



CITY COUNCIL AGENDA

Tuesday, February 23, 2016

Notice is hereby given that the City Council of the City of Big Spring, Texas will meet in Regular Session on Tuesday, February 23, 2016, at 5:30 p.m. in the City Council Chambers located at 307 East 4th Street, Big Spring, Texas.

As a courtesy to those in attendance, please place your cell phone on “Silent” or “Vibrate.”
Please, no talking during the meeting; take any conversations outside, so others can hear.
Thank You!

The City of Big Spring Council reserves the right to consider business out of the posted order, and at any time during the meeting, reserves the right to adjourn into executive session on any of the above posted agenda items which are not listed as executive session items and which qualify to be discussed in closed session under Chapter 551 or the Texas Government Code.

Open Session

- | | |
|---|----------|
| 1. Call to Order | McLellan |
| 2. Invocation by Pastor Eddy Prince of the Church of God | McLellan |
| 3. Pledge of Allegiance to the United States Flag and to the Texas State Flag | McLellan |

“Honor the Texas flag; I pledge allegiance to thee, Texas, one State under God, one and indivisible.”

Public Hearing Comments – The Council will take public input on public hearing items **prior** to any Action. Each member of the public should make remarks **from the podium** and **begin by stating his/her name**. Citizens will be limited to **three minutes**, unless waived by the Mayor for all speakers. No individual will be allowed to speak more than once, until every citizen wishing to comment has done so.

Announcements & Public Hearings

Disposition of Minutes

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| 4. Approval of the Minutes of the Regular Meeting of February 9, 2016 | 5-8 | Davis |
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Consent Items

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| 5. | Final Reading of a Resolution Authorizing the Filing of Two (2) Grant Applications with the Permian Basin Regional Planning Commission Under the Regional Solid Waste Grants Program; and Authorizing the City Manager or His Designee to Act as the Authorized Representative in All Matters Related to This Application; Providing for Severability; and Providing an Effective Date | 9-10 | Womack |
| 6. | Final Reading of an Ordinance Amending Ordinance Number 043-2015 Which Adopted the Annual Budget for the City of Big Spring for the Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016 by Increasing the Malone & Hogan Fund Budget for the Purpose of a Settlement Agreement in Reference to the Malone and Hogan Clinic; Providing for Repeal of Ordinances in Conflict Herewith; Providing for Publication; and Providing an Effective Date | 11-12 | Moore |
| 7. | Acceptance of the Convention and Visitors Bureau Committee Meeting Minutes for the Meeting of December 2, 2015 | 13-15 | Wegman |
| 8. | Acceptance of the Big Spring McMahon-Wrinkle Airport and Industrial Park Development Board Meeting Minutes for the Meeting of January 21, 2016 | 16-17 | Little |
| 9. | Acceptance of the Howard County Appraisal District Board of Directors Minutes for the Meeting of January 20, 2016 | 18-19 | Darden |

Routine Business

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| 10. | Vouchers for 02/18/16 \$ 1,826,931.30 | | Marquez |
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New Business

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| 11. | First Reading of a Resolution Approving the Investment Policy of the City of Big Spring | 20-25 | Moore |
| 12. | First Reading of a Resolution Designating Investment Officers to be Responsible for the Investment of Funds and Providing an Effective Date | 26-28 | Moore |
| 13. | First Reading of an Ordinance Amending Ordinance Number 043-2015 Which Adopted the Annual Budget for the Fiscal Year | 29-30 | Moore |

Beginning October 1, 2015 and Ending September 30, 2016 by Increasing the Cable Franchise-Peg Fund for the Purpose of Purchasing Audio Equipment for Council Chamber Improvements; Providing for Severability; Providing for Publication; and Providing an Effective Date

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| 14. | First Reading of a Resolution Supporting the Community Project Sponsored by Leadership Big Spring, Class 34, and Authorizing the Placement of Parking Spaces on City Property Specifically Designated for the Honorary Use of Members of Our United States Armed Forces | 31-32 | Johnston |
| 15. | Approval a Letter Agreement Between the City of Big Spring and Big Spring Economic Development Corporation Regarding Each Party's Obligations Upon Transferring the Property Located at 1501 West 11 th Place by Deed from the City of Big Spring to Big Spring Economic Development Corporation | 33-34 | Edwards |
| 16. | Approval of a Purchase and Sale Agreement with Condition Precedent Between Big Spring Economic Development Corporation and Texas Healthcare Holdings II, LLC for the Sale of Property Located at 1501 West 11 th Place to Texas Healthcare Holdings II, LLC | 35-49 | Edwards |
| 17. | Approval of a Performance Agreement between Texas Healthcare Holdings II, LLC and Big Spring Economic Development Corporation for the Renovation and Redevelopment of Malone and Hogan Clinic Located at 1501 West 11 th Place | 50-65 | Edwards |
| 18. | Consideration and Approval of an Interlocal Agreement with Howard County for Fiber Infrastructure and Authorizing the City Manager or His Designee to Execute Any Necessary Documents | 66-67 | Medina |
| 19. | Discussion of Demolition Procedures | | Womack |

City Manager's Report

- | | | | |
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| 20. | 20" Waterline Update | | Darden |
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Council Input

- | | | | |
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| 21. | Input | | McLellan |
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22. Adjourn

McLellan

I hereby certify that this agenda was posted on the official bulletin boards at the Big Spring City Hall Building, 310 Nolan Street, Big Spring, Texas. Given by order of the City Council and Posted on Friday, February 19, 2016 at 4:00 p.m. in accordance with Title 5, Texas Government Code, Chapter 551.

In addition, this agenda and supporting documents are posted on the City of Big Spring's website, www.mybigspring.com in accordance with legal requirements.



Lesa Gamble, Assistant to the City Manager

THE MEETING FACILITY IS ACCESSIBLE TO DISABLED PERSONS. ANY DISABLED PERSON NEEDING SPECIAL ACCOMMODATIONS OR HEARING-IMPAIRED PERSONS WISHING TO HAVE AN INTERPRETER SHOULD CONTACT LESA GAMBLE AT 264-2401. REQUESTS FOR AN INTERPRETER SHOULD BE MADE AT LEAST 48 HOURS IN ADVANCE OF THE MEETING TIME.

Agenda Removal Notice - This public notice was removed from the official posting board at the Big Spring City Hall Building, 310 Nolan Street, Big Spring, Texas on

February __, 2016 at _____ a.m./p.m.

By: _____

STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

The City Council of the City of Big Spring, Texas, met in a regular meeting in the City Council Chambers located at 307 E. 4th, Big Spring, Texas, at 5:30 p.m., February 09, 2016, with the following members present:

LARRY MCLELLAN	Mayor
JUSTIN MYERS	Mayor Pro Tem
RAUL MARQUEZ	Councilmember
STEVE WAGGONER	Councilmember
RAUL BENAVIDES	Councilmember
JIM DEPAUW	Councilmember

(Councilmember Harbour was not present at this meeting.)

Same and constituting a quorum; and

TODD DARDEN	City Manager
KAYE EDWARDS	City Attorney
JOHN MEDINA	Assistant City Manager/ Human Resource Director
CHAD WILLIAMS	Police Chief
CRAIG FERGUSON	Fire Chief
JOHNNY WOMACK	Public Works Director
DON MOORE	Finance Director/ City Secretary
JIM LITTLE	Airpark Director
TIM GREEN	Municipal Court Judge
DEBBIE WEGMAN	Community Services Director

INVOCATION & PLEDGE OF ALLEGIANCE

Chaplin Keith Morrison, Emergency Services Chaplain Corps., gave the invocation and Mayor McLellan led the Pledge of Allegiance to the American and Texas Flags.

DISPOSITION OF MINUTES

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 26, 2016

Motion was made by Councilmember DePauw, seconded by Councilmember Waggoner, with all members of the Council voting “aye” approving the above listed minutes.

CONSENT ITEMS

FIRST READING OF AN ORDINANCE CALLING FOR A GENERAL ELECTION TO BE HELD ON MAY 7, 2016, FOR THE PURPOSE OF ELECTING ONE PERSON TO SERVE AS MAYOR OF THE CITY WHO SHALL BE ELECTED BY MAJORITY VOTE OF THE QUALIFIED VOTERS; AND ELECTING ONE PERSON TO SERVE AS DISTRICT FIVE COUNCIL MEMBER WHO SHALL BE ELECTED BY MAJORITY VOTE OF THE QUALIFIED VOTERS OF DISTRICT FIVE; DESIGNATING ONE CENTRAL POLLING PLACE WITHIN THE CITY; AUTHORIZING THE MAYOR TO EXECUTE NOTICE AND HAVE THE NOTICE POSTED FOR THE PURPOSE OF NOTIFYING THE PUBLIC OF SAID ELECTION; AND PROVIDING FOR SEVERABILITY

ACCEPTANCE OF THE MCMAHON-WRINKLE AIRPORT AND INDUSTRIAL PARK DEVELOPMENT BOARD MEETING MINUTES FOR THE MEETING OF NOVEMBER 19, 2015

Motion was made by Mayor Pro Tem Myers, seconded by Councilmember Benavides, with all members of the Council voting "aye" approving the second and final reading of the above listed ordinance and minutes.

BIDS

AWARD BID FOR 3 CUBIC YARD DUMP TRUCK FOR CEMETERY AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember Marquez, seconded by Councilmember Waggoner, with all members of the Council voting "aye" awarding the above captioned bid to Rush Trucks in the amount of \$38,459.00.

PERMISSION TO ADVERTISE FOR BIDS FOR CREDIT CARD SERVICES AND EQUIPMENT

Motion was made by Mayor Pro Tem Myers, seconded by Councilmember DePauw, with all members of the Council voting "aye" approving staff to advertise for credit card services and equipment.

AWARD BID FOR FOUR (4) POLICE VEHICLES AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember DePauw, seconded by Councilmember Waggoner, with all members of the Council voting "aye" awarding the above captioned bid to Caldwell Country in the amount of \$196,208.08.

ROUTINE BUSINESS

Councilmember Benavides reviewed the vouchers in the amount of \$794,562.82 (1/14/16) and \$1,123,246.95 (1/21/16). Councilmember DePauw reviewed the vouchers in the amount of \$468,726.70 (1/28/16) and \$845,089.89 (2/4/16).

Motion was made by Councilmember Benavides, seconded by Councilmember DePauw, with all members of the Council voting “aye” approving the above listed vouchers.

NEW BUSINESS

FIRST READING OF A RESOLUTION AUTHORIZING THE FILING OF TWO (2) GRANT APPLICATIONS WITH THE PERMIAN BASIN REGIONAL PLANNING COMMISSION UNDER THE REGIONAL SOLID WASTE GRANTS PROGRAM; AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ACT AS THE AUTHORIZING REPRESENTATIVE IN ALL MATTERS RELATED TO THIS APPLICATION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

Motion was made by Mayor Pro Tem Myers, seconded by Councilmember Benavides approving the above captioned resolution.

FIRST READING OF AN ORDINANCE AMENDING ORDINANCE NUMBER 043-2015 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016 BY INCREASING THE MALONE AND HOGAN FUND BUDGET FOR THE PURPOSE OF A SETTLEMENT AGREEMENT IN REFERENCE TO THE MALONE AND HOGAN CLINIC; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

Motion was by Councilmember Marquez, seconded by Councilmember Waggoner, with all members of the Council voting “aye” approving the above captioned ordinance.

CONSIDERATION AND AUTHORIZATION TO NEGOTIATE AN AGREEMENT WITH THE YMCA FOR LIFE GUARDS AT THE RUSS MCEWEN AQUATIC CENTER AND AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember DePauw, seconded by Mayor Pro Tem Myers, with all members of the Council voting “aye” approving the city staff to negotiate a new aquatic center contract with the YMCA for the 2016 season which should include worker’s compensation of Aquatic Center Staff and the typical clauses related to insurance coverages and indemnification of the City by the YMCA with final approval by the Council.

CONSIDERATION AND APPROVAL OF GRANTING AN EASEMENT AND RIGHT OF WAY TO ONCOR TO CONSTRUCT AND MAINTAIN ELECTRICAL WIRES AND SUPPORTING STRUCTURES TO SERVICE AIRPARK BUNKERS AND STREET

LIGHTING AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember DePauw, seconded by Councilmember Benavides, with all members of the Council voting “aye” approving the above captioned easement and right of way.

CONSIDERATION AND APPROVAL OF BILL OF SALE, TRANSFERRING A VERMEER 1250 BC CHIPPER FROM THE CITY OF BIG SPRING TO HOWARD COUNTY

Motion was made by Councilmember DePauw, seconded by Councilmember Benavides, with all members of the Council voting “aye” approving the above captioned bill of sale.

