

**T11 2017-02-10-17-04R**

**RESOLUTION BY THE BOARD OF DIRECTORS (“BOARD”) OF TAX INCREMENT REINVESTMENT ZONE NUMBER ELEVEN, CITY OF SAN ANTONIO, TEXAS, KNOWN AS THE INNER CITY TAX INCREMENT ZONE (“TIRZ”), AUTHORIZING THE COMMITMENT OF FUNDS IN AN AMOUNT NOT TO EXCEED \$385,000.00 IN TAX INCREMENT IN SUPPORT OF THE STERLING BUILDING MIXED-USE PROJECT LOCATED AT 323 IDAHO AND 1434 EAST COMMERCE AND SUBJECT TO CLOSING ON THE REAL PROPERTY BY JASMINE ENGINEERING**

\* \* \* \* \*

**WHEREAS**, on February 3, 2012, the Board issued a Request For Proposals and received 22 project submissions from which the City's proposal to acquire the Sterling Building, perform due diligence and facilitate the investment of approximately \$900,000.00 in additional funds for the Sterling Building Redevelopment Project, located at 323 Idaho and 1434 East Commerce Street, San Antonio, Texas; and,

**WHEREAS**, on October 5, 2012, the City and the Board entered into an agreement committing up to \$150,000.00 in tax increment funds to promote local economic development, historic preservation, and to stimulate business and commercial activity, within the TIRZ; and

**WHEREAS**, on October 6, 2016, through City Ordinance No. 2016-10-06-0767, City Council authorized the sale of the of two improved city owned real properties, located at 1434 East Commerce Street and 323 Idaho to Yasaman Azima Living Trust for a combined total of \$120,000.00, bargained on an “as is, where is” basis; and in accordance with the City’s Inner City and Infill Policy, the City waived the associated City Permit Fees and SAWS fees in the amount of \$85,428.00, as more specifically described in the attached **Exhibit A**.

**WHEREAS**, on January 26, 2017, Jasmine Engineering, Inc. (“Developer”) submitted an application for TIRZ funding for remediation costs associated with the Sterling Building Mixed-Used Project, located at the 323 Idaho and 1434 East Commerce Street within the TIRZ and City Council District 2; and

**WHEREAS**, on February 9, 2017, City Staff received a Phase II Environmental Site Assessment Report from TTL /Drash Consultants, regarding the Sterling Building Site; and,

**WHEREAS**, City Staff has examined Developer’s application and recommends that the Board award Developer up to \$385,000.00 in reimbursable TIRZ funds in support of the Sterling Building Mixed-Use Project; **NOW THEREFORE**;

**BE IT RESOLVED BY THE BOARD:**

**SECTION 1:** The recitals set out above are adopted in their entirety.

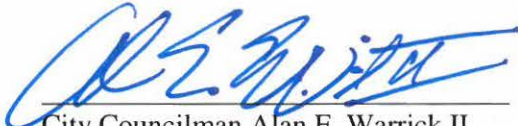
**SECTION 2:** The Board hereby authorizes the commitment in an amount not to exceed \$385,000.00 in tax increment funds from the Inner City TIRZ to fund the Sterling Building Mixed-Used Project subject to City Ordinance No. 2016-10-06-0767.

**SECTION 3:** The Board further authorizes City Staff to make the necessary amendments to the TIRZ Project and Finance Plans and authorizes City Staff to negotiate the necessary agreement and to make the necessary amendments to the TIRZ Project and Finance Plans in accordance with this Resolution.

**SECTION 4:** The Board acknowledges that subsequent approval by City Council is required.

AL  
2/10/17  
Item #5

**PASSED AND APPROVED** this 10<sup>th</sup> day of February, 2017.



City Councilman Alan E. Warrick II  
Presiding Officer

**APPROVED AS TO FORM:**



Alma Rosa Lozano  
Assistant City Attorney

**AN ORDINANCE 2016-10-06-0767**

**DECLARING TWO IMPROVED CITY OWNED REAL PROPERTIES LOCATED AT 1434 EAST COMMERCE STREET AND 323 IDAHO IN COUNCIL DISTRICT 2 AS SURPLUS AND AUTHORIZING THEIR SALE TO YASAMAN AZIMA LIVING TRUST FOR A COMBINED TOTAL OF \$120,000.00; AND WAIVING ASSOCIATED CITY PERMIT FEES IN ACCORDANCE WITH THE CITY'S INNER CITY REINVESTMENT AND INFILL POLICY (ICRIP) AND SAWS IMPACT FEES IN THE AMOUNT OF \$85,428.00.**

\* \* \* \* \*

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager and her designee, severally, are authorized and directed to sell to Yasaman Azima Living Trust the properties currently addressed as 1434 East Commerce Street and 323 Idaho, as shown and described in **Attachment I**, which is incorporated herein for all purposes as if fully stated, for \$120,000.00. The City Manager and her designee, severally, are authorized and directed to execute and deliver on behalf of the city sale contracts and deeds without warranty, substantially in the form shown in **Attachment II**, conveying the above-described property. The City Manager and her designee, severally, are authorized to take all additional actions reasonably necessary or convenient to effectuate the transaction, including executing and delivering all instruments and agreements conducive to effectuating the transaction.

**SECTION 2.** Funds generated by this ordinance in the amount up to \$103,490.00 will be deposited into Fund 11001000, Internal Order 219000000025 and General Ledger 4903101.

**SECTION 3.** Funds generated by this ordinance in the amount up to \$16,510.00 will be deposited into Fund 29104000, Internal Order 219000000022 and General Ledger 6301120.

**SECTION 4.** The disposition of surplus property must be coordinated through the city's Finance Department to assure the removal of these assets into the City's financial records and to record the proper accounting transactions.

**SECTION 5.** City is authorized to waive City permit fees in accordance with the City's Inner City Reinvestment and Infill Policy ("ICRIP") and SAWS impact fees in the amount of \$85,428.00.

**SECTION 6.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

**SECTION 7.** This ordinance becomes effective 10 days after passage, unless it receives the eight votes requisite to immediate effectiveness under San Antonio Municipal Code § 1-15, in which case it becomes effective immediately.

