, employees, licensees, or invitees, or by or from any accident, fire, or other casualty on the land, or occasioned by the failure of Lessee to maintain the Leased premises in a safe condition. Lessee agrees to indemnify, release and hold Lessor, its offices, agents and employees, harmless from all liability for any such loss, damage, or injury of other persons, arising from any claims or demands of other persons concerning any such loss, damage or injury.

ARTICLE 10. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

§ 10.01. If the leased premises or any structures or improvements on the leased premises should be damaged or destroyed by fire, tornado, or other casualty,

Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

Total Destruction

§ 10.02. If the leased premises should be totally destroyed by fire, tornado, or other casualty not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, this lease shall terminate, and rent shall be abated for the unexpired portion of this lease, effective as of the date of written notification as provided in §11.01.

Partial Destruction

§ 10.03. If the leased premises should be damaged by fire, tornado, or other casualty not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, Lessee need not repair or rebuild the leased premises. If Lessee elects not to rebuild or repair any improvements on the leased premises, Lessee may elect to terminate the lease or to continue the lease with the rent for the remainder of the lease period adjusted equitably.

ARTICLE 11. DEFAULT

Default by Lessee

§ 11.01. If Lessee shall allow the rent to be in arrears more than thirty (30) days after written notice of such delinquency, or shall remain in default under any other condition of this lease for a period of thirty (30) days after written notice from Lessor, Lessor may, without notice to Lessee, terminate this lease, or in the alternative, Lessor may reenter and take possession of the premises and remove all persons and property without being deemed guilty of any manner of trespass and relet the premises, or any part of the premises, for all or any part of the remainder of the lease term to a party satisfactory to Lessor, and at such monthly rental as Lessor may with reasonable diligence be able to secure.

Default by Lessor

§ 11.02. If Lessor defaults in the performance of any term, covenant, or condition required to be performed by it under this agreement, Lessee may elect to terminate the lease on giving at least thirty (30) days written notice of such intention. In the event Lessee elects this option, the lease will terminate on the date designated in the Lessee's notice.

Cumulative Remedies

§ 11.03. All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law, or by

any other provision of this lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

Waiver of Breach

§ 11.04. A waiver by either Lessor or Lessee of a breach of this lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the lease.

ARTICLE 12. INSPECTION BY LESSOR

§ 12.01 Lessee shall permit Lessor and Lessor's agents, representatives, and employees to enter into and on the leased premises at all reasonable times for the purpose of inspection, or any other purpose necessary to protect Lessor's interest in the leased premises.

ARTICLE 13. ASSIGNMENT AND SUBLEASE

Assignment and Subletting by Lessee

§ 13.01. Lessee may not sublet, assign, encumber, or otherwise transfer this lease or any right or interest in this lease, or in the leased premises or the improvements on the leased premises, without the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interests in this lease, or in the leased premises or the improvements on the leased premises, without the written consent of Lessor, Lessor may, at its option, declare this lease terminated.

ARTICLE 14. MISCELLANEOUS

Notices and Addresses

§ 14.01. All notices required under this lease must be given by certified mail or registered mail, addressed to the proper party, at the following addresses:

Lessee: City of Bedford
City Manager
2000 Forest Ridge Drive
Bedford, Texas 76021

Lessor: Somerset Village Partners, L.P.
c/o Westdale Asset Management
3333 Elm St.
Dallas, TX 75226

Either party may change the address to which notices are to be sent it by giving the other party notice of the new address in the manner provided in this section.

Parties Bound

§ 14.02. This agreement shall be binding upon, and inure to the benefit of, the parties to this lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this agreement.

Texas Law to Apply

§ 14.03. This agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this lease are performable in Tarrant County, Texas.

Legal Construction

§ 14.04. In case any one or more of the provisions contained in this agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the agreement, and this agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the agreement.

§ 14.05. This agreement constitutes the sole and only agreement of the parties to the agreement and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this agreement.

Amendment

§14.06. No amendment, modification, or alteration of the terms of this agreement shall be binding unless it is in writing, dated subsequent to the date of this agreement, and duly executed by the parties to this agreement.

Force Majeure

§ 14.07. Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this lease so long as performance is delayed or prevented by *force majeure*, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Time of Essence

§ 14.08. Time is of the essence of this agreement. The undersigned Lessor and Lessee execute this agreement on December 11, 19 96, at Bedford, Texas, Tarrant County, Texas.

ARTICLE 15. LESSOR'S WARRANTIES AND COVENANTS

Warranty of Title

§15.01. Lessor hereby represents and warrants that it is the owner in fee simple absolute of the leased premises.

Warranty of Quiet Enjoyment

§15.02. Lessor covenants and agrees that as long as Lessee pays the rent and other charges as provided in this lease and observes and keeps the covenants, conditions, and terms of this lease, Lessee shall lawfully and quietly hold, occupy, and enjoy the leased premises during the term of this lease without hindrance or molestation by Lessor or any person claiming under Lessor, except such portion of the leased premises, if any, as shall be taken under the power of eminent domain.

LESSEE

City of Bedford, Texas

By Linda M. Burton
Linda M. Burton,
City Manager

LESSOR

Somerset Village Partners, L.P.