CITY MANAGER’S REPORT

Todd Darden reminded Council of a few board openings that need to be filled and also the city offices will be closed on Monday, February 15 for Presidents Day.

COUNCIL INPUT

Mayor McLellan congratulated Ace Little for broadcasting over 1200 games for Howard College.

Councilmember DePauw thanked Keep Big Spring Beautiful and reminded everyone of the Chamber Banquet on Tuesday, February 16.

ADJOURN

Mayor McLellan adjourned the meeting at 5:55 p.m.

CITY OF BIG SPRING, TEXAS

Larry McLellan, Mayor

ATTEST:

Tami L. Davis, Assistant City Secretary

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING AUTHORIZING THE FILING OF TWO GRANT APPLICATIONS WITH THE PERMIAN BASIN REGIONAL PLANNING COMMISSION UNDER THE REGIONAL SOLID WASTE GRANTS PROGRAM; AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ACT AS THE AUTHORIZED REPRESENTATIVE IN ALL MATTERS RELATED TO THIS APPLICATION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Big Spring desires to develop a solid waste reduction program which serves the community, landfill, and compost operations by prolonging the life of the landfill; and

WHEREAS, the Permian Basin Regional Planning Commission is directed by the Texas Commission on Environmental Quality to administer solid waste grant funds for implementation of the COG's adopted regional solid waste management plan; and

WHEREAS, the City of Big Spring is qualified to apply for funding under the Regional Solid Waste Grant Program Requests for Applications;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS THAT:

SECTION 1. City staff is directed to submit an application to the Permian Basin Regional Planning Commission on behalf of the City for equipment, product remediation, education and training related to a solid waste reduction program.

SECTION 2. If the project is funded, the City of Big Spring will comply with the grant requirements of the Permian Basin Regional Planning Commission, Texas Commission on Environmental Quality and the State of Texas.

SECTION 3. The grant funds and any grant-funded equipment or facilities will be used only for the purposes for which they are intended under the grant.

SECTION 4. All activities will comply with and support the adopted regional and local solid waste management plans adopted for the geographical area in which the activities are performed.

SECTION 5. By a written instrument signed by the Authorized Official, said Authorized Official may designate specially identified officers or employees of the City of Big Spring to execute and deliver agreements and documents relating to the Grant provided by PBRPC on behalf of the City of Big Spring.

Signatures and Titles of Authorized Official:

Name: Todd Darden

Title: City Manager

Signature

SECTION 6. Should any section, paragraph, sentence, clause, phrase or word of this resolution be declared unconstitutional or invalid for any purpose, the remainder of this resolution shall not be affected thereby.

SECTION 7: The passage of this resolution constitutes an emergency and an imperative public necessity that the Charter Rule requiring that City resolutions be read at two separate meetings of the City Council be suspended, and said rule is hereby suspended, and this ordinance shall be effective immediately upon its passage on first and final reading.

PASSED AND APPROVED on Emergency reading by the City Council of the City of Big Spring, Texas, on this _____ day of February, 2016 at a regular meeting of the City Council, with all members present voting “aye” for passage of same.

Larry McLellan, Mayor

Attest:

Tami Davis, Asst. City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AMENDING ORDINANCE NUMBER 043-2015 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016 BY INCREASING THE MALONE AND HOGAN FUND BUDGET FOR THE PURPOSE OF A SETTLEMENT AGREEMENT IN REFERENCE TO THE MALONE AND HOGAN CLINIC; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT HERewith; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council adopted the annual 2015-16 budget for the City of Big Spring, Texas on September 21, 2015; and

WHEREAS the funding for judgments and damages for a claim settlement with Chapman vs. City of Big Spring was not included in the annual 2015-16 budget;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AS FOLLOWS, THAT:

SECTION 1. The Malone and Hogan Fund Budget of the Annual Budget for the City of Big Spring, Texas for the Fiscal Year beginning October 1, 2015 and ending September 30, 2016 is hereby increased by the amount of \$187,500 in the account of 415-001-680-5616 for the purpose of a settlement agreement in reference to the Malone and Hogan Clinic. This increase will be funded through existing fund balance and a later budget transfer request will be presented to the Council from the General Fund to the Malone and Hogan Fund when the amount to close the Malone and Hogan Fund is known.

SECTION 2. The remaining portions of Ordinance Number 043-2015 shall remain in full force and effect.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 4. The City Secretary is hereby authorized and directed to cause the publication of this ordinance in accordance with law.

SECTION 5. This ordinance shall be in full force and effective from and after its publication as required by law.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 9th day of February, 2016 with all members of the Council voting "aye" for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the 23rd day of February, 2016 with all members of the Council voting “aye” for the passage of same.

Larry McLellan, Mayor

ATTEST:

Tami L. Davis, Assistant City Secretary

**Convention and Visitors Bureau Committee
Minutes from Wednesday, December 2, 2015
Community Services Conference Room**

Present: Andrea Barr, Jacob Cerda, Raul Marquez, Jim DePauw, Jay Patel, Manny Negrón
Staff: Debbie Wegman, Rachel Kennedy, Terri Telchik, Hayley Lewis, Don Moore
Absent: Troy Tompkins, Todd Darden
Guests: Chad Castillo, Kim Castillo, Debbye ValVerde, Cynthia Morelion, Ramon Saldivar, K Diva, Richard Lesser, Connie Lesser, Sandy Stewart, Alan Johnson, Christy Brorman, Jeff Brorman, Derek Wash, Scott Emerson, Manny Chavira, Don Rodgers, Jan Foresyth, Junior Yanez, Oscar Garcia, Ida Chavira, Steve Escanuela, Eddilisa Saldivar

Mrs. Andrea Barr called the meeting to order at 4:32 p.m.

Approval of Minutes

The minutes from the October 6th meeting were reviewed. Manny Negrón noted that he was not at the meeting, but was listed as present. He asked that the minutes be amended. Motion was made by Jim DePauw to approve the minutes as amended.

Motion was seconded by Jacob Cerda and passed unanimously.

The minutes from the November 17th meeting were reviewed. Motion was made by Manny Negrón to approve the minutes as written. Motion was seconded by Jim DePauw and passed unanimously.

Discussion of Follow-up Reports

a. Howard County Fair

Derek Wash and Sandy Stewart were present to answer any questions about the follow-up report for the 2015 Howard County Fair. The event was given \$4,000. Mr. Wash informed the board that there was a profit of \$25,890. Their event filled 99 hotel rooms. There were an estimated total of 500+ out of town visitors and 7000+ spectators.

b. Pops in the Park

Debbye ValVerde was present to answer any questions about the follow-up report for the 2015 Pops in the Park. The event was given \$12,500. Mrs. ValVerde informed the board that there was a profit of \$28,746.55. Their event filled a total of 40 hotel rooms. It was estimated that there was a total of 250 out of town visitors and 15,000 spectators.

Review of Event Funding Report

The event funding balance was provided to committee members.

Consideration of Event Funding Requests

Prior to presentation of the event funding request, Mrs. Andrea Barr informed everyone of the new Event Funding formula adopted by CVB Committee. It is based on the

formula recommended by the Texas Hotel Lodging Association. All events will get funding based on the number of Hotel rooms that were occupied during their event the previous year. Since the funding requests that were presented did not have advance notice of the new requirement the committee decided to add an extra 25% to each funding request to make it fair since the events did not know that the new formula had been enacted until the meeting. Event organizers were also advised that they are can come back later to request more money for their advertising after they provide quotes.

a. Cinco de Mayo

Junior Yanez and Eddilisa Saldivar were present to request \$28,000 for the 2016 Cinco de Mayo. They project that there will be 150 out of town participants. They also informed the board that the date of the event had been changed to April 29-30 due to a conflicting event on May 6-7. According to the new funding formula, the amount that they should receive is \$3,000. However, since the board agreed to add an addition 25% the amount was bumped up to \$3,750. Motion was made by Manny Negrón to approve the requested amount of \$3,750. Motion was seconded by Raul Marquez and passed unanimously.

b. Funtastic Fourth

Jeff Broman, Christy Broman, Alan Johnson and Ida Chavira were all present to request \$55,900 for the 2016 Funtastic Fourth. They project that a total of 250+ hotel rooms will be booked for this event and there will be an estimated amount of 30,000 total in attendance. According to the new formula, the amount that they should receive is \$22,700. However, since the board agreed to add an additional 25% the amount was bumped up to \$28,375. Motion was made by Manny Negrón to approve the requested amount of \$28,375. Motion was seconded by Jim DePauw and passed unanimously.

c. Big Spring Pow Wow

Richard and Connie Lesser were present to request \$16,000 for the 2016 Big Spring Pow Wow. They project that a total of 20 hotel rooms will be booked for this event and there will be 150-200 out of town participants. According to the THLA formula, the amount that they should receive is \$2,000. However, since the board agreed to add an addition 25% the amount was bumped up to \$2,500. Motion was made by Jim DePauw to approve the requested amount of \$2,500. Motion was seconded by Jay Patel and passed unanimously.

d. Howard College Rodeo

Jan Foresyth, Chad Castillo and Kim Castillo were present to request \$20,000 for the 2016 Howard College Rodeo. They project that there will be approximately 1,500 out of town participants. It came to the board's attention after some discussion that their follow up report from 2015 did not have an accurate count of how many hotel rooms were booked for the event. Therefore, the formula that determines their funding amount based on hotel rooms would be inaccurate so the board advised them to do additional research and come back to request the funds for their event. Motion was made by Manny Negrón to table their funding request until additional research is done. Motion was seconded by Jacob Cerda and passed unanimously.

Financials

The financial reports for September 2015 were provided. Hotel tax revenue report, comparison report of local hotels, data from the state comptroller, and an occupancy report were also provided.

Facilities Coordinator

Terri Telchik informed the Committee that the Dora Roberts Community Center had 21 individual rentals in October with revenue of \$3,785. Five rentals were donated to the City of Big Spring, Big Spring Senior Dance and Disc Golf Tourney. There were 20 rentals in November with revenue of \$2,700. Seven rentals were donated to the City of Big Spring, Big Spring Senior Dance and Big Spring Senior Center in November. The miscellaneous park structures had revenue of \$1,775 in October and \$1,525 in November. The Amphitheater had revenue of \$500 in October. The Auditorium renovations are nearly complete in time for the Symphony’s Nutcracker Ballet in December. Tables in the hallways at DRCC were upgraded and gaming tables were purchased for the Fireplace room.

Director’s Report

a. Chamber of Commerce Annual Banquet

Debbie Wegman informed the board that Chet Garner with “The Daytripper” would be in Big Spring for 3 days to be the guest speaker at the Chamber of Commerce Annual Banquet. This will be a great opportunity to introduce Mr. Garner to Big Spring and plans for a segment on his show about Big Spring. Mrs. Wegman stated that \$3,000 would be taken from the CVB advertising account to pay for Mr. Garner’s speaking fee.

Members’ Comments

Jim DePauw thanked everyone for attending the meeting. He stated that the board appreciates everything that the events do to bring tourism to Big Spring. He also said that it would be easy to give every event the amount that they request but that is not possible.

There were also statements that the board thought that they new formula is the most just, fair and responsible way to determine the amount that an event should receive and that is why they decided to implement the new formula.

Meeting was adjourned at 6:10 p.m.

Andrea Barr
Andrea Barr, Chair

11/16/15
Date

City of Big Spring
Big Spring McMahon-Wrinkle Airport and Industrial Park
Development Board Meeting Minutes
January 21, 2016

The Big Spring Airport and Industrial Park Development Board met in Regular Session at 5:30 p.m., on Thursday, January 21, 2016 at the Airport Terminal conference room, 3200 Rickabaugh Drive, Big Spring, Texas. Wayne Dawson called the meeting to order at 5:30 p.m. with the following members in attendance:

Ned Crandall	Willie Rangel
Wayne Dawson	Jane Armstrong
Paschal Odom	Terry Hansen

Also in attendance: Rodney Patridge
 Jim Little
 Andriana Olvera

Absent: Phillip Welch
 Terry Wegman

Item # 1

Call to Order

Wayne Dawson called the meeting to order at 5:36.

Item # 2

Review and approve minutes from November 19, 2015 meeting

Motion to approve made by Terry Hansen, seconded by Ned Crandall, with all members voting “aye” for acceptance of the minutes as written.

Item # 3

Big Spring Economic Development Corporation Update

Terry Wegman was unavailable for an update. Terry Hansen was able to give the board a brief update on current developments in Big Spring. This included a new grocery store named Porter’s that is coming to town. He also was able to update the board on the current Desert Tanks situation; Mouton and Mouton was given permission to pursue lawsuit against Desert Tanks for EDC.