**PASSED AND APPROVED** this 6th day of October, 2016.



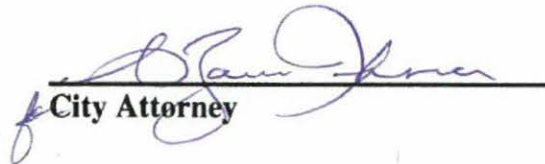
**M A Y O R**  
Ivy R. Taylor

**ATTEST:**



Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**



City Attorney

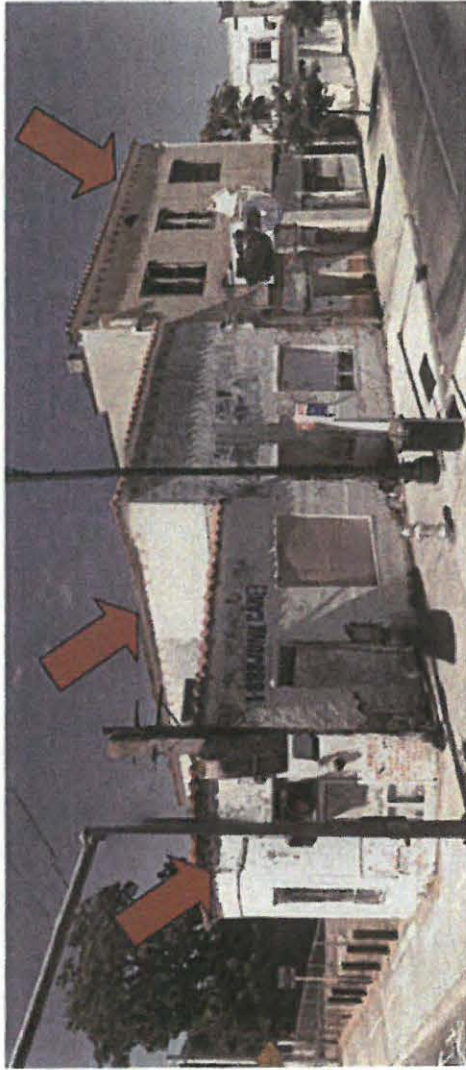
<b>Agenda Item:</b>	9						
<b>Date:</b>	10/06/2016						
<b>Time:</b>	09:20:05 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance declaring two improved city owned real properties located at 1434 East Commerce Street and 323 Idaho in Council District 2 as surplus and authorizing their sale to Yasaman Azima Living Trust for a combined total of \$120,000.00; authorizing the Sales Agreement; and waiving Inner City Reinvestment and Incentive Policy eligible impact fees and up to \$84,428 in SAWS impact fees. [Lori Houston, Assistant City Manager; John Jacks, Interim Director, Center City Development and Operations]						
<b>Result:</b>	Passed						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				x
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5	x					
Ray Lopez	District 6	x					
Cris Medina	District 7	x					
Ron Nirenberg	District 8		x				
Joe Krier	District 9	x					
Michael Gallagher	District 10		x				

Reus Sterling Property (Aerial View)



Blue Area is 323 Idaho (Vacant Lot)  
Aerial as of January 2015

Reus Sterling Commercial Buildings (Corner of E. Commerce and Hackberry)



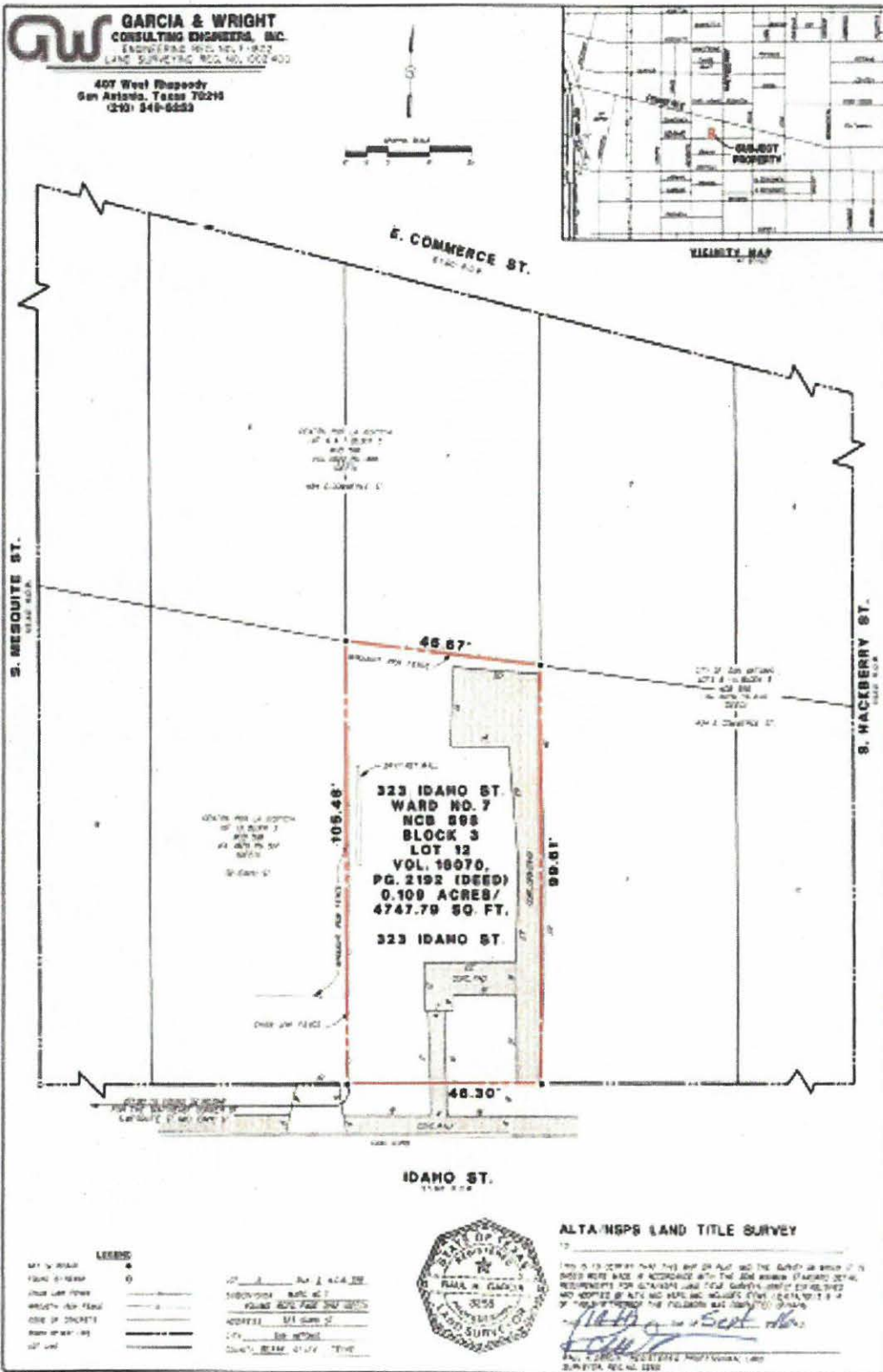
Three contiguous lots located at 1434 E. Commerce are on a single parcel.

**Reus Sterling Single Residential Building**



*Residential structure located in the rear of 1434 E. Commerce parcel on the corner of Hackberry and Idaho.*







## Attachment II: Form of Sale Contract and Deed

---

### Real Estate Sales Contract

(1434 E. Commerce and 323 Idaho)

---

#### Table of Contents

1. Deadlines and Other Dates.....	10
2. Closing Documents.....	11
3. Exhibits.....	12
4. Purchase and Sale of Property.....	12
5. Earnest Money.....	15
6. Title and Survey.....	15
7. Inspection Period.....	16
8. Representations.....	18
9. Condition until Closing; No Recording of Contract.....	18
10. Termination.....	18
11. Closing.....	19
12. Default and Remedies.....	21
13. Prohibited Interests in Contracts.....	21
14. Dispute Resolution.....	22
15. Miscellaneous Provisions.....	23
16. Public Information.....	26
18. Brokers' Commission.....	26
Title Company Acknowledgment and Receipt.....	28
Title Company Receipt for Earnest Money.....	29
Exhibit A: Property Description.....	30
Exhibit B: Representations.....	31
Exhibit C: Notices.....	34
Exhibit D: Form of Deed.....	35

---

**Authorizing Ordinance:**

**Authority for Negotiated  
Sale:** Local Government Code § 272.001 (a)

**Seller:** City of San Antonio

**Address:** P.O. Box 839966, San Antonio, Texas 78283-3966  
(Attention: Director, CCDO)

**Phone:** 210-207-3908

**Email:** pedro.alanis@sanantonio.gov

**Type of Entity:** Texas municipal corporation

**Seller's Counsel:** Audrey Zamora

**Address:** City Attorney's Office, P.O. Box 839966, San Antonio,  
Texas 78283-3966

**Phone:** 210-207-8940

**Email:** audrey.zamora@sanantonio.gov

**Buyer:** Yasaman Azima Living Trust

**Address:** Jasmine Azima, P.E., CxA  
Yasaman Azima Living Trust  
P.O. Box 91012 San Antonio, TX 78209

**Phone:** 210-227-3000

**Email:** jazima@Jasmineengineering.com

**Type of Entity:** A Texas trust

**Buyer's Counsel:** Dan Vana

**Address:** 2161 NW MILITARY HWY., SUITE 111  
SAN ANTONIO, TEXAS 78213

**Phone:** (210) 881-0667 x103

**Email:** danvana@benlawsa.com

**Property:** The land currently addressed as 1434 E. Commerce and 323 Idaho, and more fully described in Exhibit A ("Land"), together with improvements to the Land ("Improvements").