By
Pres.
G.P.

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was ACKNOWLEDGED before me, on the 6th day of January, 1996, by LINDA M. BARTON, City Manager, City of Bedford, Texas, on behalf of the City of Grapevine.

RITA L. FRICK
COMMISSION EXPIRES
JUNE 24, 1997

Rita L. Frick
Notary Public, State of Texas

My Commission Expires:
6-24-97

Rita L. Frick
Printed Name of Notary Public

STATE OF TEXAS §
§
COUNTY OF TARRANT §

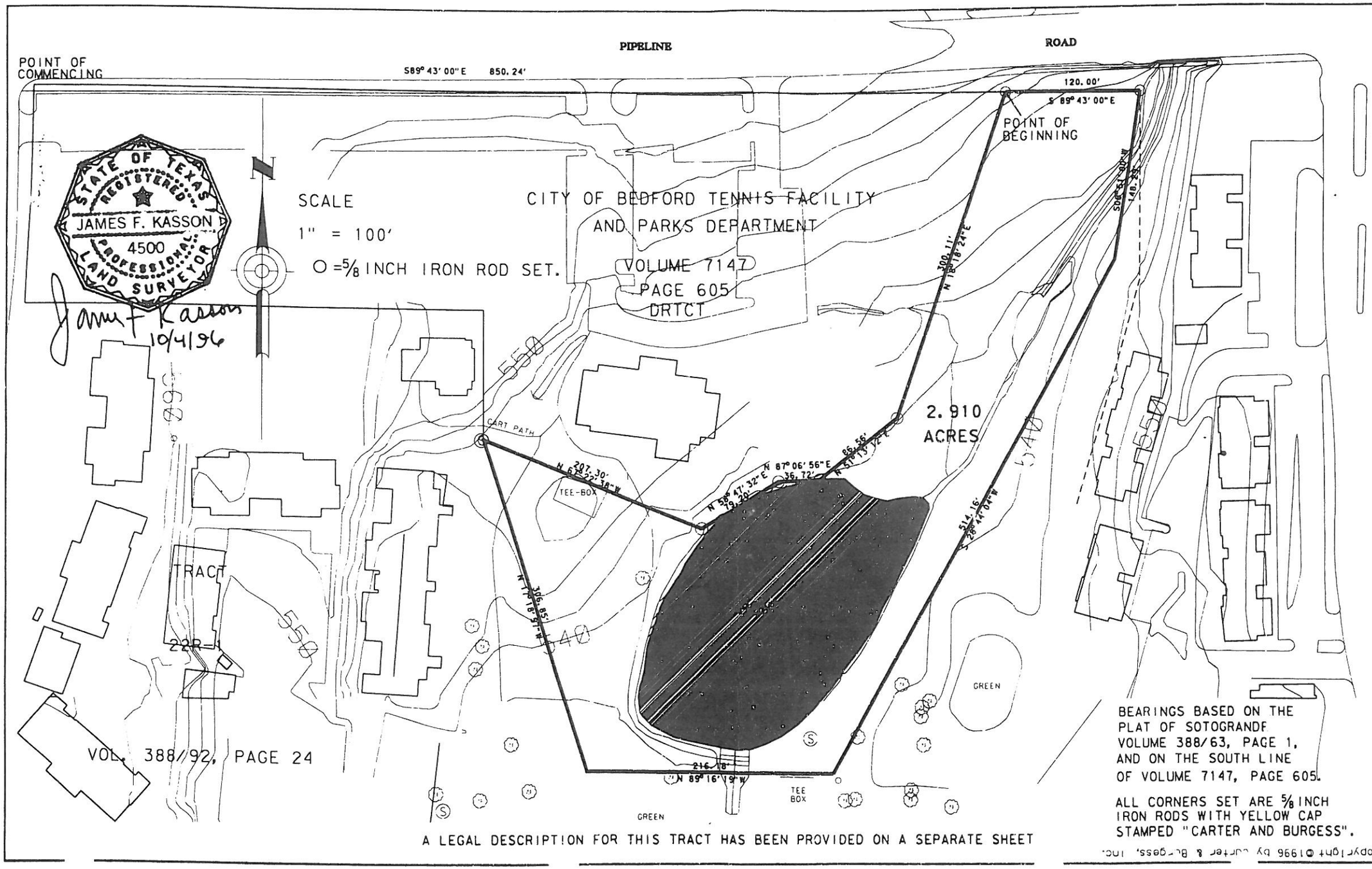
This instrument was ACKNOWLEDGED before me, on the 12 day of December, 1996, by _____.

Cindi Scoggins
Notary Public, State of Texas

My Commission Expires:
11-29-98

Cindi Scoggins
Printed Name of Notary Public

Cindi Scoggins
NOTARY PUBLIC
State of Texas
Comm. Exp. 11-29-98



SHT. NO.

DATE 10/3/96

DRAWN JFK

DESIGNED

CHECKED SB

EXHIBIT SHOWING A

2.910 ACRE PARCEL

JOB NO.

Carter • Burgess
Consultants in Engineering, Architecture, Planning and the Environment
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