Item # 4

Rail Yard Development Activity

Jim updated the board on the status of the requested conversion of aeronautical to revenue producing properties on the airport. This request is at The FAA Southwest Region for review prior to FAA headquarters (Washington) for final approval.

Item # 5

T-Hangar Project, Status

The New T-Hangars are nearing completion. Jim presented photos to the board of the progress. Oncon will be coming to install electricity and a septic tank will also be installed within a week.

Item # 6

Airport Director Update

Jim updated the board on the current staffing at the Airpark. One employee has transferred to another department and there are still two open positions for maintenance. Jim also advised the board that there will be an apron inspection and a contractor coming back to repair the joint seal on the runway. The wind turbine staging contract has ended and they are now gone from the airpark. The Airpark benefited a few thousand dollars from this contract. There has also been a problem with the rotating beacon next to the Terminal that maintenance is working to repair. The board was also informed of the cancellation of the quarterly Permian Basin Board Meeting due to the tragic loss of their Chairman, Dallas Smith.

Item # 7

Reliever Route/Airport Access Road

Jim briefly updated the board on the status of the two access road properties that the city is working toward acquiring. They are still working with Martha May on getting the contract for the right of way signed for the south side of the property; contract signing is expected shortly. The west side currently has no change in progress and a resolution in the stalemate is not in sight.

Item # 8

Interstate 27

No update at this time, Terry Wegman is involved with this initiative.

Item #9

Leased Building Issues

No update at this time other than what was discussed in EDC Update regarding Desert Tanks. The two warehouses involved remain under litigation.

Item #10

Airport Safety Committee Report

Wayne Dawson briefly updated the board on the revised Safety Plan.

Item # 11

Other Events and Activities

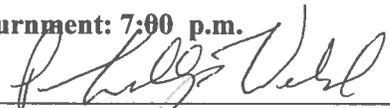
DPS Canine Training to take place Thursday February 9th on Airpark.
Jade Helm March 10th- June 5th.
Pilot Safety Meeting on Thursday February 18th at the Big Spring Terminal.
Aviation Conference March 9th -11th in Montgomery, TX.

Item # 12

Next Meeting Date

February 18, 2016

Adjournment: 7:00 p.m.


Approved by Phillip Welch, Chairman

2-18-16
Date

**THE MINUTES OF MEETING OF THE
BOARD OF DIRECTORS
HOWARD COUNTY APPRAISAL DISTRICT**

JANUARY 20, 2016

The Board of Directors of the Howard County Appraisal District (HCAD) met for their regular meeting on January 20, 2016 at 5:15 P.M. Directors present were Donnie Baker, Tim Blackshear, Jimmy Miller, and Mark Barr. Ronny Babcock and Lisa Reyna represented the HCAD.

Mr. Baker called the meeting to order at 5:23 P.M.

No one was registered for comments.

Jimmy Miller motioned to appoint Donnie Baker as chairman for Board of Directors. Tim Blackshear seconded the motion. Motion carried 4 to 0.

Donnie Baker motioned to appoint Jimmy Miller as vice-chairman and secretary for Board of Directors. Tim Blackshear seconded the motion. Motion carried 4 to 0.

Tim Blackshear motioned to approve the minutes of November 11, 2015 as printed. Jimmy Miller seconded the motion. Motion carried 4 to 0.

The bills for November and December, 2015 were reviewed and approved on a motion from Tim Blackshear and seconded by Jimmy Miller. Motion carried 4 to 0.

The financial reports for December, 2015 were reviewed and approved on a motion from Tim Blackshear, with a second from Jimmy Miller. Motion carried 4 to 0.

The Travel Expenses were reviewed and motion made by Tim Blackshear and seconded by Jimmy Miller. Motion carried 4 to 0.

Tim Blackshear motioned to approve the 2016 Holiday Schedule as printed. Jimmy Miller seconded the motion. Motion carried 4 to 0.

Jimmy Miller motioned to approve Resolution to retain funds as presented. Tim Blackshear seconded the motion. Motion carried 4 to 0.

Tim Blackshear motioned to approve creating CD Depository not to exceed \$250,000 at Prosperity Bank, Big Spring, Texas. Any two required signatures would be Jimmy Miller, Ronny Babcock or Lisa Reyna. Donnie Baker seconded the motion. Motion carried 4 to 0.

Tim Blackshear motioned to approve purchasing a plaque for the two outgoing Board of Directors. Donnie Baker seconded the motion. Motion carried 4 to 0.

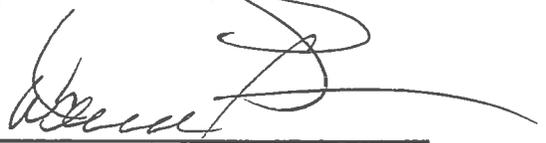
Discussing and appointing Appraisal Review Board member was tabled.

Ronny Babcock discussed the election process for the Board of Directors.

With no other business to discuss, the meeting adjourned at 6:55-P.M.



Jimmy Miller, Secretary



Donnie Baker, Chairman

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, APPROVING THE INVESTMENT POLICY OF THE CITY OF BIG SPRING.

WHEREAS, the City Council of the City of Big Spring has adopted a written investment policy as required by the Public Funds Investment Act; and

WHEREAS, Section 2256.005(e) of the Public Funds Investment Act requires an annual review of the adopted investment policy;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, THAT:

SECTION 1. The City Council has reviewed and hereby approves the investment policy and investment strategy hereto attached as Exhibit A.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **23rd** day of **February, 2016**, with all Councilmembers voting “aye” for passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the **8th** day of **March, 2016**, with all Councilmembers voting “aye” for passage of same.

Larry McLellan, Mayor

ATTEST:

Tami L. Davis, Assistant City Secretary

EXHIBIT A

CITY OF BIG SPRING

INVESTMENT POLICY

2/23/2016

Scope: This investment policy applies to all financial assets of the City of Big Spring, Texas, and includes all funds listed below:

1. General Fund;
2. Special Revenue Funds;
3. Debt Service Funds;
4. Capital Project Funds;
5. Permanent Funds;
6. Enterprise Funds;
7. Internal Service Funds; and
8. Fiduciary Funds

Statement of Cash Management Philosophy - The City of Big Spring shall maintain a comprehensive cash management program, to include the effective collection of all accounts receivable, the prompt deposit of receipts to the City's bank accounts, the payment of obligations so as to comply with state law and in accordance with vendor invoices, and the prudent investment of idle funds in accordance with this policy.

Objectives - The City's investment program shall be conducted so as to accomplish the following objectives, listed in order of priority:

1. Safety of the principal invested;
2. Availability of sufficient cash to pay obligations of the City when they are due; and
3. Investment of idle cash at the highest rate of possible return, consistent with state and local laws and the two objectives listed above.

Delegation of Authority - The Director of Finance, as the City's chief financial officer, is responsible for overall management of the City's investment program and is designated as the City's Investment Officer, with support from the City Manager, and may designate the Assistant

Director of Finance as a deputy to assist with the management of the investment portfolio. Accordingly, the Finance Director is responsible for day-to day administration of the investment program and for the duties listed below:

1. Maintain current information as to available cash balances in City accounts, and as to the idle cash available for investment;
2. Make investments in accordance with this policy; and
3. Ensure that all investments are adequately insured.

Prudence - Investments shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The treasurer, the chief financial officer if the treasurer is not the chief financial officer, deputies appointed to assist in investments and the investment officer shall attend at least one training session relating to the person's responsibilities within twelve months after taking office or assuming duties. The positions mentioned above must attend a training session once every two years and receive a minimum of ten hours training, with the training to be provided by an independent source approved by the City Council. For the purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the City of Big Spring may engage in an investment activity.

Authorized Investments - City of Big Spring funds may be invested in the following:

1. U.S. Treasury bills, notes or bonds which are guaranteed as to principal and interest by the full faith and credit of the United States of America;
2. Collateralized or fully insured certificates of deposit at FDIC insured banks in the State of Texas, consistent with provisions of the City's current bank depository agreement; or a broker that has its main office or a branch office in this state and is selected from a list adopted by the investing entity as required by Section 2256.025
3. Direct obligations of the State of Texas or its agencies with investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
4. Other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States of America;
5. Commercial paper with a rating of A-1 or P-1 or an equivalent rating by at least two nationally recognized rating agencies;

6. Fully collateralized repurchase agreements and reverse repurchase agreements having a defined termination date and secured by any obligation of the United States, its agencies or its instrumentalities; and
7. No-load money market mutual funds which are regulated by the Securities and Exchange Commission; rated AAA; maintain a dollar weighted average stated maturity of 90 days or less and maintain a stable net asset value of \$1.00.

The use of Delivery versus Payment (DVP) for investment transactions/purchases will be continually used by the investment officer. Security selection and terms will be determined in accordance with (1) safety of principal, (2) cash flow needs, (3) investment type as a percentage of total investment portfolio, and (4) yield.

Market Price - The market price for investments will be obtained through the Wall Street Journal on the last trade day of the month.

Qualifying Institutions - Investments may be made through or with the following institutions:

1. Federally insured banks located in the State of Texas;
2. Primary government security dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York; and
3. Eligible Public Fund Investment Pools that are rated no lower than investment grade by at least one nationally recognized rating service and having a weighted average maturity no longer than ninety (90) days.

Collateralization and Safekeeping - The City of Big Spring will accept as collateral for its certificates of deposit and other evidence of deposit the following securities:

FDIC coverage;

U.S. Treasury bills, note or bonds;

State of Texas bonds;

Other obligations of the U.S. or its agencies and instrumentalities; and

Bonds issued by other Texas government entities (city, county, school, or special districts), with a remaining maturity of twenty years or less.

Securities pledged as collateral must be retained in a third party bank in the State of Texas and the City shall be provided the original safekeeping receipt on each pledged security. The City, financial institution, and the safekeeping bank shall operate in accordance with a master safekeeping agreement signed by all three parties.

The release of a pledged security, prior to its removal from the safekeeping account, must be approved by original signature of any two of the following: Investment Officer, Assistant Director of Finance and City Manager.

The financial institution with which the City invests and/or maintains other deposits shall provide monthly, and as requested by the City, a listing of the collateral pledged to the City marked to current market prices. The listing shall include at a minimum, total pledged securities itemized by:

1. name, type and description of the security;
2. safekeeping receipt number;
3. par value;
4. current market value;
5. maturity date; and
6. Moody's or Standard and Poor's rating (both if available)

Description - It is the policy of the City of Big Spring to diversify its investments to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The following general constraints shall apply: maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector and maturities selected shall provide for stability of income and reasonable liquidity.

General Government Practices - All investment transactions shall be documented by the Investment Officer. The Investment Officer may make investments orally, but shall follow promptly with a written confirmation to the financial institution or broker/dealer, with a copy of such confirmation retained in the City's files.

On all investments which do not fall under provisions of the City's depository agreement, the Investment Office shall take competitive bids. At least three (3) quotations shall be taken for each such investment made.

CITY OF BIG SPRING

INVESTMENT STRATEGY

The City of Big Spring maintains portfolios which utilize specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolio.

Investment strategies for operating funds and commingled funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimum volatility during economic cycles. This may be accomplished by purchasing high quality short to medium term securities. The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security.

Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.

Investment strategies for special projects of special purpose funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of securities held should not exceed the estimated project completion date.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, DESIGNATING INVESTMENT OFFICERS TO BE RESPONSIBLE FOR THE INVESTMENT OF FUNDS AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Big Spring is required by law to designate, by resolution, one or more officers or employees to be responsible for the investment of its funds; and

WHEREAS, no person may deposit, withdraw, invest, transfer, or otherwise manage funds of the City of Big Spring without the express authority derived from this resolution; and

WHEREAS, the City of Big Spring desires to designate the Finance Director/City Secretary and the Assistant Finance Director as its investment officers;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, THAT:

SECTION 1. The City of Big Spring Finance Director/City Secretary, Donald Moore, and Assistant Finance Director, Alonzo Echavarria, shall serve as investment officers, shall manage the City’s funds under the provisions of policy and law, and be the designated representative to conduct business with the City’s authorized investment pools, brokers, and advisors.

SECTION 2. The Finance Director/City Secretary and the Assistant Finance Director should attend training seminars conducted by independent sources, such as the Texas Municipal League.

SECTION 3. This Resolution shall take effect immediately upon its passage.