**Title Company:** Alamo Title Company  
c/o Chris Varley, Escrow Officer

**Address:** 18618 Tuscany Stone, Suite 240  
San Antonio, 78258

**Phone:** 210-490-1313

**Email:** Chris.Varley@alamotitle.com



1.06.	Asbestos Survey Deadline		Buyer and Seller both acknowledge receipt of documents in satisfaction of local ordinance (Chapter 6) and state statute if applicable.
1.07.	Buyer's Objection Deadline	30	Days after the receipt of the Title Commitment (and legible copies of instruments referenced in the Title Commitment, and the Survey)
1.08.	Seller's Cure Notice Deadline	10	Days after Buyer's Objection Deadline
1.09.	Buyer's Termination Deadline	10	Days after Seller's Cure Notice Deadline
1.10.	End of Inspection Period	90	Days after the Effective Date
1.11.	Closing Date	90 days	after the Inspection Period
1.12.	Closing Time	10:00 A.M.	

The deadlines may be altered by the mutual agreement of the parties. The Director of the Center City Development and Operations Department may consent to such changes on behalf of Seller without further authorization of City Council.

## 2. Closing Documents.

2.01. At closing, Seller will deliver the following items:

Deed Without Warranty

IRS Nonforeign Person Affidavit

Evidence of Seller's authority to close this transaction

Notices, statements, and certificates as specified in Exhibit C

2.02. At closing, Buyer will deliver the following items:

Evidence of Buyer's authority to consummate this transaction

Deceptive Trade Practices Act waiver

Purchase Price

2.03. The documents listed above are collectively known as the "Closing Documents." Unless otherwise agreed by the parties in writing before closing, the deed will be substantially in the form attached as **Exhibit D**.

### **3. Exhibits.**

The following are attached to and are part of this contract for all purposes as if fully set forth:

Exhibit A—Description of the Land

Exhibit B—Representations

Exhibit C—Notices

Exhibit D—Form of Deed

### **4. Purchase and Sale of Property.**

4.01. Seller will sell and convey the Property to Buyer, and Buyer will buy and pay Seller for the Property. The promises by Buyer and Seller stated in this contract are the consideration for the formation of this contract. The contract may be assigned by either party so as long as the other party to the contract approves, and such assignment and approval are in writing. A party may not withhold approval unreasonably.

4.02. The Property includes all improvements situated on it, together with all right, title, and interest of Seller, if any, in and to all appurtenances, strips or gores, roads, easements, streets, and rights-of-way bounding the Land; all utility capacity, water rights, licenses, permits, entitlements, and bonds, if any, and all other rights and benefits attributable to the Land; and all rights of ingress and egress thereto (collectively, the "**Additional Interests**"); except that the Additional Interests do not include, and Seller specifically reserves, such of the following interests as Seller holds by virtue of being a municipality as opposed to the owner of the fee-simple interest in the Property: utility easements, drainage easements, streets, alleys, and other rights-of-way dedicated for public use.

4.03 The Deed for the Property shall contain the following reservations:

1. Development.

- a. Grantee shall commence clearing the Property of all improvements existing at the time of closing within 6 months of closing.

If Grantee fails to begin clearing the property within 6 months, which shall be determined by the receipt of an affidavit of demolition commencement by a general contractor delivered to Grantor and the issuance of a permit through the Development Services Department (or equivalent department) of the City of San Antonio, Grantor may at any time re-enter the Property and retake title to it by filing in the Bexar County real property records a Notice of Re-Entry. Upon Grantor's filing the Notice of Re-Entry, title automatically passes back from Grantee to Grantor. After filing the notice, Grantor may, but need not, move into possession of the Property and evict Grantee. Grantor's failure to move into possession or evict Grantee does not impair the effectiveness of filing the notice. Should Grantor file the Notice of Re-Entry, Grantor shall pay Grantee \$120,000 minus closing costs paid by Grantor (excluding costs for the Geotechnical Study and Alta Survey).

If Grantor has not filed a Notice of Re-Entry by eighteen (18) months after the Closing Date or prior to commencement of construction per paragraph 4.03 (1) (b) below, its right to do so lapses, and Grantee's title is thereafter secure against any attempted re-entry by Grantor. No delay by Grantor in filing the notice short of the eighteen (18) months impairs its right to file the notice.

Grantor may release this right of re-entry at any time by filing in the public records a notice to that effect.

- b. Not later than 24 months after Closing Grantee must commence construction on a primary building on the Property which shall be determined by the receipt of an affidavit of construction commencement by a general contractor delivered to Grantor and the issuance of a permit through the Development Services Department (or equivalent department) of the City of San Antonio. If Grantee fails to timely commence construction Grantor may at any time re-enter the Property and retake title to it by filing in the Bexar County real property records a Notice of Re-Entry. Upon Grantor's filing the Notice of Re-Entry, title automatically passes back from Grantee to Grantor. After filing the notice, Grantor may, but need not, move into possession of the Property and evict Grantee. Grantor's failure to move into possession or evict Grantee does not impair the effectiveness of filing the notice. Should Grantor file the Notice of Re-Entry, Grantor shall pay Grantee \$120,000 plus actual cost of demolition and asbestos removal paid by Grantee to



that date in an amount not to exceed \$50,000.00, minus closing costs paid by Grantor (excluding costs for the Geotechnical Study and Alta Survey).

If Grantor has not filed a Notice of Re-Entry by three (3) years after the Closing Date, its right to do so lapses, and Grantee's title is thereafter secure against any attempted re-entry by Grantor. No delay by Grantor in filing the notice short of the three (3) years impairs its right to file the notice.

Grantor may release this right of re-entry at any time by filing in the public records a notice to that effect.

- c. Not later than 48 months after Closing Grantee must, other than for ordinary punch-list items, complete construction on a primary building on the Property which shall be determined by the issuance of a permanent certificate of occupancy for a primary building on the Property. If Grantee fails to timely complete construction, Grantee must reimburse Grantor within 2 months after the 48 month deadline for any City of San Antonio and San Antonio Water System fees waived by those entities associated with Grantees development of the Property. Should Grantee reimburse Grantor within 2 months, Grantee retains ownership of the Property. Should Grantee fail to reimburse Grantor within 2 months, Grantor may at any time re-enter the Property and retake title to it by filing in the Bexar County real property records a Notice of Re-Entry. Upon Grantor's filing the Notice of Re-Entry, title automatically passes back from Grantee to Grantor. After filing the notice, Grantor may, but need not, move into possession of the Property and evict Grantee. Grantor's failure to move into possession or evict Grantee does not impair the effectiveness of filing the notice.

If Grantor has not filed a Notice of Re-Entry by five (5) years after the Closing Date, its right to do so lapses, and Grantee's title is thereafter secure against any attempted re-entry by Grantor. No delay by Grantor in filing the notice short of the five (5) years impairs its right to file the notice.

Grantor may release this right of re-entry at any time by filing in the public records a notice to that effect.

## 2. Right of First Refusal.

- a. Grantor shall have a right of first refusal to buy the Property back at fair market value prior to offering the Property to another buyer if sale is prior to the completion of construction on a primary building on the property. Completion of construction shall be determined by the issuance of a certificate of occupancy for

the Property. Grantor may release this right of first refusal at any time by filing in the public records a notice to that effect.