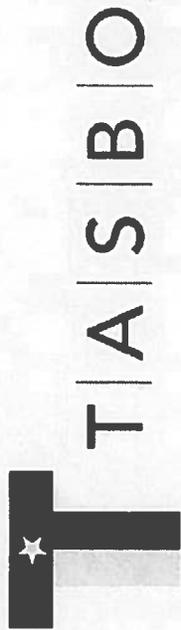
PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **23rd** day of **February, 2016**, with all members present voting “aye” for passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the **8th** day of **March, 2016**, with all members present voting “aye” for passage of same.

Larry McLellan, Mayor

ATTEST:

Tami L. Davis, Assistant City Secretary



Texas Association of School Business Officials

Certificate of Attendance
Presented to

Donald Moore

*For completion of 8 hours of training on the Texas Public Funds Investment Act
and related investment issues (CPE sponsor 622)*

**February 4, 2016
Abilene, Texas**

A handwritten signature in black ink, appearing to read 'David Garcia'.

David Garcia, Instructor



Texas Association of School Business Officials

Certificate of Attendance
Presented to

Alonzo Echarria

*For completion of 8 hours of training on the Texas Public Funds Investment Act
and related investment issues (CPE sponsor 622)*

**February 4, 2016
Abilene, Texas**

A handwritten signature in black ink, appearing to read 'David Garcia'.

David Garcia, Instructor

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AMENDING ORDINANCE NUMBER 0043-2015 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016 BY INCREASING THE CABLE FRANCHISE-PEG FUND FOR THE PURPOSE OF PURCHASING AUDIO EQUIPMENT FOR COUNCIL CHAMBER IMPROVEMENTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council adopted the annual 2015-16 budget for the City of Big Spring, Texas on September 21, 2015; and

WHEREAS the funding for purchase of audio equipment for the Council Chambers was not included in the annual 2015-16 budget; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AS FOLLOWS, THAT:

SECTION 1. The Cable Franchise-PEG Fee Fund of the Annual Budget for the City of Big Spring, Texas for the Fiscal Year beginning October 1, 2015 and ending September 30, 2016 is hereby increased by the amount of \$20,000 in the account of 170-002-140-6310-01 for the purpose of purchasing audio equipment for the Council Chambers.

SECTION 2. The remaining portions of Ordinance Number 043-2015 shall remain in full force and effect.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 4. The City Secretary is hereby authorized and directed to cause the publication of this ordinance in accordance with law.

SECTION 5. This ordinance shall be in force and effective from and after its publication as required by law.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **23rd** day of **February, 2016**, with all members of the Council voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the **8th** day of **March, 2016**, with all members of the Council voting “aye” for the passage of same.

Larry McLellan, Mayor

ATTEST:

Tami L. Davis, Assistant City Secretary

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS SUPPORTING THE COMMUNITY PROJECT SPONSORED BY LEADERSHIP BIG SPRING, CLASS 34, AND AUTHORIZING THE PLACEMENT OF PARKING SPACES ON CITY PROPERTY SPECIFICALLY DESIGNATED FOR THE HONORARY USE OF MEMBERS OF OUR UNITED STATES ARMED FORCES.

WHEREAS, Leadership Big Spring, Class 34, is creating non-enforceable parking spaces for honorary use of members of our United States Armed Forces; and

WHEREAS, the parking spaces will be specifically designed and marked, as shown in Exhibit A, for the honorary use of members of our United States Armed Forces;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, THAT:

SECTION 1: The City of Big Spring City Council hereby authorizes the placement of parking spaces on City property specifically designated for the honorary use of members of our United States Armed Forces.

SECTION 2: This Resolution shall become effective immediately upon its passage.

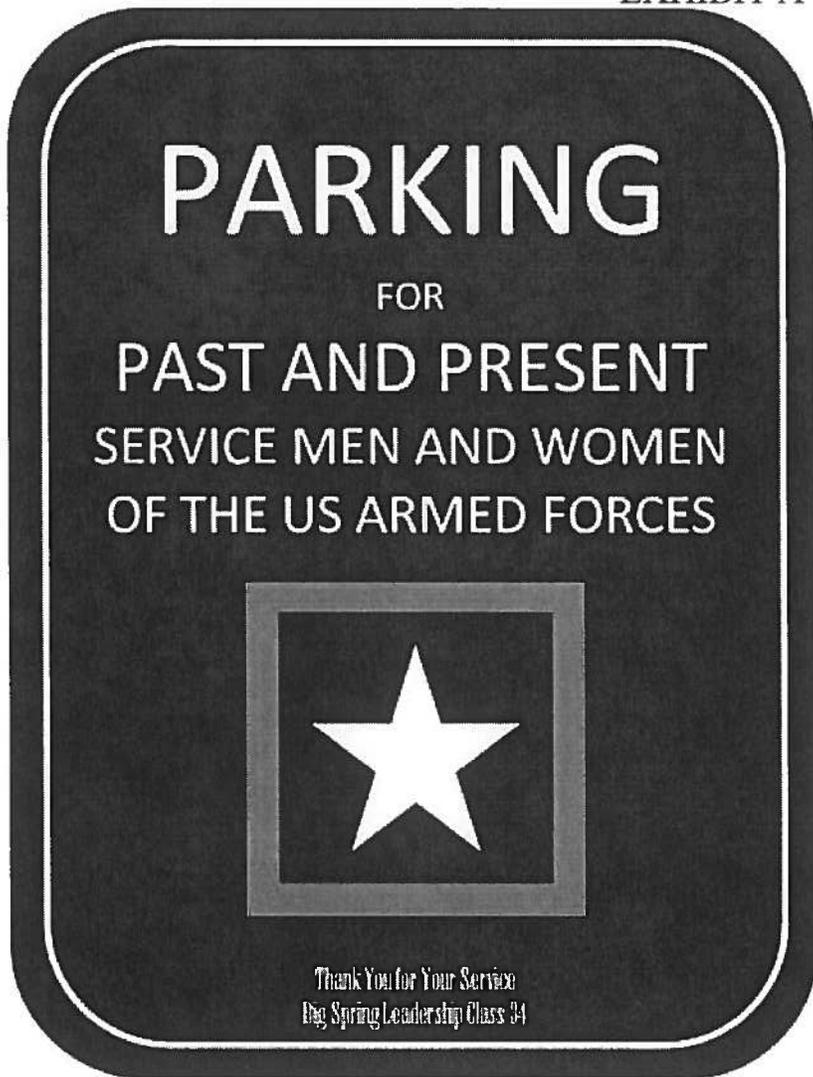
PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **23rd** day of **February, 2016**, with all members present voting “aye” for the passage of the same.

PASSED AND APPROVED on second and final reading at regular meeting of the City Council on the **8th** day of **March, 2016**, with all members present voting “aye” for the passage of same.

Larry McLellan, Mayor

ATTEST:

Tami Davis, Assistant City Secretary



LETTER AGREEMENT BETWEEN
THE CITY OF BIG SPRING AND
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION (BSEDC)

WHEREAS the City of Big Spring (“City”) owns the Malone & Hogan Clinic located on the property described as Lot 1, Block 1, Malone & Hogan Clinic Addition to the City of Big Spring, Howard County, Texas, the “Property”; and

WHEREAS the Property is being operated as a medical clinic and related services thereto; and

WHEREAS the possibility of a purchase and sale of the Property has been contemplated together with an incentive agreement from the Big Spring Economic Development Corporation in favor of Texas Healthcare Holdings II LLC; and

WHEREAS the contemplated purchase and sale would involve the Big Spring Economic Development Corporation taking title to the Property and selling it to Texas Healthcare Holdings II LLC.

NOW, THEREFORE, it is agreed as follows:

The City will be and remain responsible for and pay all expenses utilities, maintenance costs (including any closing costs in connection with the sale), and any matters or expenses related to the operation or ownership of the Property up to the date of the sale and transfer of title to Texas Healthcare Holdings II LLC.

The City acknowledges that the Big Spring Economic Development Corporation is taking title to the Property as an accommodation to the performance of the incentive agreement only.

The City will make the usual Seller’s representation or warranties by special certificate rather than in the deed to the Big Spring Economic Development Corporation.

The City also acknowledges and agrees that Big Spring Economic Development Corporation is not responsible for any environmental matters, liens, service contracts, warranty, leases, or operations on the Property, and the City does hereby agree to hold Big Spring Economic Development Corporation harmless from and against all such matters, claims and expenses, including attorney’s fees.

In the event of any uncured default, as set forth in the Performance Agreement between Big Spring Economic Development Corporation and Texas Healthcare Holdings II, LLC, the City agrees to accept a Gift Deed of said property from the Economic Development Corporation in order to revert ownership of said property to City.

SIGNATURE PAGE FOLLOWS:

CITY OF BIG SPRING:

Larry McLellan, Mayor

ATTEST:

Tami Davis, Assistant City Secretary

BIG SPRING ECONOMIC
DEVELOPMENT CORPORATION

Terry Hansen, President

ATTEST:

Nadine Reyes, Secretary/Treasurer

PURCHASE AND SALE AGREEMENT WITH CONDITION PRECEDENT

This Purchase and Sale Agreement with conditions precedent and contingent upon deed from the City of Big Spring and incentive agreement approved by the Economic Development and City Council) (this "Agreement") made and entered into as of the ____ day of _____, 2016 (the "Effective Date"), by and between **BIG SPRING ECONOMIC DEVELOPMENT CORPORATION**, a Texas corporation, hereinafter collectively referred to as "Seller" and **TEXAS HEALTHCARE HOLDINGS II, LLC**, a Tennessee limited liability company, hereinafter referred to as "Purchaser".

WHEREAS, Seller expects to own certain property (the "Real Property") located in the City of Big Spring, Texas, and described as Lot 1, Block 1, Malone Hogan Clinic Subdivision, and as described on Exhibit A attached hereto and incorporated herein by this reference, consisting of approximately 14.2774 acres of land improved with an approximately 57,000 square foot three-story building, and being more commonly known as the Malone & Hogan Clinic, 1501 West 11th Place, Big Spring, Texas, together with (i) all heating, ventilation, air conditioning, plumbing, electrical and other systems, and any and all parking facilities located on the Real Property or used in connection with the operation of the building(s) located thereon (collectively, the "Building"), (ii) all items of equipment, appliances, tools, machinery, supplies, building materials and other tangible personal property of every kind and character owned by Seller and attached to, appurtenant to, located in or used exclusively in connection with the operation of the Building or other portions of the Real Property (collectively, "Personalty"), (iii) to the extent in Seller's possession or control, all plans and specifications, structural, engineering, soils, seismic, geologic, environmental and architectural reports, studies and certificates, and other non-privileged records, correspondence, reports, studies and other documents with respect to the Property (collectively, "Documents and Plans"), (iv) all right, title and interest of Seller under all licenses, permits, certificates of occupancy, approvals, dedications, subdivision maps or plats and entitlements issued, approved or granted by any governmental agencies or otherwise in connection with the Real Property, and any and all development rights and other intangible rights, title, interests, privileges and appurtenances owned by Seller and in any way related to or used in connection with the Building or Real Property and its construction, use, maintenance, repair, leasing and operation (including the Permits (as hereinafter defined), collectively, the "Licenses and Permits"), (v) all rights of Seller to all warranties, guaranties, representations or covenants given to or made in favor of Seller or its affiliates in connection with the acquisition, development, construction, maintenance, repair, renovation or inspection of the Real Estate or the Personalty (collectively, the "Warranties"), and (vi) and any trade names, trademarks and logos owned by Seller and used exclusively in the operation or identification of the Real Property (all of the foregoing being collectively referred to as the "Property").

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, the Property upon the terms, covenants and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and provisions herein contained, the payment of the Earnest Money hereinafter specified, and other good and valuable consideration, the parties hereto agree as follows:

Signature Page

1. **Sale of Property.** Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey, and Purchaser agrees to purchase, the Property.

2. **Purchase Price and Earnest Money.**

(a) The total purchase price (the "Purchase Price") payable for the Property is Two Hundred Thousand and No/100 Dollars (\$200,000.00). The Purchase Price shall be paid by the Purchaser to the title company in compliance with the "Good Funds" rules of the Texas Department of Insurance.

(b) Within five (5) business days after the Effective Date of this Agreement, Purchaser shall deliver to Big Spring Abstract & Title (the "Escrow Agent" or the "Title Company"), an earnest money deposit of Ten Thousand and No/100 Dollars (\$10,000.00) (the "Earnest Money"). The Earnest Money shall be fully refundable to Purchaser upon demand during the Inspection Period. Except as provided in Sections 9, 10(a) and 12 below, the Earnest Money shall be non-refundable to Purchaser after the end of the Inspection Period if Purchaser has not elected to terminate the Agreement prior to that time. The Earnest Money shall be applied to the Purchase Price at Closing.

(c) In the event that Escrow Agent is in doubt as to duties or liabilities under the provisions of this Agreement, it may, in its sole discretion: (i) continue to hold the Earnest Money until the parties mutually agree to the disbursement thereof; (ii) continue to hold the Earnest Money until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto; or (iii) or Escrow Agent may interplead the Earnest Money into a court of competent jurisdiction, and upon notifying all parties concerned of such action, all liability on the part of Escrow Agent shall fully cease and terminate, except to the extent of accounting for all monies theretofore delivered out of escrow. Escrow Agent shall not be liable to any party or persons whomsoever for misdelivery of the Earnest Money to Purchaser or Seller, unless such misdelivery shall be due to willful violation of this Agreement by the Escrow Agent, or bad faith on the part of Escrow Agent. In the event of any suit between the parties, wherein Escrow Agent is made a party by virtue of acting as escrow agent hereunder, or in the event of any suit wherein Escrow Agent interpleads the Earnest Money, Escrow Agent shall be entitled to recover reasonable attorney's fees and costs incurred, said fees and costs to be charged and assessed as court costs against the non-prevailing party. Escrow Agent is an intended third party beneficiary of this paragraph.

3. **Closing.** The closing of the purchase and the delivery to Purchaser of the title to and possession of the Property shall occur in escrow through Escrow Agent on a date of which Purchaser may notify Seller at least five (5) business days in advance, but in no event later than forty five (45) days following the expiration of the Inspection Period. The date on which the transaction contemplated by this Agreement is consummated is referred to herein as the "Closing."

4. **Inspection Period.**

(a) **Inspection Period.** Purchaser shall have a period to conduct a due diligence investigation (the "Inspection Period"), which shall expire at 5:00 p.m. (CST) on the day that is one hundred twenty (120) days after the Effective Date. Within five (5) days following the Effective Date,

Signature Page

Seller will deliver to Purchaser true, correct and complete copies of all management contracts, leases, warranties (including any roof warranties), tenant sales reports, tax statements, engineering reports and studies, environmental reports, parking contracts, soil reports, as-built surveys, zoning approvals, construction approvals, utility letters, architectural plans, site plans, operating statements and other financial reports, and all other plans and reports regarding the development, construction and operation of the Property which are in Seller's possession or reasonably available to Seller, if any. Purchaser shall be permitted to meet with and communicate with existing tenants in the Property but shall first advise Seller, or Seller's representative which shall have the opportunity to be present during such meetings. Any due diligence materials delivered in connection herewith are provided without any representation or warranty by Seller as to the completeness or accuracy thereof. Notwithstanding anything in this Agreement to the contrary, if Purchaser determines, for any reason or no reason in Purchaser's sole discretion, that the Property is not acceptable to Purchaser, Purchaser may terminate this Agreement upon written notice to Seller at any time prior to the expiration of the Inspection Period, in which event the Earnest Money shall be promptly refunded to Purchaser.

(a) Access. During the period occurring between the Effective Date and the Closing Date, Purchaser and its agents shall have the right to conduct investigations and studies upon the Property and to enter upon the Property for such purposes ("Purchaser Studies"); provided, however that if Purchaser desires to perform invasive testing of the Property, it shall first obtain the prior written approval of Seller, which approval shall not be unreasonably withheld. Any entry on to the Property shall be conducted subject to the rights of tenants in possession of the Property and shall not interfere with business being conducted on the Property. Purchaser agrees that all reasonable inspections and investigations of the Property by Purchaser shall be performed in compliance with all applicable laws. Purchaser shall restore any damage to the Property caused by Purchaser or its agents or contractors as soon as practicable thereafter. Notwithstanding any contrary provisions contained in this Agreement, in no event shall Purchaser be liable for any diminution in value of the Property resulting from its discovery of any condition or circumstances affecting the Property, and all conditions or reports related to the due diligence inspections shall be kept confidential and delivered to Seller in the event this contract is cancelled for any reason .

5. Expenses.

(a) Prorations at Closing. 2016 real estate and personal property taxes and any other expenses related to the Property shall be apportioned and prorated by closing agent as between the Seller and the Purchaser to the date of Closing and payment thereof assumed by Purchaser. If the amount of the said property taxes is not yet known, they shall be apportioned based upon the assessment and rate for the previous year and when the actual real estate taxes for the year of Closing are actually known, then there shall be a readjustment and such obligation between the parties to re-prorate shall survive Closing. Seller shall be responsible for any (i) rollback or unless fault of Purchaser other deferred taxes, and (ii) governmental special assessments, either pending or confirmed, for paving, sidewalks, water, sewer or other improvements on or adjoining the Property unless the rollback or other deferred tax is caused by Purchaser actions or change in use. Purchaser shall not be required to assume any existing management agreements or service contracts, all of which shall be terminated at or prior to Closing at Seller's sole cost.

Signature Page

(b) **Closing Costs.** Purchaser shall pay for all costs associated with any financing secured by Purchaser in connection with this transaction, including recording fees. Purchaser and Seller shall each pay one-half of the cost of the escrow fees charged by the Title Company, and the owner's policy of title insurance in the amount of the Purchase Price as set forth in Section 6(b) below. The Purchaser and the Seller shall each be responsible for their respective attorneys' fees. All income and expenses related to the Property shall be allocated between Purchaser and Seller as of the Closing based upon the parties' respective periods of ownership. Purchaser shall pay for any survey of the property which Purchaser elects to obtain. The title insurance required in connection with this contract shall be handled as a "pass through" policy, since the Property will be deeded from the City of Big Spring initially.

(c) **Utilities.** Utilities, if any, shall be prorated based upon the last reading of meters prior to the Closing, which readings shall be obtained by Seller or Seller's representative not more than five (5) days prior to the Closing.

(d) **Post-Closing Adjustments.** All apportionments are to be subject to post-Closing adjustments as necessary to reflect later relevant information not available at the Closing and to correct any errors made at the Closing with respect to such apportionments; provided, however, that such apportionments shall be deemed final and not subject to further post-Closing adjustments if no such adjustments have been requested in writing after a period of sixty (60) days from such time as all necessary information is available to make a complete and accurate determination of such apportionments. All apportionments (regardless of whether all relevant information has been received or errors have been made) are final and not subject to further post-Closing adjustment one (1) year following the Closing Date.

6. **Title to be Conveyed.**

(a) Title to the Property shall be conveyed by special warranty deed conveying title, free of all interests, liens, encumbrances, except (i) current real estate taxes which are a lien but not yet payable; and (ii) any Permitted Exceptions (as defined below).

(b) During the Inspection Period Purchaser shall have the right to review (i) a title insurance commitment (the "**Title Commitment**") prepared by the Title Company and covering the Property (together with legible copies of underlying exceptions) and (ii) an land title survey of the Property (the "**Survey**"). No later than the expiration of the Inspection Period, Purchaser may notify Seller of any objections it has to the Title Commitment and the Survey (the "**Objection Letter**"). Upon receipt of the Objection Letter, Seller shall have five (5) days to deliver to Purchaser a written list specifying which items contained in the Objection Letter it agrees to cure at or prior to Closing, and which items in the Objection Letter it will not cure at or prior to Closing (the "**Objection Response Letter**"), as determined by Seller in its sole discretion. Within five (5) days of receipt of the Objection Response Letter, if Seller has not agreed to cure any objections to the Title Commitment and/or Survey, Purchaser may: (i) terminate this Agreement with full refund of the Earnest Money as Purchaser's exclusive remedy; or (ii) waive such objections and proceed to the Closing, taking the Property subject to such objections. Any exception or other title matter on the Title Commitment and/or Survey that is not timely objected to by Purchaser, or waived (or deemed waived) hereunder by Purchaser, shall be deemed to be a "Permitted Exception". Purchaser's failure to timely object to any title or survey matter, or

Signature Page

Purchaser's failure to timely terminate this Agreement within the time period provided above, shall be deemed to be a waiver of Purchaser's right to object and/or terminate pursuant to this

7. **Seller's Representations, Warranties and Covenants.** Seller hereby represents, warrants and covenants to Purchaser as follows, which shall be true as of the date of this Agreement and as of the Closing Date and shall survive Closing for a period of one (1) year:

(a) **Authority of Seller.** Seller has the right and authority to enter into this Agreement and to sell the Property in accordance with the terms and conditions hereof. The individual executing this Agreement on behalf of Seller has the right and authority to bind Seller to the terms and conditions of this Agreement without joinder or approval of any other party, except as follows. This agreement is contingent upon the Seller receiving a deed from the City of Big Spring and Big Spring City Council formal approval of sale. This contract is further contingent upon the approval of incentive agreement between the Parties. In the event an incentive agreement is not agreed upon between Seller and Purchaser, this contract is terminable at either Parties' option prior to closing.

(b) **Litigation.** Except for the Chapman Litigation (defined in Section 12 below), there is no litigation pending against or involving the Property or Seller, and Seller has received no written notice of any threat of such litigation.

(c) **Operation of the Property.** Between the Effective Date and the Closing, Seller shall not, without the prior written consent of Purchaser, (i) enter into or modify any leases or tenancies with respect to the Property, (ii) enter into any service or maintenance agreements that would survive Closing, (iii) engage or retain any new or additional employees, entities or independent contractors whose compensation may be assumable by Purchaser, (iv) modify or release any warranties or guaranties with respect to the Property, or (v) grant any encumbrances on the Property or contract for any construction or service for the Property which may impose any mechanics or materialmen's liens on the Property. Seller or Sellers Predecessor shall maintain in full force the insurance policies currently in effect regarding the Property, and shall maintain the Property and the personalty in the ordinary course and consistent with Seller's historical practices as prior to the date hereof, and will not dispose of or encumber either the Property or Personalty or any portion(s) thereof.

EXCEPT AS EXPRESSLY SET FORTH ABOVE, SELLER HAS NOT MADE, DOES NOT MAKE, AND HEREBY DISCLAIMS ALL REPRESENTATIONS OF ANY NATURE REGARDING THE PROPERTY, INCLUDING BUT NOT LIMITED TO WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TAX CONSEQUENCES, PHYSICAL CONDITIONS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY. PURCHASER AGREES THAT, WITH RESPECT TO THE PROPERTY, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY SUCH REPRESENTATION OR WARRANTY OF SELLER NOT EXPRESSLY SET FORTH IN THIS AGREEMENT.

Signature Page

8. Closing Deliveries

(a) **By Seller.** At or before the Closing, Seller shall, at Seller's expense, execute, acknowledge and/or deliver to Purchaser, or its designated nominee or assigns, the following:

(i) A special warranty deed in recordable form conveying good, fee simple and marketable title to the Property to Purchaser subject only to the Permitted Exceptions.

(ii) A bill of sale and assignment of all service contracts (to the extent approved in writing by Purchaser), Personalty, Documents and Plans, Licenses and Permits, and Warranties;

(iii) such other documents as Purchaser's counsel or the Title Company may reasonably request to evidence Seller's authority to execute and perform under this Agreement and to execute and deliver all documents conveying the Property to Purchaser;

(iv) a certificate given under penalty of perjury and on a form approved under temporary regulations promulgated under Section 1445 of the Internal Revenue Code of 1986, as amended, that Seller is not a foreign person;

(v) possession of the Property free of the rights and claims of others; except those medical professionals with unrecorded leases or as shall be approved by Purchaser.

(vi) such other documents and instruments that may be necessary to the consummation of the transaction described in this Agreement or may be reasonably requested by Purchaser or Purchaser's counsel; and

(vii) an owner's affidavit regarding liens and leases in form reasonably satisfactory to the Title Company.

(vii) a certificate of warranty and representations executed by officers of the City of Big Spring containing such representations and warranties as may be agreed upon by the City and Purchaser

(a) **By Purchaser.** At or before the Closing, Purchaser shall, at Purchaser's expense, execute, acknowledge and/or deliver to Escrow Agent, the following:

(i) Any documents reasonably requested by the Title Company, including resolutions concerning the authority to execute the closing documents; and

(ii) The Purchase Price.

9. Conditions to Closing. The following shall be conditions precedent to Purchaser's obligation to consummate the transaction contemplated by this Agreement:

Signature Page

(a) Seller shall have performed its obligations under this Agreement in all material respects.

(b) The Chapman Litigation (defined in Section 12 below) shall have been dismissed with prejudice, without any further right to appeal, and the Chapman Deed of Trust (defined in Section 12 below) shall have been released of record.

The conditions precedent set forth in this Section 9 are for the sole benefit of Purchaser. In the event of a failure of any condition precedent set forth above, and if such failure is not cured within five (5) business days following written notice of such failure from Purchaser to Seller, Purchaser may terminate this Agreement within five (5) business days thereafter upon written notice to Seller, in which event the Earnest Money shall be refunded to Purchaser, and neither party shall have any further obligation to the other hereunder, except for such obligations as are expressly designated to survive the Closing or earlier termination of this Agreement.