- b. After the Property has been developed and construction is complete, the property can be sold without offering Grantor a right of first refusal and Grantor shall not seek any financial consideration in such a circumstance. Grantor may acknowledge such completion at any time by filing in the public records a notice to that effect.

## 5. Earnest Money.

5.01. Buyer must deposit the Earnest Money with the Title Company no later than the Earnest Money Deadline. Title Company must execute and deliver to both Buyer and Seller an earnest money receipt substantially in the form attached at the end of this agreement.

5.02. Buyer may direct Title Company to invest the Earnest Money in an interest-bearing account in a federally insured financial institution by giving notice to Title Company and satisfying Title Company's requirements for investing the Earnest Money in an interest-bearing account. Any interest earned on the Earnest Money will be paid to the party that becomes entitled to the Earnest Money. Accrued interest is a credit against the purchase price at closing.

## 6. Title and Survey.

6.01. *Review of Title.* The following statutory notice is provided to Buyer on behalf of the real estate licensees, if any, involved in this transaction: **Buyer is advised that it should either have the abstract covering the Property examined by an attorney of Buyer's own selection or be furnished with or obtain a policy of title insurance.**

6.02. *Title Commitment; Title Policy.* "Title Commitment" means a Commitment for Issuance of an Owner Policy of Title Insurance by Title Company, as agent for Underwriter, stating the condition of title to the Land. The "effective date" stated in the Title Commitment must be after the Effective Date of this contract. "Title Policy" means an Owner Policy of Title Insurance issued by Title Company, as agent for Underwriter, in conformity with the last Title Commitment delivered to and approved by Buyer.

6.03. *Survey.*

6.03.01. "Survey" means an an Alta Survey, certified to Purchaser, Seller, and the Title Company, showing information based on an on-the-ground survey of surface area of the property indicating the total number of net square feet of the surface area of the total property, prepared by Surveyor or another surveyor satisfactory to Title Company, dated after the Effective Date, and certified to comply with the current standards and

specifications as published by the Texas Society of Professional Surveyors for the Survey Category.

6.03.02. If Seller does not object to the survey within 20 days after Buyer delivers it to Seller, the land subject to the survey automatically becomes the Land subject to this contract, and the field notes and plat of the survey automatically becomes Exhibit A to this agreement, whether or not physically attached.

6.04. *Delivery of Title Commitment, Survey.* Seller must deliver the Title Commitment to Buyer by the deadline stated in section 1.

6.05. *Buyer's Objections.* Buyer has until the Buyer's Objection Deadline to review the Survey, Title Commitment, and legible copies of the title instruments referenced in them and notify Seller of Buyer's objections to any of them ("Buyer's Objections"). Buyer will be deemed to have approved all matters reflected by the Survey and Title Commitment to which Buyer has made no Buyer's Objection by the Buyer's Objection Deadline. The matters that Buyer either approves or is deemed to have approved are "Permitted Exceptions."

6.06. If Buyer notifies Seller of any Buyer's Objections, Seller has until Seller's Cure Notice Deadline to notify Buyer whether Seller agrees to cure the Buyer's Objections before closing ("Cure Notice"). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Buyer's Objections before closing, Buyer may, on or before Buyer's Termination Deadline, notify Seller that this contract is terminated. In absence of such timely notice, Buyer will proceed to close, subject to Seller's obligations to resolve the items listed in Schedule C of the Title Commitment, remove the liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date, and cure only the Buyer's Objections that Seller has agreed to cure in the Cure Notice.

6.07. At or before closing, Seller must resolve the items that are listed on Schedule C of the Title Commitment, remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date of this contract, and cure the Buyer's Objections that Seller has agreed to cure.

6.08. *Asbestos Survey.* Seller must deliver to Buyer an asbestos survey of the Property not later than Asbestos Survey Deadline, in accordance with the provisions of § 6-293 of the City Code of the City of San Antonio, Texas.

## **7. Inspection Period.**

7.01. *Entry onto the Property.* Buyer may enter the Property before closing to inspect it, subject to the following:

- a. Buyer must deliver evidence to Seller that Buyer has insurance for its proposed inspection activities, in amounts and with coverages that are substantially the same as those maintained by Seller or in such lesser amounts or with such lesser coverages as are reasonably satisfactory to Seller;
- b. Buyer may not unreasonably interfere with existing operations or occupants of the Property;
- c. Buyer must notify Seller in advance of Buyer's plans to conduct tests so that Seller may be present during the tests;
- d. If the Property is altered because of Buyer's inspections, Buyer must return the Property substantially to its pre-inspection condition promptly after the alteration occurs;
- e. Upon termination of this contract by Buyer and only upon written request from Seller, the Buyer must deliver to Seller copies of all inspection reports in connection with the physical property that Buyer prepares or receives from third-party consultants or contractors within one week of their preparation or receipt; and
- f. Buyer must abide by any other reasonable entry rules imposed by Seller.

7.02. *Document Review.* Seller shall provide the geotech, drainage, grading study (collectively referenced as viii, and ix in section 11.02(b)) and the Survey to Buyer at least 20 days prior to the end of the Inspection period. Buyer and Seller may modify the 20 day timeline provided both parties agree in writing.

7.03. *Buyer's Right to Terminate.* Buyer may terminate this contract for any reason or no reason at all by notifying Seller before the end of the Inspection Period.

7.04. *Buyer's Indemnity and Release of Seller.*

- a. *Indemnity.* Buyer will indemnify, defend, and hold Seller harmless from any loss, reasonable attorney's fees, expenses, or claims arising directly and solely out of Buyer's investigation of the Property, except for repair or remediation of existing conditions discovered by Buyer's inspection.
- b. *Release.* Buyer releases Seller and those persons acting on Seller's behalf from all claims and causes of action (including claims for reasonable attorney's fees and court and other costs) resulting from Buyer's investigation of the Property.

## **8. Representations.**

The parties' representations stated in Exhibit B are true and correct as of the Effective Date and must be true and correct on the Closing Date. This Section 8 shall survive the Closing or early termination of this contract.

## **9. Condition until Closing; No Recording of Contract.**

9.01. *Maintenance and Operation.* Until closing, Seller will (a) maintain the Property as it existed on the Effective Date, except for reasonable wear and tear and casualty damage; (b) operate the Property in the same manner as it was operated on the Effective Date; and (c) comply with all contracts and governmental regulations affecting the Property.

9.02. *Casualty Damage.* Seller will notify Buyer in writing promptly after discovery of any casualty damage to the Property. Seller will have no obligation to repair or replace the Property if it is damaged by casualty before closing. In such case, Buyer may terminate this contract by giving notice to Seller within 15 days after receipt of Seller's notice of the casualty (or before closing if Seller's notice of the casualty is received less than fifteen days before closing). If Buyer does not terminate this contract, Seller will convey the Property to Buyer in its damaged condition.

9.03. *Condemnation.* Seller will notify Buyer in writing promptly after Seller receives notice that any part of the Property has been or is threatened to be condemned or otherwise taken by a governmental or quasi-governmental authority. In such case, Buyer may terminate this contract by giving notice to Seller within 15 days after receipt of Seller's notice to Buyer (or before closing if Seller's notice is received less than fifteen days before closing). If Buyer does not terminate this contract, (a) Buyer and Seller will each have the right to appear and defend their respective interests in the Property in the condemnation proceedings, (b) any award in condemnation will be assigned to Buyer, and (c) if the taking occurs before closing, the description of the Property will be revised to delete the portion taken.

9.04. *No Recording.* Buyer may not file this contract or any memorandum or notice of this contract in the real property records of any county. If, however, Buyer records this contract or a memorandum or notice, Seller may terminate this contract and record a notice of termination.