10. Default and Remedies.

(a) In the event of Seller's default at Closing hereunder, if such default is not cured by Seller within two (2) business days following written notice of default from Purchaser to Seller, Purchaser may elect to (i) terminate this Agreement and receive a refund of the Earnest In either event, such election shall constitute Purchaser's sole remedy for Seller's default at Closing hereunder.

(b) In the event of Purchaser's default at Closing hereunder, if such default is not cured by Purchaser within two (2) business days following written notice of default from Purchaser to Seller, Seller shall retain the Earnest Money as Seller's sole remedy (the parties having agreed that it would be difficult to calculate Seller's actual damages and that the Earnest Money represents a reasonable estimate of liquidated damages).

11. Commission. Seller represents to Purchaser that it has engaged no broker(s) in connection with this transaction. Purchaser represents to Seller that it has engaged no broker(s) in connection with this transaction, Each party agrees to indemnify the other from any other claims for commissions or similar fees for brokers or others claiming through such party. The provisions of this Section 11 shall survive the Closing.

12. Chapman Litigation. Seller has disclosed to Purchaser the existence of that certain litigation styled James B. Chapman vs. City of Big Spring, et al, Howard County, Texas, District Court Cause No. 50176 (the "Chapman Litigation"). Seller shall use diligent efforts to cause all claims against Seller and the Property in the Chapman Litigation to be dismissed (whether by dispositive motion, settlement or otherwise), and shall keep Purchaser apprised of any developments in the Chapman Litigation,. Any dispositive motions to be filed by Seller in the Chapman Litigation shall be delivered to Purchaser for review and comment at least two business days prior to the filing thereof. Any claims against the Property shall not be voluntarily settled by Seller without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed. The Plaintiff's claims in the Chapman Litigation against the Property include, without limitation, a deed of trust securing an undetermined amount of debt (the "Chapman Deed of Trust"). Seller shall use diligent efforts to cause the Chapman

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Deed of Trust to be released of record at or prior to Closing. In the event all claims against Seller and the Property in the Chapman Litigation have not been dismissed with prejudice (without further right to appeal) at or prior to the Closing, and/or if the Chapman Deed of Trust has not been released of record at or prior to Closing, Purchaser shall have the right to terminate this Agreement upon written notice to Seller, in which event the Earnest Money shall be promptly refunded to Purchaser, and neither party shall have any further obligation to the other hereunder.

13. Casualty or Condemnation. If, prior to the Closing Date, any material portion of the Property is destroyed or damaged by casualty or taken or appropriated by eminent domain or similar proceedings, then Purchaser shall have the option to terminate this Agreement by giving written notice thereof to Seller within ten (10) days of Seller's written notice to Purchaser of such condemnation and Purchaser shall receive a refund of the Earnest Money and thereafter the parties shall have no further liability to one another. If Purchaser does not elect to terminate the Agreement, or if an immaterial portion of the Property is taken or destroyed, Seller shall assign and turn over to Purchaser the right to the condemnation award and/or insurance proceeds and the parties shall proceed to close without abatement of the Purchase Price.

14. Notice. In the event that notices are required for any reason under the terms of this Agreement, Notice shall be either mailed by United States Postal Service, return receipt requested, forwarded by overnight nationally recognized courier service, or sent by email to the respective parties, at the addresses below (or at such other address as such parties shall advise the other parties in writing), postage prepaid, and shall be deemed received when delivered to a national overnight delivery service for delivery the following day, upon hand delivery or refusal to accept delivery and in the case of email transmission, upon the sending of the facsimile or email properly addressed.

Notice to the Seller shall be addressed to:

Big Spring, TX 79720
Attn: _____
Email: _____

Notice to the Purchaser shall be addressed to:

Texas Healthcare Holdings II, LLC
109 Westpark Drive, Suite 230
Brentwood, TN 37027
Attn: Kenneth R. Birdsong
Email: birdsong@greystonebd.com

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With a copy to:

Worman Law Group, PLLC
611 Commerce Street, Suite 2711
Nashville, TN 37203
Attn: Kelly L. Worman
Email: kelly@wormanlawgroup.com

With a copy to:

City of Big Spring
City Hall
310 Nolan Street
Big Spring, Tx 79720

With A Copy to:

City Attorney: Kay Edwards
City Hall
310 Nolan Street
Big Spring, Tx 79720
Email: kedwards@mybigspring.com

15. **Counterparts/Telecopy.** This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute a single instrument; provided however, that this Agreement shall not be effective until signed by both Seller and Purchaser. Facsimile or other electronic signatures shall be deemed originals.

16. **Time of Essence.** Time is of the essence with regard to this Agreement.

17. **Assignment.** Neither party shall assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing: (a) Purchaser may assign this Agreement to an entity owned by, controlled by, or under common control with Purchaser (a "Purchaser Affiliate"), so long as the Purchaser Affiliate assumes all of Purchaser's obligations hereunder in writing, and a copy of such assignment and assumption document is provided to Seller within two (2) business days following the date of such assignment. Any purported assignment or transfer in violation of this paragraph shall be null and void.

18. **Attorneys' Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this Agreement, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including attorneys' fees, expended or incurred in connection therewith.

19. **Governing Law.** This Agreement shall be governed by the laws of the State of Texas, without regard for its conflicts of laws principles and revenue shall be in Howard County Texas.

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20. **Severability.** In the event that any one or more of the provisions contained in this Agreement are held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

21. **Purchaser's Renovations to the Property.** Within ninety (90) days following the Closing, at Purchaser's sole cost and expense, Purchaser shall commence, and shall thereafter diligently pursue, the construction and installation of certain renovations (the "Renovations") to the Property in substantial compliance with the proposal set forth on Exhibit B attached hereto. Subject to acts of God, riots, civil commotion, casualty, strike or labor disputes, adverse weather conditions, and any other causes beyond Purchaser's reasonable control, Purchaser shall cause the Renovations to be substantially completed within twelve (12) months following the Closing. The Renovations shall be performed in a good and workmanlike manner.

The provisions of this paragraph shall survive closing and may be enforced by the City of Big Spring or Seller.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month, and year first above written.

SELLER:

_____, a
Texas _____

By: _____
Name: _____
Its: _____

PURCHASER:

**TEXAS HEALTHCARE HOLDINGS II, LLC, a
Tennessee limited liability company**

By: _____
Name: Kenneth R. Birdsong
Title: Authorized Signatory

EXHIBIT A

LEGAL DESCRIPTION

A 14.2774 acre tract of land out of and part of Section 1, Block 33, T-1-S, F & P Ry Co. Survey, Howard County, Texas, described my metes and bounds as follows:

Beginning at a stake in the South Right-of-way line of 11th Place projected, a 100' wide dedicated street along the North edge of Section 1, Block 33, T-1-S for the NE corner of a 21.1384 acre tract in Section 1, and the NW corner of this tract, from whence a 2" Brass Cap set in a 12" X 12" conc. mon., the NE corner of Section 1, Block 33, T-1-S, bears N 14° 34' W 100.00' and N 75° 20' E 2592.60'

Thence S 14° 34' E with the East line of said 21.1384 acre tract 763.70' to a point for a corner of this tract

Thence N 74° 59' E 100.00' to a point for an interior corner of this tract

Thence S 14° 34' E 265.00' to a point for an interior corner of this tract

Thence S 74° 59' W 67.50' to a point for a corner of this tract

Thence S 14° 34' E 171.00' to a point for a corner of this tract

Thence N 74° 59' E 6.00' to a point for an interior corner of this tract

Thence S 14° 34' E 9.58' to a point for a corner of this tract

Thence N 74° 59' E 19.00' to a point for an interior corner of this tract

Thence S 14° 34' E 48.42' to a point for an interior corner of this tract

Thence S 74° 59' W 25.00' to a point for a corner of this tract

Thence S 14° 34' E 11.75' to a point for a corner of this tract

Thence N 74° 59' E 25.00' to a point for an interior corner of this tract

Thence S 14° 34' E 200.00' to a point for a corner of this tract

Thence N 74° 59' E 542.50' to a point for a corner of this tract

Thence N 14° 34' W 769.75' to a point for a corner of this tract

Thence S 74° 59' W 300.00' to a point for an interior corner of this tract

Thence N 14° 34' W 688.37' to a point in the South Right-of-Way line of 11th Place projected, for the NE corner of this tract

Thence S 75° 20' W 300.00' to the place of beginning.

EXHIBIT B

Proposed Renovations

Site

- Resurface and restripe the parking lot in front of and behind the MOB. Tie into existing Hospital parking drives; layout and engineering included
- Modify and resurface parking lot to include code-required and ADA-compliant handicap parking spaces (code requirement)
- Enhance landscaping beds in the front of MOB to compliment Hospital landscaping

Shell

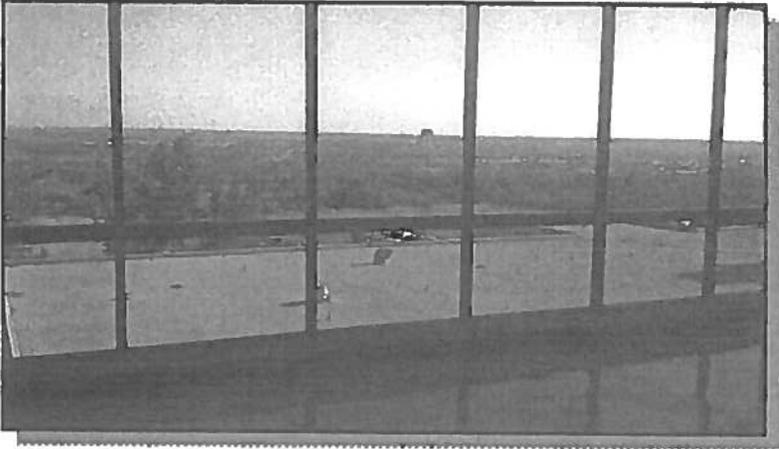
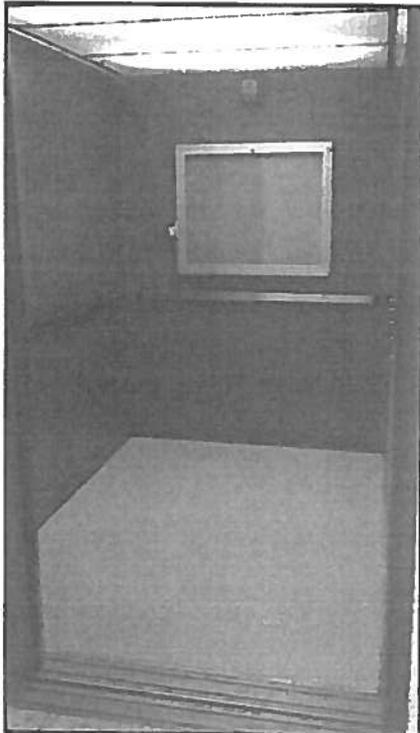
- Hazardous Material (Asbestos) Abatement to include the following (code requirement)
 1. Mechanical and plumbing systems insulation
 2. Flooring and mastic removed during renovations
 3. Any hazardous material disturbed during renovations
 - Exterior Windows - replace all exterior building windows with insulated, double-pane, low-e windows (includes removal of existing windows and recaulking of exterior); this is the largest expense for the building renovations but is required to mitigate the current heating/cooling issues experienced by the tenants; this is also expected to significantly reduce the building operating expenses
- 
- Roof – replace the existing building roof with a non-ballasted, commercial roof similar to the hospital roof (minimum 15 year warranty)
 - Roof Drains – install roof drains and/or scuppers to add secondary drainage to the roof (code requirement)

EXHIBIT B

Proposed Renovations (cont'd)

- Main Entry Lobby – replace flooring with luxury vinyl tile; replace ceiling tiles; remove existing wall-hung clocks; (note – lobby currently being repainted)
- Common Area Corridors – replace flooring with luxury vinyl tile; replace ceiling tiles

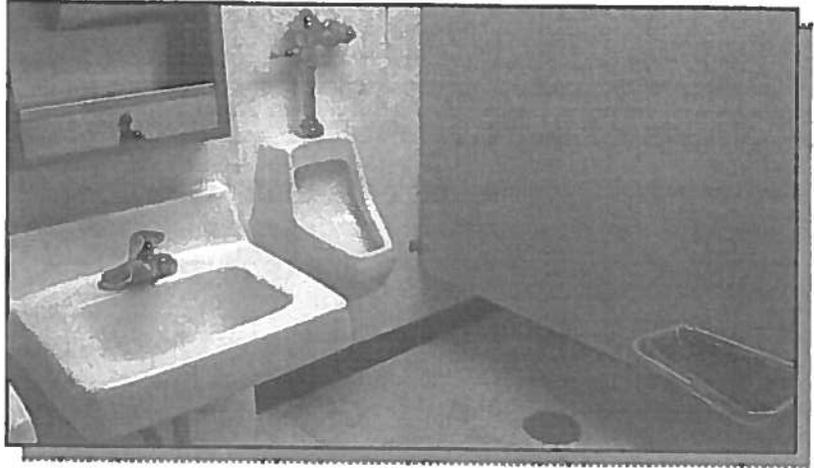


- Elevator Cabs – replace cab walls with upgraded decorative panels; replace flooring with luxury vinyl tile; remove unused directory cabinets

EXHIBIT B

Proposed Renovations (cont'd)

- Restrooms – modify all six (6) shell building restrooms to ADA code compliance (code requirement); replace fixtures, partitions and flooring (ceramic tile); install ADA-compliant grab bars and hardware as required without demolition; replace existing drinking fountains with ADA-compliant fixtures.



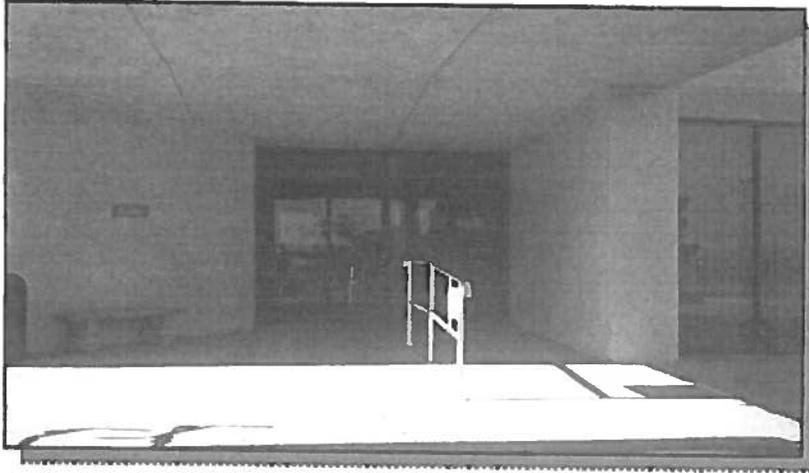
- Stairwells – paint walls and handrails; install VCT on landings



EXHIBIT B

Proposed Renovations (cont'd)

- Exterior Fascia – patch and repair cracks and stains in the exterior fascia



Building Systems

- Install a fully-automated HVAC control system to integrate the existing independent systems
- Install refrigerant monitor in chiller room (code requirement)
- Install separation wall between boiler and chiller (code requirement)
- Remove existing water softener system; replace with new system (code requirement)
- Install complete wet-sprinkler system and associated pumps throughout building (code requirement)
- Bring existing fire alarm system up to current code requirements

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (hereinafter referred to as the “Agreement”) is entered into by and between **TEXAS HEALTHCARE HOLDINGS II, LLC**, a Tennessee limited liability company (hereinafter referred to as “Texas Healthcare”), and **BIG SPRING ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as “BSEDC”), on the date set forth by the signature of each party to execute this Agreement to be effective as of the Effective Date, as that term is defined in Section 3(f) of this Agreement.

RECITALS:

WHEREAS, Big Spring Economic Development Corporation is a Type A economic development corporation created pursuant to Chapter 504 of the Texas Local Government Code, as amended (hereinafter referred to as the “Act”), and established for the benefit of the City of Big Spring, Texas (hereinafter referred to as the “City”), to provide financial assistance to new or expanding businesses located within the City of Big Spring, Howard County, Texas, area; and

WHEREAS, in consideration of such financial assistance, Texas Healthcare proposes to redevelop the Malone and Hogan Clinic located at 1501 W. 11th Street, Big Spring, Texas, and whose legal description is attached hereto as *Exhibit A* and is incorporated herein for all purposes (hereinafter referred to as the “Property”); and

WHEREAS, the Board of Directors of the BSEDC find and determine the financial assistance provided to Texas Healthcare pursuant to this Agreement promotes new or expanded business enterprises, and otherwise meets the definition of “project” as that term is defined in sections 501.101 and 501.103 of the Act, and further meets the definition of “cost” as that term is defined in section 501.152 of the Act; and

WHEREAS, section 501.158 of the Act prohibits the provision of a direct incentive unless BSEDC enters into a performance agreement with Texas Healthcare providing at a minimum a schedule of additional payroll or jobs to be created or retained by Texas Healthcare’s investment; or a schedule of capital investments to be made as consideration for any direct incentives provided by BSEDC to Texas Healthcare; and a provision specifying the terms and conditions upon which repayment must be made should Texas Healthcare fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, Texas Healthcare agrees and understands that Section 501.073(a) of the Act requires the City Council of the City of Big Spring, Texas, to approve all programs and expenditures of the BSEDC, and accordingly this Agreement is not effective until City Council has approved this project and Agreement at a City Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged BSEDC and Texas Healthcare agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective for five (5) years from the Effective Date, unless terminated sooner under the provisions hereof, whichever is sooner.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Affiliate.** The word “Affiliate” means any entity or person controlling, controlled by or under common control with, such entity.
- (c) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (d) **BSEDC.** The term “BSEDC” means the Big Spring Economic Development Corporation, a Texas non-profit corporation, its successors and assigns.
- (e) **City.** The word “City” means the City of Big Spring, Howard County, Texas.
- (f) **Effective Date.** The words “Effective Date” mean the earlier to occur of the following: (1) the date that Texas Healthcare acquires the Property and records the deed for the Property with Howard County; or (2) **March 1, 2016**, or such later date that Texas Healthcare and BSEDC shall mutually agree upon in writing.
- (g) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (h) **Malone and Hogan Clinic.** The words “Malone and Hogan Clinic” mean the Malone and Hogan Clinic located on the Property.
- (i) **Maximum Financial Assistance.** The words “Maximum Financial Assistance” mean the maximum financial commitment by BSEDC in the amount not to exceed **Eight Hundred Fifty Thousand and No/100 Dollars (\$850,000.00)**.

- (j) **Property.** The word “Property” means the approximately 14.2774 acre tract or tracts of land out of and part of Section 1, Block 33, T-1-S, T&P RR. Co. Survey, City of Big Spring, Howard County, Texas, as generally described in *Exhibit A* of this Agreement, which is attached hereto and incorporated herein for all purposes, and having a street address of 1501 W. 11th Street, Big Spring, Texas.
- (k) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures made by Texas Healthcare consisting of materials, services, costs, and expenses incurred prior to or after the date of this Agreement by Texas Healthcare or its Affiliates on the Malone and Hogan Clinic, including, without limitation, all Qualified Expenditures reimbursed by BSEDC hereunder, all costs associated with the acquisition of the Property, all loan proceeds secured by a lien or security interest in the Property, off-site costs, materials, labor, contractor fees, testing and inspections, environmental remediation, closing costs, machinery and equipment, furniture, furnishings, cabling, moving and shipping, utilities, supplies, waste disposal, security, contractor fees and services, construction management, refurbishment of fixtures, storage, insurance, commissions, utilities, design, engineering, architect, accounting and consultant fees, signage, legal costs, permits, taxes, construction loan interest, landscaping, title and survey expenses, general overhead, travel and financing expenses, and those expenses which otherwise meet the definition of “project” as that term is defined by Section 501.101 and 501.103 of the Act, and the definition of “cost” as that term is defined by Section 501.152 of the Act.
- (l) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.
- (m) **Texas Healthcare.** The words “Texas Healthcare” means the Texas Healthcare Holdings II, LLC., a Tennessee limited liability company, its successors and assigns.
- (n) **Texas Healthcare’s Financial Commitment.** The words “Texas Healthcare’s Financial Commitment” shall have the meaning set forth in Section 4(a) of this Agreement.

SECTION 4. OBLIGATIONS OF TEXAS HEALTHCARE.

Texas Healthcare covenants and agrees with BSEDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Texas Healthcare covenants and agrees to submit to the BSEDC invoices, receipts, or other documentation in a form reasonably acceptable to the BSEDC for the Qualified Expenditures made to the Malone and Hogan Clinic to be located on the Property. An approximate amount of **Four Million Five Hundred Thousand and No/100 Dollars (\$4,500,000.00)** (hereinafter referred to as “Texas Healthcare’s Financial Commitment”), including the financial assistance of \$850,000.00 provided by BSEDC to Texas Healthcare within one (1) year of the Effective Date of this

Agreement. Additionally, BSEDC shall have all remedies provided by law or in equity for non-reimbursement of Qualified Expenditures, if such costs are unnecessary, excessive, or not within the scope of the business plan and architectural renderings set forth in this Section 4(a) of this Agreement, as determined by a court of competent jurisdiction, BSEDC shall be entitled to recover all reasonable and necessary attorneys' fees and costs incurred in connection with any litigation arising out of such. In addition, Texas Healthcare covenants and agrees to provide BSEDC with a business plan and renovation renderings of the proposed redevelopment of the Malone and Hogan Clinic upon the Effective Date of this Agreement, which is attached hereto as *Exhibit B* of this Agreement.

- (1) Commence Construction. Texas Healthcare covenants and agrees to Commence Construction of the renovations to the Malone and Hogan Clinic within thirty (30) days after recording the deed for the Property with Howard County, and pursue such project as contemplated by Section 4(a)(2) of this Agreement with reasonable diligence until completed. For purposes of this Agreement, the term "Commence Construction" means the performance after the date of this Agreement of any work on the Malone and Hogan Clinic, including, without limitation, abatement of hazardous materials from the improvements on the Property, the demolition of any improvements upon the Property, the delivery of construction materials to the Property, the execution of a contract or other agreement providing for the construction of improvements upon the Property, the clearance or preparation of the Property or improvements on the Property for construction or the actual commencement of the construction of any improvements to the Property.
 - (2) Substantial Completion. Texas Healthcare covenants and agrees to substantially complete the renovation of the Malone and Hogan Clinic, at a minimum, in accordance with construction plans, and will be open to the public, within one (1) year after the Effective Date (hereinafter referred to as the "Completion Deadline"). For purposes of this Agreement, the term "Substantially Completed" means and shall occur when: (1) only minor or insubstantial details of the construction or mechanical adjustments remain to be performed, and such matters do not materially interfere with the occupancy and use of the subject premises; (2) the issuance of a temporary or permanent certificate of occupancy by the City has occurred; and (3) the architect has issued a certificate of substantial completion certifying the date of substantial completion.
- (b) Texas Healthcare covenants and agrees it is authorized to do business in the State of Texas.
 - (c) Texas Healthcare covenants and agrees it is current and in good standing on all state, local and federal taxes.
 - (d) Texas Healthcare covenants and agrees it is an Equal Employment Opportunity Employer

that prohibits discrimination in employment based on race, sex, age, national origin, creed, religion or disability (unless based on bona fide occupational reason or a reason exempted or approved by the Americans With Disabilities Act and the regulations promulgated thereunder).

- (e) Texas Healthcare covenants and agrees that representatives of BSEDC, or the City, subject to reasonable prior notice, will have reasonable access to Texas Healthcare's records and access to the Malone and Hogan Clinic during regular business hours, to confirm Texas Healthcare's compliance with the terms and conditions of this Agreement.
- (f) Texas Healthcare covenants and agrees to comply in all material respects with all applicable laws.
- (g) Texas Healthcare agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements by and between Texas Healthcare and BSEDC.

SECTION 5. OBLIGATIONS OF BSEDC.

BSEDC covenants and agrees with Texas Healthcare that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) BSEDC agrees to reimburse Texas Healthcare for Qualified Expenditures (not to exceed the Maximum Financial Assistance) incurred by Texas Healthcare within thirty (30) days of receipt of invoices, receipts, or other documentation in a form reasonably acceptable to the BSEDC for the Qualified Expenditures made to the Malone and Hogan Clinic to be located on the Property consistent with Section 4(a) of this Agreement. From time to time during the Term of this Agreement, Texas Healthcare shall present to BSEDC written requests for reimbursements for Qualified Expenditures (hereinafter referred to as "Qualified Expenditures Request"). No more than one (1) Qualified Expenditures Request may be submitted by Texas Healthcare to BSEDC during a calendar month. Each Qualified Expenditures Request shall contain a reasonable description of the Qualified Expenditures to be reimbursed and evidence that such Qualified Expenditures has been paid for in full by Texas Healthcare (e.g. canceled checks or partial lien waivers), and shall otherwise be in form and substance reasonably satisfactory to BSEDC.
- (b) The amount of financial assistance provided by BSEDC to Texas Healthcare pursuant to this Agreement shall not exceed the Maximum Financial Assistance.
- (c) BSEDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements by and between Texas Healthcare and BSEDC.