## **10. Termination.**

10.01. *Disposition of Earnest Money after Termination.*

If either party terminates this contract the terminating party will, within five days of termination notice to the other party, authorize the Title Company to pay and deliver the Earnest Money to non-terminating party.

10.02. *Duties after Termination.* If this contract is terminated, Buyer will promptly return to Seller all documents relating to the Property that Seller has delivered to Buyer and all copies that Buyer has made of the documents. After return of the documents and copies, neither party will have further duties or obligations to the other under this contract, except for those obligations that cannot be or were not performed before termination of this contract.

10.03. Should Buyer terminate, Buyer shall be responsible for any costs incurred under this contract prior to closing that Buyer is responsible for under Section 11.02 (a).

## **11. Closing.**

11.01. *Closing.* This transaction will close at Title Company's offices at the Closing Date and Closing Time. At closing, the following will occur:

- a. *Closing Documents.* The parties will execute and deliver the Closing Documents.
- b. *Payment of Purchase Price.* Buyer will deliver the Purchase Price and other amounts that Buyer is obligated to pay under this contract to Title Company in funds acceptable to Title Company. The Earnest Money will be applied to the Purchase Price.
- c. *Disbursement of Funds; Recording; Copies.* Title Company will be instructed to disburse the Purchase Price and other funds in accordance with this contract, record the deed and the other Closing Documents directed to be recorded, and distribute documents and copies in accordance with the parties' written instructions.
- d. *Possession.* Seller will deliver possession of the Property to Buyer, subject only to the Permitted Exceptions existing at closing.
- e. Buyer need not close if Seller cannot or does not deliver indefeasible title at closing subject only to the Permitted Exceptions. If Buyer does not close for want of indefeasible title, the earnest money is returned to Buyer.

11.02. *Transaction Costs.*

- a. ***Buyer will pay:***
  - i. one-half of the escrow fee charged by Title Company;
  - ii. Title Company's inspection fee to delete from the Title Policy the customary exception for parties in possession;

- iii. the additional premium for the "survey/area and boundary deletion" in the Title Policy
  - iv. the costs to obtain certificates or reports of ad valorem taxes;
  - v. the costs to deliver copies of the instruments; and
  - vi. Buyer's expenses and attorney's fees.
- b. ***Seller will pay:***
- i. the basic charge for the Title Policy;
  - ii. one-half of the escrow fee charged by Title Company;
  - iii. the costs to prepare the deed;
  - iv. costs to obtain, deliver, and record all documents other than those to be recorded at Seller's expense;
  - v. the costs to record all documents to cure Title Objections agreed to be cured by Seller;
  - vi. Seller's expenses and attorney's fees;
  - vii. back taxes on the property;
  - viii. A geotechnical study completed by a licensed third party firm that will include a summary of field and laboratory sampling and testing program; boring logs and laboratory testing results; review of general site conditions including descriptions of the site, the subsurface stratigraphy, groundwater conditions, and the presence and condition of fill materials, if encountered; and generalized design considerations that may be used for planning purposes (if such study has not already been provided to Buyer by Seller);
  - ix. An Alta Survey completed by a licensed third party firm including topographic survey and drainage analysis (if such survey has not already been provided by Buyer to Seller);
- c. ***Ad Valorem Taxes.*** Property owned by Seller is exempt under Texas Property Tax Code § 11.11. At closing property taxes will be prorated according to Texas Tax Code § 26.10. Seller assumes no responsibility for ad valorem taxes for any period, rollback or otherwise, not otherwise imposed on it by law.

- d. *Postclosing Adjustments.* If errors in the prorations made at closing are identified within ninety days after closing, Seller and Buyer will make postclosing adjustments to correct the errors within fifteen days of receipt of notice of the errors. This Section 11.02 (e) shall survive the Closing or termination of this Contract.

## **12. Default and Remedies.**

12.01. *Seller's Default.* If Seller fails to perform any of its obligations under this contract and such failure continues for 5 days after Buyer provides notice of same to Seller or if any of Seller's representations are not true and correct as of the Effective Date or on the Closing Date ("Seller's Default"), Buyer may elect the following as its sole and exclusive remedy:

- a. *Termination.* Buyer may terminate this contract by giving notice to Seller on or before the Closing Date and Closing Time.

12.02. *Buyer's Default.* If Buyer fails to perform any of its obligations under this contract and such failure continues for 5 days after Seller provides notice of same to Buyer ("Buyer's Default"), Seller may elect the following as its sole and exclusive remedy:

- a. *Termination.* Seller may terminate this contract by giving notice to Buyer on or before the Closing Date and Closing Time.

## **13. Prohibited Interests in Contracts.**

13.01. The Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale:

- (i) a City officer or employee;
- (ii) his parent, child or spouse;
- (iii) a business entity in which the officer or employee, or his parent, child or spouse owns (i) 10% or more of the voting stock or shares of the business entity, or (ii) 10% or more of the fair market value of the business entity;



(iv) a business entity in which any individual or entity above listed is a (i) subcontractor on a City contract, (ii) a partner, or (iii) a parent or subsidiary business entity.

13.02. Buyer warrants and certifies as follows:

(i) Buyer and its officers, employees and agents are neither officers nor employees of the City.

(ii) Buyer has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

13.03. Buyer acknowledges that City's reliance on the above warranties and certifications is reasonable.

#### **14. Dispute Resolution.**

14.01 As a condition precedent to bringing any action arising out of or relating to this agreement or any aspect thereof, including an action for declaratory relief but not an action specifically excepted below, the disputants must first submit in good faith to mediation. The parties may not assert limitations, laches, waiver, and estoppel based upon attempts to mediate.

14.02. Filing suit on a claim that should be mediated hereunder waives the filer's right to demand mediation. But one party's waiver does not affect another party's right. A defendant does not waive mediation for so long as, within a reasonable time after appearing, the defendant gives written notice to the plaintiff or its counsel of intent to require compliance with this paragraph.

14.03. Mediation must be conducted in San Antonio, Bexar County, Texas.

14.04. The party desiring relief has the burden to initiate mediation. Waiting for another party to initiate mediation does not waive the right to it.

14.05. If the parties can otherwise agree on a mediator, they may do so. Alternatively, either party may petition any court of competent jurisdiction to appoint a mediator. The only predicate issues the court need consider before appointing a mediator are whether (i) the copy of the contract before the court is authentic and (ii) the contract was duly signed and delivered by all parties to be bound to mediate. If neither of those issues is denied under oath, the court may appoint a mediator upon motion, without trial.

14.06. Mediator fees must be borne equally.

14.07. The parties need not mediate before going to court for either party to seek emergency injunctive relief.

## **15. Miscellaneous Provisions.**

15.01. *Applicable Law.* This Agreement is entered into in San Antonio, Bexar County, state of Texas. **THE CONSTRUCTION OF THIS AGREEMENT AND THE RIGHTS, REMEDIES, AND OBLIGATIONS ARISING THEREUNDER ARE GOVERNED BY THE LAWS OF THE STATE OF TEXAS.** But the Texas conflicts of law rules must not be used to apply the laws of a jurisdiction other than Texas. The obligations performable hereunder by both parties are performable in San Antonio, Bexar County, Texas.

15.02. *Severability.* If any portion hereof is determined to be invalid or unenforceable, such determination does not affect the remainder hereof.

15.03. *Successors.* This Agreement inures to the benefit of and is binding on the heirs, representatives, successors, and permitted assigns of each party. This clause does not authorize any assignment not otherwise authorized.

15.04. *Integration.* **This Written Agreement Represents The Final Agreement Between The Parties And May Not Be Contradicted By Evidence Of Prior, Contemporaneous, Or Subsequent Oral Agreements Of The Parties. There Are No Oral Agreements Between The Parties.**

### 15.05. *Modification.*

15.05.01. This Agreement may not be changed orally but only by a written agreement, signed by the party against whom enforcement of any modification is sought. Subject to the foregoing, any of the terms of this Agreement may be modified at any time by the party entitled to the benefit thereof, but no such modification, express or implied, affects the right of the modifying party to require observance of either (i) the same term or condition as it applies on a subsequent or previous occasion or (ii) any other term hereof.

15.05.02. The Director of Center City Development and Operations Department may, without further action of City Council, agree on behalf of Seller to extensions of deadlines or other non-material modifications to the rights and obligations of the parties under this Agreement.

15.06. *Third Party Beneficiaries.* This Agreement is intended for the benefit of the parties hereto and their successors and permitted assigns only. There are no third party beneficiaries hereof.

15.07. *Notices.* Any notice provided for or permitted hereunder must be in writing and delivered by hand, transmitted by facsimile transmission, sent prepaid for next-day delivery by Federal Express (or a comparable overnight delivery service) or by certified mail, return receipt requested, addressed to the parties at their respective addresses set forth in the preamble hereof. If the addressee is a corporation, notices must be addressed to the attention of its President. Notice shall be deemed given or made (as the case may be) when actually delivered to or refused by the intended recipient, or on the same day if transmitted by facsimile transmission prior to 5:00 PM local time of the recipient. Failure to use certified mail does not defeat the effectiveness of notice actually received, but such notice is effective only on actual receipt. Address for notice may be changed by giving notice hereunder.

15.08. *Pronouns.* In construing this Agreement, plural constructions include the singular, and singular constructions include the plural. No significance attaches to whether a pronoun is masculine, feminine, or neuter. The words "herein," "hereof," and other, similar compounds of the word "here" refer to this entire Agreement, not to any particular provision of it.

15.09. *Captions.* Paragraph captions in this Agreement are for ease of reference only and do not affect the interpretation hereof.

15.10. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of the number of counterparts, they constitute only one agreement. In making proof of this agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

15.11. *Further Assurances.* The parties must execute and deliver such additional documents and instruments as may be required to effect fully the provisions hereof. No such additional document(s), however, shall alter the rights or obligations of the parties as contained in this agreement. This Section 15.11 shall survive the Closing.

15.12. *Assignment.* With Seller's consent Buyer may assign this contract and Buyer's rights under it. Any other assignment is void.

15.13. *Survival.* The obligations of this contract that cannot be performed before termination of this contract or before closing survive termination of this contract or closing, and the legal doctrine of merger does not apply to these matters. If there is any conflict between the Closing Documents and this contract, the Closing Documents control.

15.14. *Ambiguities Not to Be Construed against Party Who Drafted Contract.* The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this contract.

15.15. *No Special Relationship.* The parties' relationship is an ordinary commercial relationship, and they do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship.

15.16. *Confidentiality.* The parties will keep confidential this contract, this transaction, and all information learned in the course of this transaction, except to the extent disclosure is required by law or court order or to enable third parties (including, without limitation, lawyers, accountants, consultants, lenders and their successors and/or assigns) to advise or assist Buyer to investigate the Property or either party to close this transaction.

15.17. *Waiver of Consumer Rights.* **Buyer Waives Its Rights Under The Texas Deceptive Trade Practices-Consumer Protection Act, Section 17.41 et seq. of The Texas Business and Commerce Code, A Law That Gives Consumers Special Rights and Protections. After Consultation With an Attorney of Its Own Selection, Buyer Voluntarily Consents To This Waiver.**

15.18. *Incorporation by Reference.* All exhibits to this Agreement are incorporated into it by reference for all purposes as if fully set forth.

15.19. *Replatting and Historic Designation.* Buyer acknowledges that if the Property has been subdivided without replatting, and the law requires replatting, Buyer assumes that obligation. Buyer also acknowledges that if the property is zoned such that it is a historic landmark, within a historic district, within a River Improvement Overlay District, within a Downtown district, or any other designation as applicable under City of San Antonio codes, additional review from boards, commissions, or offices such as the Historic and Design Review Commission or Office of Historic Preservation may be required for improvements to the Property.

15.20. *Administrative Agreements.* The Director of the Center City Development and Operations ("CCDO") and the Assistant Director may, without further council action, agree to, sign, and deliver on behalf of the City all consents, certificates, memoranda, estoppels, and modifications of nonmaterial rights and obligations arising under this agreement and may declare defaults and pursue remedies for such defaults.

15.21 *City Process.* Nothing in this Agreement obligates the City to take any particular action(s) or make any particular decision(s) regarding sale of the Property, or regarding any issues raised by the City's consideration of a possible sale of the Property, except as stated above, whether such action(s) or decision(s) would customarily be made by the City Council, the Planning Commission or any department of the City. Nor shall this Agreement be deemed to

constitute any prejudgment or predetermination of any matters required or permitted to be considered as part of the City's determination whether to sell the Property, or whether to take any related discretionary action(s), including waiver of any permit requirements, costs or abbreviation of any city procedures. Seller will cooperate with Buyer to the extent allowed by law and as directed by its governing body. Buyer understands that there is no agreement or guarantee related to the outcome or approval of any application that Buyer may submit for the Property.

**16. Public Information.**

Buyer acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this agreement waives an otherwise applicable exception to disclosure.

**17. Brokers' Commission.**

Each party represents to the other that neither party dealt with any real estate broker in connection with this transaction and that no commissions are due in respect of this transaction. In case of a dispute over the amount or allocation of any commission, the Title Company may nevertheless close the transaction and deliver the deed to Buyer, holding open only the distribution of proceeds to Seller. Buyer shall hold Seller harmless from and against any claims, suits, demands or liabilities of any kind or nature whatsoever arising on account of the claim of any other person, firm or corporation to a real estate brokerage commission or a finder's fee as a result of having dealt with Buyer, or as a result of having introduced Buyer to Seller or to the Property. Seller warrants and represents to Buyer that Seller has not dealt with any real estate broker in connection with this transaction, nor has Seller been introduced to Buyer by any real estate broker. The provisions of this Section 17 shall survive the Closing and any termination of this contract.

**Seller:**

**City of San Antonio, a Texas**  
municipal corporation

By: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**Buyer:**

**Yasaman Azima Living Trust**

By: \_\_\_\_\_,  
as Trustee

Printed Name:

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

**Approved as to Form:**

\_\_\_\_\_  
City Attorney

## Title Company Acknowledgment and Receipt

---

**Seller:** City of San Antonio

**Address:** P.O. Box 839966, San Antonio, Texas 78283-3966

**Buyer:**

**Address:**

**Property:**

Title Company agrees to act as escrow agent according to the terms of this Contract. Further, Title Company acknowledges receipt from Buyer of three fully executed counterpart originals of the Contract on the same date, with one fully executed original Contract being returned to each of Seller and Buyer.

### Alamo Title Company

By: \_\_\_\_\_

Printed  
Name:

Title: \_\_\_\_\_

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

## Title Company Receipt for Earnest Money

---

**Seller:** City of San Antonio

**Address:** P.O. Box 839966, San Antonio, Texas 78283-3966

**Buyer:**

**Address:**

**Property:**

Title Company acknowledges receipt from Buyer of earnest money in the amount set forth below:

Amount: \_\_\_\_\_

**Alamo Title Company**

By: \_\_\_\_\_

Printed  
Name:

Title: \_\_\_\_\_

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



## **Exhibit A: Property Description**

---

Tract 1: New City Block 598 Block 3 Lot 12 in the City of San Antonio, Bexar County, Texas, as shown in Volume 03215, Page 1960 of the Deed and Plat Records of Bexar County, Texas.

Tract 2: New City Block 598 Block 3 Lots 8-11

## Exhibit B: Representations

---

### Representations; Environmental Matters

#### A. Seller's Representations to Buyer

Seller represents to Buyer that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date.

1. *Authority.* Seller is a Texas Municipal Corporation duly organized, validly existing, and in good standing under the laws of the state of Texas with authority to convey the Property to Buyer. This contract is, and all documents required by this contract to be executed and delivered to Buyer at closing will be, duly authorized, executed, and delivered by Seller.
2. *Litigation.* There is no litigation pending or threatened against Seller that might affect the Property or Seller's ability to perform its obligations under this contract.
3. *Violation of Laws.* Seller has not received notice of violation of any law, ordinance, regulation, or requirements affecting the Property or Seller's use of the Property.
4. *Licenses, Permits, and Approvals.* Seller has not received notice that any license, permit, or approval necessary to operate the Property in the manner in which it is currently operated will not be renewed on expiration or that any material condition will be imposed in order to obtain their renewal.
5. *Condemnation; Zoning; Land Use; Hazardous Materials.* Seller has not received notice of any condemnation, zoning, or land-use proceedings affecting the Property or any inquiries or notices by any governmental authority or third party with respect to the presence of hazardous materials on the Property or the migration of hazardous materials from the Property.
6. *No Other Obligation to Sell the Property or Restriction against Selling the Property.* Except for granting a security interest in the Property, Seller has not obligated itself to sell the Property to any party other than Buyer. Seller's performance of this contract will not cause a breach of any other agreement or obligation to which Seller is a party or to which it is bound.
7. *No Liens.* On the Closing Date, the Property will be free and clear of all mechanic's and materialman's liens and other liens and encumbrances of any nature except the Permitted Exceptions, and no work or materials will have been furnished to the Property that

might give rise to mechanic's, materialman's, or other liens against the Property other than work or materials to which Buyer has given its consent.

8. *Personal Property.* The Property contains no personal property of Seller.

9. *No Other Representation.* Except as stated above or in the notices, statements, and certificates set forth in Exhibit D, Seller makes no representation with respect to the Property.

10. *No Warranty.* Seller has made no warranty in connection with this contract.

The provisions of this Exhibit B, subsection (A), shall survive the Closing and any termination of this contract.

**B. "As Is, Where Is"**

**This Contract Is An Arms-Length Agreement Between The Parties. The Purchase Price Was Bargained On The Basis Of An "As Is, Where Is" Transaction And Reflects The Agreement Of The Parties That There Are No Representations, Disclosures, Or Express Or Implied Warranties, Except For The Warranty Of Title Stated In The Closing Documents And Seller's Representations To Buyer Set Forth In Section A Of This Exhibit B.**

**The Property Will Be Conveyed To Buyer In An "As Is, Where Is" Condition, With All Faults. All Warranties Are Disclaimed.**

The provisions of this section B regarding the Property will be included in the deed with appropriate modification of terms as the context requires.

The provisions of this Exhibit B, subsection (B), shall survive the Closing and any termination of this contract.

**C. Environmental Matters**

**After Closing, As Between Buyer And Seller, The Risk Of Liability Or Expense For Environmental Problems, Even If Arising From Events Before Closing, Will Be The Sole Responsibility Of Buyer, Regardless Of Whether The Environmental Problems Were Known Or Unknown At Closing, unless such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of other parties during actions taken on behalf of Seller). Once Closing Has Occurred, Buyer Indemnifies, Holds Harmless, And Releases Seller From Liability For Any Latent Defects And From Any Liability For Environmental Problems Affecting The Property, Including**

**Liability Under The Comprehensive Environmental Response, Compensation, And Liability Act (Cercla), The Resource Conservation And Recovery Act (Rcra), The Texas Solid Waste Disposal Act, Or The Texas Water Code, provided however that Buyer shall not be required to indemnify Seller if such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of other parties during actions taken on behalf of Seller). Buyer Indemnifies, Holds Harmless, And Releases Seller From Any Liability For Environmental Problems Affecting The Property Arising As The Result Of Seller's Own Negligence Or The Negligence Of Seller's Representatives, unless such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of other parties during actions taken on behalf of Seller). Buyer Indemnifies, Holds Harmless, And Releases Seller From Any Liability For Environmental Problems Affecting The Property Arising As The Result Of Theories Of Products Liability And Strict Liability, Or Under New Laws Or Changes To Existing Laws Enacted After The Effective Date That Would Otherwise Impose On Sellers In This Type Of Transaction New Liabilities For Environmental Problems Affecting The Property, however Buyer shall not be required to indemnify Seller if such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of other parties during actions taken on behalf of Seller).**

The provisions of this section C regarding the Property will be included in the deed with appropriate modification of terms as the context requires.

The provisions of this Exhibit B, subsection (C), shall survive the Closing and any termination of this contract.

#### **D. Buyer's Representations to Seller**

Buyer represents to Seller that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date.

1. *Authority.* Buyer is a Texas trust, duly organized, validly existing, and in good standing under the laws of the state of Texas with authority to acquire the Property from Seller. This contract is, and all documents required by this contract to be executed and delivered to Seller at closing will be, duly authorized, executed, and delivered by Seller.

2. *Litigation.* There is no litigation pending or threatened against Buyer that might affect Buyer's ability to perform its obligations under this contract.

## Exhibit C: Notices

---

### Notices, Statements, and Certificates

The following notices, statements, and certificates are attached for delivery to Buyer, and Buyer acknowledges receipt of the notices, statements, and certificates by executing this contract:

Notice concerning asbestos

## Exhibit D: Form of Deed

---

**Notice of Confidentiality Rights: If You Are a Natural Person, You May Remove or Strike Any or All the Following Information from Any Instrument That Transfers an Interest in Real Property Before it Is Filed for Record in the Public Records: Your Social Security Number or Your Driver's License Number.**

---

State of Texas        }  
                                  }  
County of Bexar     }

## Deed Without Warranty

---

**Authorizing Ordinance:**

**Statutory Authority:** Local Government Code § 272.001(a); Tax Code § 311

**SP No./Parcel:** 106312 & 106313

**Grantor:** City of San Antonio

**Grantor's Mailing Address:** City Of San Antonio, P.O. Box 839966, San Antonio, Texas 78283-3966 (Attn: City Clerk)

**Grantor's Street Address:** City Hall, 100 Military Plaza, San Antonio, Texas 78205 (Bexar County)

**Grantee:** Yasaman Azima Living Trust

**Grantee's Mailing Address:** P.O. Box 91012  
San Antonio, TX 78209

**Consideration:** \$10 in hand paid and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged.

**Property:** All of the following real property situated within the corporate limits of the City of San Antonio, Bexar County, Texas, being described as follows: 1434 E. Commerce and 323 Idaho, legally described as NCB 598 BLK 3 LOT 8 THRU 11, NCB 598 BLK 3 LOT 12.

Grantor, for the Consideration, Grants, Bargains, and Conveys to Grantee, all of Grantor's right, title, interest, and estate, both at law and in equity, as of the date hereof, in and to the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, To Have and To Hold unto Grantee, Grantee's successors and assigns forever, **Without Any Express Or Implied Warranty whatsoever, Including But Not Limited to Warranties of Title, Condition, or Character.**

The Property is conveyed together with any and all improvements, structures and fixtures located thereon, and with all rights, privileges, rights of way, and easements appurtenant thereto, unless reserved unto other parties herein.

**Reservations, Restrictions, Exceptions, And Conditions To Conveyance:** This conveyance is explicitly subject to the following:

**A. Reservations:**

1. Development.

- a. Grantee shall commence clearing the Property of all improvements existing at the time of closing within 6 months of closing.

If Grantee fails to begin clearing the property within 6 months, which shall be determined by the receipt of an affidavit of demolition commencement by a general contractor delivered to Grantor and the issuance of a permit through the Development Services Department (or equivalent department) of the City of San Antonio, Grantor may at any time re-enter the Property and retake title to it by filing in the Bexar County real property records a Notice of Re-Entry. Upon Grantor's filing the Notice of Re-Entry, title automatically passes back from Grantee to Grantor. After filing the notice, Grantor may, but need not, move into possession of the Property and evict Grantee. Grantor's failure to move into possession or evict Grantee does not impair the effectiveness of filing the notice. Should Grantor file the Notice of Re-Entry, Grantor shall pay Grantee \$120,000 minus closing costs paid by Grantor (excluding costs for the Geotechnical Study and Alta Survey).

If Grantor has not filed a Notice of Re-Entry by eighteen (18) months after the Closing Date or prior to commencement of construction per A (1) (b) below, its right to do so lapses, and Grantee's title is thereafter secure against any attempted re-entry by Grantor. No delay by Grantor in filing the notice short of the eighteen (18) months impairs its right to file the notice.

Grantor may release this right of re-entry at any time by filing in the public records a notice to that effect.

- b. Not later than 24 months after Closing Grantee must commence construction on a primary building on the Property which shall be determined by the receipt of an affidavit of construction commencement by a general contractor delivered to Grantor and the issuance of a permit through the Development Services Department (or equivalent department) of the City of San Antonio. If Grantee fails to timely commence construction Grantor may at any time re-enter the Property and retake title to it by filing in the Bexar County real property records a Notice of Re-Entry. Upon Grantor's filing the Notice of Re-Entry, title automatically passes back from Grantee to Grantor. After filing the notice, Grantor may, but need not, move into possession of the Property and evict Grantee. Grantor's failure to move into possession or evict Grantee does not impair the effectiveness of filing the notice. Should Grantor file the Notice of Re-Entry, Grantor shall pay Grantee \$120,000 plus actual cost of demolition and asbestos removal paid by Grantee to that date in an amount not to exceed \$50,000.00, minus closing costs paid by Grantor (excluding costs for the Geotechnical Study and Alta Survey).

If Grantor has not filed a Notice of Re-Entry by three (3) years after the Closing Date, its right to do so lapses, and Grantee's title is thereafter secure against any attempted re-entry by Grantor. No delay by Grantor in filing the notice short of the three (3) years impairs its right to file the notice.

Grantor may release this right of re-entry at any time by filing in the public records a notice to that effect.

- c. Not later than 48 months after Closing Grantee must, other than for ordinary punch-list items, complete construction on a primary building on the Property which shall be determined by the issuance of a permanent certificate of occupancy for a primary building on the Property. If Grantee fails to timely complete construction, Grantee must reimburse Grantor within 2 months after the 48 month deadline for any City of San Antonio and San Antonio Water System fees waived by those entities associated with Grantees development of the Property. Should Grantee reimburse Grantor within 2 months, Grantee retains ownership of the Property. Should Grantee fail to reimburse Grantor within 2 months, Grantor may at any time re-enter the Property and retake title to it by filing in the Bexar County real property records a Notice of Re-Entry. Upon Grantor's filing the Notice of Re-Entry, title automatically passes back from Grantee to Grantor. After filing the notice, Grantor may, but need not, move into possession of the Property and evict Grantee. Grantor's failure to move into possession or evict Grantee does not impair the effectiveness of filing the notice.



If Grantor has not filed a Notice of Re-Entry by five (5) years after the Closing Date, its right to do so lapses, and Grantee's title is thereafter secure against any attempted re-entry by Grantor. No delay by Grantor in filing the notice short of the five (5) years impairs its right to file the notice.

Grantor may release this right of re-entry at any time by filing in the public records a notice to that effect.

2. Right of First Refusal.

- a. Grantor shall have a right of first refusal to buy the Property back at fair market value prior to offering the Property to another buyer if sale is prior to the completion of construction on a primary building on the property. Completion of construction shall be determined by the issuance of a certificate of occupancy for the Property. Grantor may release this right of first refusal at any time by filing in the public records a notice to that effect.
- b. After the Property has been developed and construction is complete, the property can be sold without offering Grantor a right of first refusal and Grantor shall not seek any financial consideration in such a circumstance. Grantor may acknowledge such completion at any time by filing in the public records a notice to that effect.

3. All other reservations affecting the Property.

**B. Easements:** All recorded and unrecorded easements, whether or not open and obvious.

**C. Restrictions:** All covenants and restrictions affecting the Property.

**D. Exceptions:** All instruments affecting the Property, whether or not recorded.

**E. Conditions:** All conditions affecting the Property.

This conveyance does not relieve Grantee of any building, zoning, or other city-imposed requirements, or other land use restrictions applicable to the Property or the obligation to pay any real estate taxes that may otherwise be due.

**After Closing, As Between Buyer And Seller, The Risk Of Liability Or Expense For Environmental Problems, Even If Arising From Events Before Closing, Will Be The Sole Responsibility Of Buyer, Regardless Of Whether The Environmental Problems Were Known Or Unknown At Closing, unless such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of**

other parties during actions taken on behalf of Seller). Once Closing Has Occurred, Buyer Indemnifies, Holds Harmless, And Releases Seller From Liability For Any Latent Defects And From Any Liability For Environmental Problems Affecting The Property, Including Liability Under The Comprehensive Environmental Response, Compensation, And Liability Act (Cercla), The Resource Conservation And Recovery Act (Rcra), The Texas Solid Waste Disposal Act, Or The Texas Water Code, provided however that Buyer shall not be required to indemnify Seller if such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of other parties during actions taken on behalf of Seller). Buyer Indemnifies, Holds Harmless, And Releases Seller From Any Liability For Environmental Problems Affecting The Property Arising As The Result Of Seller's Own Negligence Or The Negligence Of Seller's Representatives, unless such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of other parties during actions taken on behalf of Seller). Buyer Indemnifies, Holds Harmless, And Releases Seller From Any Liability For Environmental Problems Affecting The Property Arising As The Result Of Theories Of Products Liability And Strict Liability, Or Under New Laws Or Changes To Existing Laws Enacted After The Effective Date That Would Otherwise Impose On Sellers In This Type Of Transaction New Liabilities For Environmental Problems Affecting The Property, however Buyer shall not be required to indemnify Seller if such environmental problems were caused by Seller or on behalf of Seller during Seller's ownership, or are a direct result of Seller's gross negligence or willful misconduct (or the gross negligence or willful misconduct of other parties during actions taken on behalf of Seller).

Grantor expressly disclaims any and all warranties arising by common law, statute (including without limitation the implied warranties of § 5.023, Texas Property Code or any successor statute), or otherwise.

**Setting Out The Specific Reservations And Disclaimers Does Not Imply That The Property Is Free Of Other Encumbrances Or Adverse Claims Or Conditions. Grantor Specifically Disclaims Any Such Implication.**

In Witness Whereof, Grantor has caused its representative to set its hand:

**Grantor:**

City of San Antonio, a Texas  
municipal corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**Grantee:**

Yasaman Azima Living Trust, a  
Texas trust

By: \_\_\_\_\_,  
as Trustee

Printed Name:

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

**Approved As To Form:**

By: \_\_\_\_\_  
City Attorney

The State of Texas    }

County of Bexar     }

Before me, the undersigned authority, this instrument was this day acknowledged by \_\_\_\_\_, of and for the City of San Antonio, a Texas municipal corporation, on behalf of that entity in the capacity stated.

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

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

**After Recording, Return To:**

Jasmine Azima, P.E., CxA  
Yasaman Azima Living Trust  
115 E. Travis, Suite 1020  
San Antonio, TX 78205