SECTION 6. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Texas Healthcare or BSEDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Texas Healthcare or BSEDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Texas Healthcare and BSEDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to the BSEDC by or on behalf of Texas Healthcare under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.
- (c) **Insolvency.** Texas Healthcare's insolvency, appointment of receiver for any part of Texas Healthcare's property, any assignment for the benefit of creditors of Texas Healthcare, any type of creditor workout for Texas Healthcare, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Texas Healthcare is an Event of Default.
- (d) **Ad Valorem Taxes.** Texas Healthcare allows its ad valorem taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from BSEDC and/or Howard County Central Appraisal District is an Event of Default.

SECTION 7. EFFECT OF AN EVENT OF DEFAULT.

Failure of either party to comply with or perform any term, obligation or condition of this Agreement shall constitute an Event of Default. The non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to begin to cure said default. Should said default remain uncured, the non-defaulting party shall have the right to terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event Texas Healthcare defaults and is unable or unwilling to cure said default within the prescribed time period, the financial assistance provided by the BSEDC to Texas Healthcare pursuant to Section 5 of this Agreement, shall become immediately due and payable by Texas Healthcare to BSEDC.

SECTION 8. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to

this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Howard County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Howard County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party. Notwithstanding the foregoing, Texas Healthcare shall have the right to collaterally assign this Agreement in connection with its acquisition and construction financing for the Property; provided that such acquisition and construction lender shall agree to be bound by all terms, conditions and covenants hereof arising from and after the date of such lender's acquisition of the Property.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Texas Healthcare warrants and represents that the individual or individuals executing this Agreement on behalf of Texas Healthcare has full authority to execute this Agreement and bind Texas Healthcare to the same. BSEDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Filing.** This Agreement shall be filed in the deed records of Howard County, Texas. The provisions of this Agreement shall be deemed to run with the Property and shall be binding on heirs, successors and assigns of Texas Healthcare.
- (h) **Force Majeure.** Neither party shall be responsible for any failure to perform due to causes beyond that party's control, including, but not limited to, acts of God, war, riot, acts of terrorism, embargoes, acts of civil or military authorities, accidents, strikes, labor disputes, or shortages. Nothing in this paragraph shall be deemed to excuse or permit any delay in the performance of any payment obligation(s) under this Agreement.
- (i) **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, overnight courier or facsimile.

Notice to BSEDC shall be sent to:

215 W. Third Street
PO Box 3359
Big Spring, Texas 79721-3359
Attn: Terry Hansen, President, and
Terry Wegman, Executive Director
Facsimile: 432-264-6047

with a copy to:

Brown & Hofmeister, L.L.P.
740 East Campbell Road, Suite 800
Richardson, Texas 75081
Attn: Jeffrey L. Moore, Esq.
Facsimile: 214-747-6111

Notice to Texas Healthcare shall be sent to:

109 Westpark Drive, Suite 230
Brentwood, Tennessee 37027
Attn: Ken Birdsong
Facsimile: 615-591-5242

with a copy to:

Worman Law Group, PLLC
611 Commerce Street, Suite 2711
Nashville, Tennessee 37203
Attn: Kelly Worman, Esq.
Phone: 615-387-1901

- (j) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- (k) **Survival.** All warranties, representations, and covenants made by Texas Healthcare in this Agreement or in any certificate or other instrument delivered by Texas Healthcare to BSEDC under this Agreement shall be considered to have been relied upon by BSEDC and will survive the making of the financial assistance and delivery to BSEDC of the Related Documents, regardless of any investigation made by BSEDC or on BSEDC's behalf.
- (l) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.

- (m) **Undocumented Workers.** Texas Healthcare certifies that the Texas Healthcare does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Texas Healthcare is convicted of a violation under 8 U.S.C. § 1324a(f), Texas Healthcare shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of six percent (6%), not later than the 120th day after the date the BSEDC notifies Texas Healthcare of the violation.

- (n) **City Approval.** In the event the City Council has not, on or prior to April 1, 2016, approved this Agreement and the project described herein at a City Council meeting called and held for that purpose, either Texas Healthcare or BSEDC shall have the right to terminate this Agreement without penalty or liability upon written notice to the other party.

[The Remainder of this Page Intentionally Left Blank]

THE PARTIES ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND THE PARTIES AGREE TO ITS TERMS. THIS AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

TEXAS HEALTHCARE:

TEXAS HEALTHCARE HOLDINGS II, LLC,
a Tennessee limited liability company

By: _____
Ken Birdsong, Managing Member

Date: _____

STATE OF _____ §

§

COUNTY OF _____ §

§

This instrument was acknowledged before me on the ____ day of _____, 2016, by **Ken Birdsong**, Managing Member of the **TEXAS HEALTHCARE HOLDINGS II, LLC**, a Tennessee limited liability company, organized and existing under the laws of the State of Tennessee.

Notary Public, State of _____

BSEDC:

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION,
a Texas non-profit corporation

By: _____
Terry Hansen, President

Date: _____

STATE OF TEXAS

§

§

COUNTY OF HOWARD

§

This instrument was acknowledged before me on the _____ day of _____, 2016, by **TERRY HANSEN**, President of **BIG SPRING ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, organized and existing under the laws of the State of Texas.

Notary Public, State of Texas

Exhibit A

Legal Description of the Property

A 14.2774 acre tract of land out of and part of Section 1, Block 33, T-1-S, F & P Ry Co. Survey, Howard County, Texas, described my meter and bounds as follows:

Beginning at a stake in the South Right-of-way line of 11th Place projected, a 100' wide dedicated street along the North edge of Section 1, Block 33, T-1-S for the NE corner of a 21.1384 acre tract in Section 1, and the NW corner of this tract, from whence a 2" Brass Cap set in a 12" X 12" conc. mon., the NE corner of Section 1, Block 33, T-1-S, bears N 14° 34' W 100.00' and N 75° 20' E 2592.80'

Thence S 14° 34' E with the East line of said 21.1384 acre tract 763.70' to a point for a corner of this tract

Thence N 74° 59' E 100.00' to a point for an interior corner of this tract

Thence S 14° 34' E 253.00' to a point for an interior corner of this tract

Thence S 74° 59' W 67.50' to a point for a corner of this tract

Thence S 14° 34' E 171.00' to a point for a corner of this tract

Thence N 74° 59' E 6.00' to a point for an interior corner of this tract

Thence S 14° 34' E 9.58' to a point for a corner of this tract

Thence N 74° 59' E 19.00' to a point for an interior corner of this tract

Thence S 14° 34' E 45.92' to a point for an interior corner of this tract

Thence S 74° 59' W 25.00' to a point for a corner of this tract

Thence S 14° 34' E 11.75' to a point for a corner of this tract

Thence N 74° 59' E 25.00' to a point for an interior corner of this tract

Thence S 14° 34' E 200.00' to a point for a corner of this tract

Thence N 74° 59' E 542.50' to a point for a corner of this tract

Thence N 14° 34' W 769.75' to a point for a corner of this tract

Thence S 74° 59' W 300.00' to a point for an interior corner of this tract

Thence N 14° 34' W 685.37' to a point in the South Right-of-Way line of 11th Place projected, for the NE corner of this tract

Thence S 75° 20' W 300.00' to the place of beginning.

Exhibit B

Proposed Renovations

Site

- Resurface and restripe the parking lot in front of and behind the MOB. Tie into existing Hospital parking drives; layout and engineering included
- Modify and resurface parking lot to include code-required and ADA-compliant handicap parking spaces (**code requirement**)
- Enhance landscaping beds in the front of MOB to compliment Hospital landscaping

Shell

- Hazardous Material (Asbestos) Abatement to include the following (**code requirement**)
 1. Mechanical and plumbing systems insulation
 2. Flooring and mastic removed during renovations
 3. Any hazardous material disturbed during renovations
 - Exterior Windows - replace all exterior building windows with insulated, double-pane, low-e windows (includes removal of existing windows and recaulking of exterior); this is the largest expense for the building renovations but is required to mitigate the current heating/cooling issues experienced by the tenants; this is also expected to significantly reduce the building operating expenses
- 
- Roof – replace the existing building roof with a non-ballasted, commercial roof similar to the hospital roof (minimum 15 year warranty)
 - Roof Drains – install roof drains and/or scuppers to add secondary drainage to the roof (**code requirement**)

EXHIBIT B

Proposed Renovations (cont'd)

- Main Entry Lobby – replace flooring with luxury vinyl tile; replace ceiling tiles; remove existing wall-hung clocks; (note – lobby currently being repainted)
- Common Area Corridors – replace flooring with luxury vinyl tile; replace ceiling tiles



- Elevator Cabs – replace cab walls with upgraded decorative panels; replace flooring with luxury vinyl tile; remove unused directory cabinets

EXHIBIT B

Proposed Renovations (cont'd)

- Restrooms – modify all six (6) shell building restrooms to ADA code compliance (**code requirement**); replace fixtures, partitions and flooring (ceramic tile); install ADA-compliant grab bars and hardware as required without demolition; replace existing drinking fountains with ADA-compliant fixtures.



- Stairwells – paint walls and handrails; VCT on landings



install

EXHIBIT B

Proposed Renovations (cont'd)

- Exterior Fascia – patch and repair cracks and stains in the exterior fascia



Building Systems

- Install a fully-automated HVAC control system to integrate the existing independent systems
- Install refrigerant monitor in chiller room (**code requirement**)
- Install separation wall between boiler and chiller (**code requirement**)
- Remove existing water softener system; replace with new system (**code requirement**)
- Install complete wet-sprinkler system and associated pumps throughout building (**code requirement**)
- Bring existing fire alarm system up to current **code requirements**

**INTERLOCAL AGREEMENT BETWEEN
THE CITY OF BIG SPRING AND HOWARD COUNTY
FOR USE OF FIBER INFRASTRUCTURE**

This Interlocal Agreement (“Agreement”) for the use of fiber infrastructure is by and between the City of Big Spring (“City”), a Texas home-rule municipal corporation, and Howard County (“County”) in accordance with the Interlocal Cooperation Act, Texas Government Code Section 791.001 et seq.

WHEREAS both City and County are local governmental units; and

WHEREAS City and County are authorized by state and local law to serve the mutual and joint interests of their communities and citizens and from time to time cooperate and collaborate to share resources within their jurisdictions to efficiently provide services to the public and avoid duplication of effort and expense; and

WHEREAS, City owns fiber infrastructure and County desires to utilize it to enable the Howard County Sheriff’s department to connect to the County Courthouse.

NOW THEREFORE, in consideration of the following mutual promises exchanged, terms and conditions, the Parties hereby agree as follows:

1. **Term.**

The term of this Agreement shall be for one year beginning on _____, 2016 and ending on _____, 2017. The Agreement shall automatically renew each year on the anniversary date unless either Party notifies the other Party in writing of its intent not to renew the Agreement. Either Party may terminate this Agreement by giving the other Party thirty days advance written notice of such termination.

2. **Agreement.**

In consideration of the County’s payments and other promises set forth herein, the City agrees to make fiber connectivity available to County. The County agrees to connect at the specified termination point with City staff oversight.

3. **Financial Consideration.**

On execution of this Agreement County agrees to pay a one-time charge of \$7,024.14, which amount represents one- third of the \$21,072.43 expended by the City to purchase equipment and build the fiber connection from the Law Enforcement Center to the County Courthouse. Thereafter, the County will pay one-third of the annual equipment maintenance fees, which fees shall be substantiated by written documentation provided by City. Any equipment failure costs associated with connectivity will be a cost-sharing split with City paying two- thirds of the cost and County paying one-third of the cost.

4. **City’s Responsibility.**

City will be solely responsible for the programming and routine maintenance of all fiber equipment, using a Virtual Private Network protocol to segregate the City network from the County network.

5. Entire Agreement.

This document constitutes the entire agreement between the parties with respect to the subject hereof and supersedes any and all prior or contemporaneous agreements or understandings, whether written or oral. No verbal agreement or conversation with any officer, agent or employee of either party either before or after execution of this Interlocal Agreement shall affect or modify any of the terms or obligations contained herein.

6. Severability.

In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provision. This Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate originals.

Executed this ____ day of _____, 2016.

CITY OF BIG SPRING, TEXAS

By: _____
Larry McLellan, Mayor

ATTEST:

Tami Davis, Asst.City Secretary

Executed this ____ day of _____, 2016.

HOWARD COUNTY

By: _____
Kathryn Wiseman, County Judge

ATTEST:

