

AN ORDINANCE **2015-06-04-0476**

**APPROVING THE TERMS AND CONDITIONS AND AUTHORIZING THE FINAL NEGOTIATION OF ESCROW AGREEMENTS AND OTHER NECESSARY AGREEMENTS AND DOCUMENTS ASSOCIATED WITH THE PURCHASE BY THE CITY OF THE EXISTING FROST BANK TOWER AND THE SALE OF CITY-OWNED PROPERTIES TO WESTON URBAN LLC, IN ACCORDANCE WITH THE COMPREHENSIVE DEVELOPMENT AGREEMENT BETWEEN THE CITY, WESTON URBAN LLC AND FROST BANK.**

\* \* \* \* \*

**WHEREAS**, in accordance with Chapter 2267 of the Texas Government Code and the City’s Public-Private Partnership Guidelines, the City Council approved a Comprehensive Development Agreement (the “CDA”) between the City, Weston Urban LLC., and Frost Bank; and

**WHEREAS**, the CDA provides for certain conditions, including the City providing a prepaid purchase price amount into an escrow account for the benefit of Weston Urban, and for Weston Urban to provide certain funds into an escrow account for the benefit of the City; and

**WHEREAS**, it is anticipated that in the process of closing on properties identified in the CDA that additional agreements, documents, notes, and instruments may be required to be negotiated and executed; and

**WHEREAS**, time may be of the essence in negotiating and executing such agreements, documents, notes and instruments; **NOW, THEREFORE:**

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


**SECTION 1.** The terms and conditions of Escrow Agreements in the forms set out in **Exhibits A and B**, which are consistent with the terms and conditions of the Comprehensive Development Agreement between the City, Weston Urban LLC., and Frost Bank, are hereby approved. The final agreements shall be filed with this Ordinance upon execution.

**SECTION 2.** The City Manager or her designee are authorized to finalize and execute the Escrow Agreements and to negotiate and execute other necessary agreements and documents associated with the purchase by the City of the existing Frost Bank Tower and adjacent garage and the sale of specified City-owned properties in accordance with the Comprehensive Development Agreement between the City, Weston Urban LLC and Frost Bank. The final agreements and documents shall be identified and filed with this Ordinance upon execution.

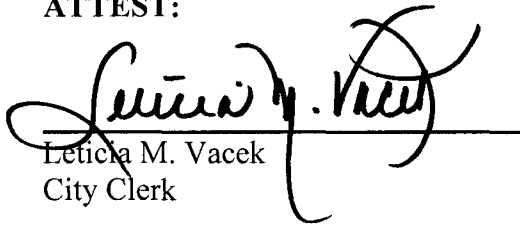
**SECTION 3.** This Ordinance shall be effective immediately upon its passage by eight (8) votes or after the 10<sup>th</sup> day of its passage by less than eight (8) affirmative votes.

RR  
06/04/15  
Item No. 4F

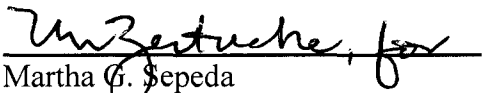
**PASSED AND APPROVED this 4<sup>th</sup> day of June, 2015.**

  
M A Y O R  
Ivy R. Taylor

**ATTEST:**

  
Leticia M. Vacek  
City Clerk

**APPROVED AS TO FORM:**

  
Martha G. Sepeda  
Acting City Attorney

<b>Agenda Item:</b>	4F ( in consent vote: 4A, 4B, 4C, 4D, 4E, 4F )						
<b>Date:</b>	06/04/2015						
<b>Time:</b>	09:39:49 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance authorizing the final negotiation and execution of escrow agreements and other necessary agreements and documents associated with the purchase of the existing Frost Bank Tower and the sale of properties owned by the City of San Antonio.						
<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. Trevino	District 1		x			x	
Alan Warrick	District 2	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				x
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

# **EXHIBIT A**

## ESCROW AGREEMENT

This ESCROW AGREEMENT (this "*Escrow Agreement*") is made and entered into as of the 1st day of July, 2015 ("*Effective Date*"), by and among THE CITY OF SAN ANTONIO, TEXAS (the "*City*"), WESTON URBAN, LLC ("*Weston Urban*") and CHICAGO TITLE OF TEXAS LLC ("*Escrow Agent*") (the City, Weston Urban and Escrow Agent are sometimes referred to herein collectively as the "*Parties*" and each individually as a "*Party*").

### RECITALS:

A. Pursuant to that certain Comprehensive Development Agreement (the "*CDA*") dated effective as \_\_\_\_\_, 2015 by and between the City, Weston Urban and Frost Bank ("*Frost*"), the City and Weston Urban have agreed to enter into this Escrow Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to them in the CDA.

B. The CDA sets forth the terms, conditions and provisions under which the City, Weston Urban and Frost will undertake a certain Project that includes (i) the conveyance of the Existing Frost Facilities from Frost to the City, (ii) the development of the New Tower by Weston Urban, and (iii) the conveyance of certain City Real Estate from the City to Weston Urban for redevelopment along with certain Additional Frost Properties to be acquired from Frost.

C. The CDA provides for the sum of Five Million and no/100 Dollars (\$5,000,000.00) to be deposited by the City under this Agreement, such sum comprising a portion of the Prepaid Purchase Price Portion and to be disbursed in accordance with the terms, conditions and provisions of this Agreement.

### AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, Weston Urban and Escrow Agent do hereby covenant and agree as follows:

1. Defined Terms. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the CDA.

2. Establishment of Escrow. Contemporaneously with the execution of this Agreement, the City is depositing with Escrow Agent the sum of Five Million and no/100 Dollars (\$5,000,000.00) (the "*Escrow*"). By its execution of this Agreement, Escrow Agent acknowledges receipt of the Escrow. Escrow Agent is hereby instructed to invest the funds comprising the Escrow (the "*Escrowed Funds*") into either (a) an interest bearing account at International Bank of Commerce (provided that such funds are collateralized (to the extent not covered by FDIC Insurance) in accordance with the Texas Public Funds Collateralization Act), or (b) bonds, notes, Treasury bills or other securities constituting direct obligations of, or guaranteed by the full faith and credit of, the United States of America, and in no event maturing beyond the closing date under the Existing Tower Contract and that are otherwise compliant with the Texas Public Funds

Investment Act and the City's Investment policy it being agreed that all interest on the Escrowed Funds shall be added to the Escrowed Funds during the term of this Agreement. The Escrowed Funds are hereby irrevocably pledged by the City to be disbursed in accordance with the terms, conditions and provisions of this Agreement.

3. Termination under Section 6.05A of the CDA. If Weston Urban terminates the Comprehensive Development Agreement under Section 6.05A of the CDA, then Weston Urban shall have the right to recover out of the Escrowed Funds the New Tower Recoverable Costs incurred prior to the date the CDA was terminated up to a maximum of Five Million and No/100 Dollars (\$5,000,000.00). In order to recover such funds, Weston Urban shall submit to Escrow Agent and City a Payment Affidavit in the form attached hereto as **Exhibit "A"** referencing a "Disbursal Amount" (for purposes of this paragraph 3, the "**Disbursal Amount**") representing the amount of New Tower Recoverable Costs incurred and claimed by Weston Urban under the CDA. The Payment Affidavit may be delivered at any time following the termination of the CDA pursuant to Section 6.05A of the CDA and prior to the forty-fifth (45<sup>th</sup>) day following the date of such termination. If Weston Urban fails to submit to the City and the Escrow Agent a Payment Affidavit for a Disbursal Amount within such forty-five (45) day period it shall have waived its rights to recover any New Tower Recoverable Costs from the City, and the Escrow Agent, shall upon receipt of a written affidavit from the City avowing that Weston Urban has so failed (the "**No-Claim Affidavit**"), disburse the Escrowed Funds to the City, after which neither the City, Weston Urban or Escrow Agent shall have rights, obligations or duties concerning the Escrowed Funds. Notwithstanding any other provision contained herein, in the CDA or any other agreement, the Parties expressly acknowledge that upon Escrow Agent's receipt of the No-Claim Affidavit, no consent, approval or authorization whatsoever shall be required from Weston Urban or any other person in connection with the disbursement of funds set forth above to the City and Weston Urban hereby consents to the release of such funds by Escrow Agent as provided herein and releases Escrow Agent from any and all claims, causes of action, liability or costs associated with such a release of funds and agrees to look solely to the City to resolve any dispute that may arise with respect to such funds. If the City objects to the inclusion of any amounts of the New Tower Recoverable Costs in the Disbursal Amount (the "**Disputed Amounts**"), it shall provide written notice (a "**Dispute Notice**") to Weston Urban and Escrow Agent of such objections prior to the expiration of a thirty (30) day period beginning on the day of receipt of the Payment Affidavit claiming the Disbursal Amount (the "**Dispute Period**"). If the City does not deliver a Dispute Notice to Escrow Agent and Weston Urban within the Dispute Period, then Escrow Agent shall disburse the entire amount of the Disbursal Amount to Weston Urban and the balance of the Escrowed Funds to the City. Notwithstanding any other provision contained herein, in the CDA or any other agreement, the Parties expressly acknowledge that if Escrow Agent does not receive a Dispute Notice within the Dispute Period, no consent, approval or authorization whatsoever shall be required from the City or any other person in connection with the disbursement of funds as set forth above to Weston Urban and the City hereby consents to the release of such funds by Escrow Agent as provided herein and releases Escrow Agent for any and all claims, causes of action, liability or costs associated with such a release of funds and agrees to look solely to Weston Urban to resolve any dispute that may arise with respect to such funds. If the City does deliver a Dispute Notice to Escrow Agent and Weston Urban, then upon receipt of the Dispute Notice, Escrow Agent shall (a) disburse funds equal to any undisputed amounts included in the Payment Affidavit to Weston Urban; (b) disburse to the City, funds equal to the difference between the (i) Escrowed

Funds and (ii) the sum of the funds disbursed to Weston Urban in connection with any undisputed amounts and the Disputed Amounts and (c) continue to hold the Disputed Amounts until such time as it receives joint instructions from the City and Weston Urban as to the disbursement of the Disputed Amounts or Escrow Agent exercises its right to file an interpleader action and interpleads the Disputed Amounts, as contemplated by Section 8(g) hereof. Upon receipt of a Dispute Notice, City and Weston Urban agree to attempt in good faith, for a period of thirty (30) days (as may be extended by mutual agreement of City and Weston Urban, the “**Resolution Period**”), to agree upon a resolution of the Disputed Amounts and the rights of the respective parties with respect to such funds. If City and Weston Urban are able to agree upon a resolution of the Disputed Amounts prior to expiration of the Resolution Period, a memorandum setting forth such agreement and containing joint instructions regarding the disbursal of such funds shall be prepared, signed by the City and Weston Urban, and promptly delivered to the Escrow Agent. If the City and Weston Urban are not able to agree upon a resolution of the Disputed Amounts prior to the expiration of the Resolution Period, then the City must, within five (5) business days after the expiration of the Resolution Period bring an action in a court of competent jurisdiction asserting the City’s claims to the Disputed Amounts, either as part of an interpleader case or otherwise (a “**City Asserted Claim**”) and thereafter promptly attempt to serve Weston Urban in such action. If the City fails to both file a City Asserted Claim and deliver notice to Weston Urban of the filing, within such five (5) business day period, it shall have waived its right to the Disputed Amounts and the Escrow Agent shall, upon receipt of a written affidavit from Weston Urban advising that the City did not deliver notice to Weston Urban of such filing within such five (5) business day period and that Weston Urban did not otherwise receive notice of such filing (a “**Final Disbursal Affidavit**”), disburse the Disputed Amounts to Weston Urban, after which neither the City, Weston Urban nor Escrow Agent shall have any further rights, obligation or duties concerning the Disputed Amounts. Notwithstanding any other provision contained herein, in the CDA or any other agreement, the Parties expressly acknowledge that upon Escrow Agent’s receipt from Weston Urban of a Final Disbursal Affidavit, no consent, approval or authorization whatsoever shall be required from the City or any other person in connection with the disbursement of funds as set forth above to Weston Urban and the City hereby consents to the release of such funds by Escrow Agent as provided herein and releases Escrow Agent for any and all claims, causes of action, liability or costs associated with such a release of funds and agrees to look solely to Weston Urban to resolve any dispute that may arise with respect to such funds.

4. Termination under Section 6.06A of the CDA. If Weston Urban or Frost terminates the Comprehensive Development Agreement under Section 6.06A of the CDA, then Weston Urban shall have the right to recover out of the Escrowed Funds the New Tower Recoverable Costs incurred prior to the date the CDA was terminated up to a maximum of Five Million and No/100 Dollars (\$5,000,000.00). In order to recover such funds, Weston Urban shall submit to Escrow Agent and City a Payment Affidavit in the form attached hereto as **Exhibit “B”** referencing a “Disbursal Amount” (for purposes of this paragraph 4, the “**Disbursal Amount**”) representing the amount of New Tower Recoverable Costs incurred and claimed by Weston Urban under the CDA. The Payment Affidavit may be delivered at any time following the termination of the CDA pursuant to Section 6.06A of the CDA and prior to the forty-fifth (45<sup>th</sup>) day following the date of such termination. If Weston Urban fails to submit to the City and the Escrow Agent a Payment Affidavit for a Disbursal Amount within such forty-five (45) day period it shall have waived its rights to recover any New Tower Recoverable Costs from the City, and the Escrow

Agent, shall upon receipt of a written affidavit from the City avowing that Weston Urban has so failed (the “**No-Claim Affidavit**”), disburse the Escrowed Funds to the City, after which neither the City, Weston Urban or Escrow Agent shall have rights, obligations or duties concerning the Escrowed Funds. Notwithstanding any other provision contained herein, in the CDA or any other agreement, the Parties expressly acknowledge that upon Escrow Agent’s receipt of the No-Claim Affidavit, no consent, approval or authorization whatsoever shall be required from Weston Urban or any other person in connection with the disbursement of funds set forth above to the City and Weston Urban hereby consents to the release of such funds by Escrow Agent as provided herein and releases Escrow Agent from any and all claims, causes of action, liability or costs associated with such a release of funds and agrees to look solely to the City to resolve any dispute that may arise with respect to such funds. If the City objects to the inclusion of any amounts in the New Tower Recoverable Costs (the “**Disputed Amounts**”), it shall provide written notice (a “**Dispute Notice**”) to Weston Urban and Escrow Agent of such objections prior to the expiration of a thirty (30) day period beginning on the day of receipt of the Payment Affidavit claiming the Disbursal Amount (the “**Dispute Period**”). If the City does not deliver a Dispute Notice to Escrow Agent and Weston Urban within the Dispute Period, then Escrow Agent shall disburse the entire amount of the Disbursal Amount to Weston Urban and the balance of the Escrowed Funds to the City. Notwithstanding any other provision contained herein, in the CDA or any other agreement, the Parties expressly acknowledge that if Escrow Agent does not receive a Dispute Notice within the Dispute Period, no consent, approval or authorization whatsoever shall be required from the City or any other person in connection with the disbursement of funds as set forth above to Weston Urban and the City hereby consents to the release of such funds by Escrow Agent as provided herein and releases Escrow Agent for any and all claims, causes of action, liability or costs associated with such a release of funds and agrees to look solely to Weston Urban to resolve any dispute that may arise with respect to such funds. If the City does deliver a Dispute Notice to Escrow Agent and Weston Urban, then upon receipt of the Dispute Notice, Escrow Agent shall (a) disburse funds equal to any undisputed amounts included in the Payment Affidavit to Weston Urban; (b) disburse to the City, funds equal to the difference between the (i) Escrowed Funds and (ii) the sum of the funds disbursed to Weston Urban in connection with any undisputed amounts and the Disputed Amounts and (c) continue to hold the Disputed Amounts until such time as it receives joint instructions from the City and Weston Urban as to the disbursement of the Disputed Amounts or Escrow Agent exercises its right to file an interpleader action and interpleads the Disputed Amounts, as contemplated by Section 8(g) hereof. Upon receipt of a Dispute Notice, City and Weston Urban agree to attempt in good faith, for a period of thirty (30) days (as may be extended by mutual agreement of City and Weston Urban, the “**Resolution Period**”), to agree upon a resolution of the Disputed Amounts and the rights of the respective parties with respect to such funds. If City and Weston Urban are able to agree upon a resolution of the Disputed Amounts prior to expiration of the Resolution Period, a memorandum setting forth such agreement and containing joint instructions regarding the disbursement of such funds shall be prepared, signed by the City and Weston Urban, and promptly delivered to the Escrow Agent. If the City and Weston Urban are not able to agree upon a resolution of the Disputed Amounts prior to the expiration of the Resolution Period, then the City must, within five (5) business days after the expiration of the Resolution Period bring an action in a court of competent jurisdiction asserting the City’s claims to the Disputed Amounts, either as part of an interpleader case or otherwise (a “**City Asserted Claim**”) and thereafter promptly attempt to serve Weston Urban in such action. If the City fails to both file a City Asserted Claim and deliver notice to Weston Urban of the filing within such five



(5) business day period, it shall have waived its right to the Disputed Amounts and the Escrow Agent shall, upon receipt of a written affidavit from Weston Urban advising that the City did not deliver notice to Weston Urban of such filing within such five (5) business day period and that Weston Urban did not otherwise receive notice of such filing (a "**Final Disbursal Affidavit**"), disburse the Disputed Amounts to Weston Urban, after which neither the City, Weston Urban nor Escrow Agent shall have any further rights, obligation or duties concerning the Disputed Amounts. Notwithstanding any other provision contained herein, in the CDA or any other agreement, the Parties expressly acknowledge that upon Escrow Agent's receipt from Weston Urban of a Final Disbursal Affidavit, no consent, approval or authorization whatsoever shall be required from the City or any other person in connection with the disbursement of funds as set forth above to Weston Urban and the City hereby consents to the release of such funds by Escrow Agent as provided herein and releases Escrow Agent for any and all claims, causes of action, liability or costs associated with such a release of funds and agrees to look solely to Weston Urban to resolve any dispute that may arise with respect to such funds.

5. Closing on Existing Tower Contract. When all conditions to closing under the Existing Tower Contract have been satisfied and the City is ready, willing and able to close on its purchase of the Existing Tower, the City shall give notice to Weston Urban and Escrow Agent, whereupon Escrow Agent shall transfer the Escrowed Funds to Presidio Title (the "**Prepaid Purchase Portion Notice**"), the escrow agent handling the closing under the Existing Tower Contract, and such Escrowed Funds shall be applied to the Purchase Price under the Existing Tower Contract. Notwithstanding any other provision contained herein, in the CDA or any other agreement, the Parties expressly acknowledge that upon Escrow Agent's receipt of the Prepaid Purchase Portion Notice, no consent, approval or authorization whatsoever shall be required from Weston Urban or any other person in connection with the disbursement of funds set forth above to Presidio Title and Weston Urban hereby consents to the release of such funds by Escrow Agent as provided herein and releases Escrow Agent from any and all claims, causes of action, liability or costs associated with such a release of funds and agrees to look solely to the City to resolve any dispute that may arise with respect to such funds.

6. Other Events of Termination under the CDA. If the CDA terminates prior to the City's acquisition of the Existing Frost Facilities for any reason other than termination under Section 6.05A or 6.06A (each a "**Recoverable Event of Termination**"), then the City shall be entitled to a refund of the entire Escrowed Funds. To obtain such refund, the City shall send written notice (a "**Refund Notice**") to Escrow Agent and Weston Urban requesting a refund of such Escrowed Funds. If Weston Urban objects to the refund of the Escrowed Funds, either on the grounds that the CDA was not properly terminated or that a Recoverable Event of Termination has occurred, then Weston Urban must send written notice (an "**Objection Notice**") of such objections to the City and Escrow Agent within two (2) business days following Weston Urban's receipt of the Refund Notice. Upon receipt of an Objection Notice, Escrow Agent shall continue to hold the Escrowed Funds until such time as it receives joint instructions from the City and Weston Urban as to the disbursement of the Escrowed Funds or, a court order directs Escrow Agent as to the disbursement of the Escrowed Funds or Escrow Agent exercises its right to file an interpleader action and interpleads the Escrowed Funds, as contemplated by Section 8(g) hereof. If Weston Urban does not deliver an Objection Notice to Escrow Agent within two (2) business days

following Weston Urban's receipt of the Refund Notice, then Escrow Agent may disburse the entire amount of the Escrowed Funds to the City.

7. Obligations and Compensation of Escrow Agent. Escrow Agent hereby accepts the Escrowed Funds and agrees to hold in escrow and disburse the Escrowed Funds only in accordance with the terms, provisions and conditions of this Agreement. Escrow Agent shall be entitled to no compensation for Escrow Agent's performance of its obligations hereunder.

8. Concerning the Escrow Agent. The City and Weston Urban agree that the following provisions shall control with respect to the right, duties, liabilities, privileges and immunities of Escrow Agent:

(a) Escrow Agent is not a party to, and is not bound by, or charged with notice of, any agreement out of which this escrow may arise, other than this Agreement.

(b) Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of the subject matter of the escrow or any part thereof, or for the form or execution thereof, or for the identity or authority of any person executing or depositing the same.

(c) In the event Escrow Agent becomes involved in litigation in connection with this Agreement, Weston Urban agrees to indemnify and save Escrow Agent harmless from all loss, costs, damages, expenses and attorneys' fees suffered or incurred by Escrow Agent as a result thereof (excluding, however, the negligence or misconduct of Escrow Agent or its employees or agents). The obligations of Weston Urban under this paragraph shall be performable at the principal office of Escrow Agent in San Antonio, Texas.

(d) Escrow Agent shall be protected in acting upon any written notice, waiver, consent, certificate, receipt, authorization, power of attorney or other paper or document which Escrow Agent in good faith believes to be genuine and what it purports to be.

(e) Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except its own negligence or willful misconduct (or that of its employees or agents).

(f) Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder.

(g) Except as expressly provided in paragraph 3 and paragraph 4 and paragraph 5 above with respect to disbursements to (i) Weston Urban which the Escrow Agent shall make upon receipt of a Final Disbursement Affidavit or upon the failure of the City to deliver a Dispute Notice (unless a court order is issued enjoining the release of such Disbursement Amounts), or (ii) the City which the Escrow Agent shall make upon receipt of a No-Claim Affidavit (unless a court order is issued enjoining the release of the Escrowed Funds) or (iii) to Presidio Title which the Escrow Agent shall make upon receipt of a Prepaid Purchase Portion Notice (unless a court order is issued enjoining the release of the Escrowed Funds), in the event any claims or demands upon Escrow Agent are made in connection with any provision of this Agreement, or in the event Escrow Agent,

in good faith, shall be in doubt as to what action it should take hereunder, Escrow Agent may, in its good faith discretion, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in such event, Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act (except in connection with the negligence or misconduct of Escrow Agents or its employees or agents), and Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties and Escrow Agent shall have been notified thereof in writing signed by all such parties. Except as expressly provided in paragraph 3 and paragraph 4 above with respect to disbursements to (i) Weston Urban which the Escrow Agent shall make upon receipt of a Final Disbursement Affidavit or upon the failure of the City to deliver a Dispute Notice (unless a court order is issued enjoining the release of such Disbursement Amounts), or (ii) the City which the Escrow Agent shall make upon receipt of a No-Claim Affidavit (unless a court order is issued enjoining the release of the Escrowed Funds), or (iii) to Presidio Title which the Escrow Agent shall make upon receipt of a Prepaid Purchase Portion Notice (unless a court order is issued enjoining the release of the Escrowed Funds) in the event Escrow Agent shall be in doubt as to what action it should take hereunder at any time during the term of this Agreement, Escrow Agent shall have the right, in its good faith discretion, to file an interpleader action in the District Court of Bexar County, Texas, and interplead all funds, documents and instruments held by it into the registry of said Court, and in such event, all costs, expenses and attorneys' fees incurred by Escrow Agent in filing such interpleader action shall be paid by the City and Weston Urban or from the funds so interpleaded. Notwithstanding anything herein to the contrary (including the provisions of paragraph 3 and 4 above), Escrow Agent shall not be in default under this Agreement if it continues to hold the Escrowed Funds pursuant to a court order and Weston Urban hereby agrees to indemnify and save Escrow Agent harmless from all loss, costs, damages, expenses and attorneys' fees suffered or incurred by Escrow Agent as a result thereof (excluding, however, the negligence or misconduct of Escrow Agent or its employees or agents). The rights of Escrow Agent under this paragraph are cumulative to all other rights which it may have by law or otherwise.

9. Right to Modify. This Agreement may be terminated, extended, modified or amended only by a written document signed by all of the Parties.

10. No Partnership. Nothing contained in this Agreement nor any acts of the Parties shall be construed to make the Parties partners or joint venturers, to create the relationship of principal and agent or any other association between the Parties, or to render any of said Parties liable for the debts or obligations of the other, except as expressly provided in this Agreement.

11. Partial Invalidity. If any term, provision, condition or covenant contained in this Agreement shall, to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is held invalid or unenforceable) shall not be affected thereby, and each and every other term, provision and condition of this Agreement shall, nevertheless, remain in full force and effect.

12. Captions. The captions of the sections and paragraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation or condition.

13. Notice. Any formal notices or other communications required or permitted to be given by one Party to another by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below for such Party, (a) by delivering the same in person, (b) by depositing the same in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified, or (c) by depositing the same with a nationally recognized courier service guaranteeing "next day delivery," addressed to the Party to be notified. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective on the date deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties, until changed as provided below, shall be as follows:

The City: City of San Antonio  
Attention: Sheryl Sculley, City Manager  
100 Military Plaza, 1st Floor  
San Antonio, Texas 78205

With copies to: City Clerk  
Attention: Leticia M. Vacek  
100 Military Plaza, 2nd Floor  
San Antonio, Texas 78205

City Attorney  
Attention: Martha G. Sepeda  
100 Military Plaza, 3rd Floor  
San Antonio, Texas 78205

Hornberger Fuller & Garza Incorporated  
Attention: Drew R. Fuller, Jr.  
7373 Broadway, Suite 300  
San Antonio, Texas 78209

Weston Urban: Weston Urban, LLC  
Attn: Randy Smith  
112 East Pecan Street, Suite 100  
San Antonio, Texas 78205

With a copy to: Stephen L. Golden  
Golden, Steves, Cohen & Gordon LLP  
300 Convent, Suite 2650  
San Antonio, Texas 78205

If to Escrow Agent: Chicago Title of Texas LLC

Attn: Douglas W. Becker  
270 N. Loop 1604 East, Suite 120  
San Antonio, TX 78232

14. Attorneys' Fees. In the event that at any time during the term of this Agreement, the Parties shall institute any action or proceeding against the other or others relating to the provisions of this Agreement, or any default hereunder, then, in that event, the non-prevailing party therein shall pay to the prevailing party the reasonable attorneys' fees and costs and expenses of litigation (including those pertaining to the appeal from any final and appealable court order) incurred therein by the prevailing party. In the event different parties are the prevailing parties on different issues, the attorneys' fees and disbursements shall be apportioned in proportion to the value of the issues decided for and against the parties.

15. Governing Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas and venue will be in Bexar County, Texas.

16. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Notwithstanding anything to the contrary herein, the City agrees to the maximum extent permitted by law that its immunity from suit is waived for the purpose of adjudicating a claim for breach of this Agreement and that this Agreement is subject to the terms and conditions of Subchapter I of Chapter 271, Texas Local Government Code, as amended.

17. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall be one and the same document.

18. Entire Agreement. This Agreement is signed by the parties as a final expression of all of the terms, covenants, and conditions of their agreement and as a complete and exclusive statement of its terms, covenants, and conditions and is intended to supersede all prior agreements and understandings concerning the subject matter of this Agreement.

EXECUTED as of the Effective Date of this Agreement.

**CITY OF SAN ANTONIO,**  
a Texas municipal corporation

By: \_\_\_\_\_  
Sheryl L. Sculley  
City Manager

**ATTEST:**

\_\_\_\_\_  
Leticia Vacek  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Martha G. Sepeda  
Acting City Attorney

**WESTON URBAN, LLC,**  
a Texas limited liability company

By: WESTON URBAN GP, LLC,  
a Texas limited liability company  
Its Manager

By: \_\_\_\_\_  
Name: Randal C. Smith  
Title: Manager

ESCROW AGENT:

**CHICAGO TITLE OF TEXAS LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**PAYMENT AFFIDAVIT FOR TERMINATION UNDER SECTION 6.05A**

BEFORE ME, the undersigned authority, on this \_\_\_ day of \_\_\_\_\_, 201\_\_\_, personally appeared Randal C. Smith, the Manager of Weston Urban GP, LLC, a Texas limited liability company, in its capacity as the Manager of Weston Urban, LLC, a Texas limited liability company ("*Weston Urban*"), known to me to be the person whose name is subscribed below, and who, being by me first duly sworn, did on his oath state as follows:

1. This Payment Affidavit is being delivered in connection with the termination of that certain Comprehensive Development Agreement (the "*CDA*") dated \_\_\_\_\_, 2015 by and between the City of San Antonio, Texas (the "*City*"), Weston Urban and Frost Bank ("*Frost*"), pursuant to Section 6.05A of the CDA. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to them in the CDA. This Payment Affidavit is also being delivered in connection with the release to Weston Urban by Chicago Title of Texas LLC ("*Escrow Agent*") of certain Escrowed Funds (as defined in the Escrow Agreement) being held by Escrow Agent pursuant to that certain Escrow Agreement (the "*Escrow Agreement*") by and between the City, Weston Urban and Escrow Agent.

2. The deadline under the CDA for satisfaction of the Primary Governmental Approval Conditions was November 2, 2015 (the "*Primary Governmental Approval Conditions Deadline*") [NOTE: DATE TO BE MODIFIED IF EXTENDED PURSUANT TO THE CDA].

3. The City and Weston Urban did not extend the Primary Governmental Approval Conditions Deadline and such deadline passed on \_\_\_\_\_, 2015.

4. As of the Primary Governmental Approval Conditions Deadline, one or both of the Primary Governmental Approval Conditions were unsatisfied. The Primary Governmental Approvals) which were not satisfied were: [specify].

5. Weston Urban delivered written notice to the City and Frost on \_\_\_\_\_, 201\_\_\_ (the "*Termination Date*") terminating the CDA pursuant to Section 6.05A of the CDA and such notice was delivered in accordance with the notice requirements of the CDA and was delivered on or before November 17, 2015 [NOTE: THIS DATE TO BE MODIFIED IF THE PRIMARY GOVERNMENTAL APPROVAL CONDITIONS DEADLINE IS EXTENDED SUCH THAT THIS DATE IS THE FIRST BUSINESS DAY THAT IS 15 CALENDAR DAYS AFTER THE PRIMARY GOVERNMENTAL APPROVAL CONDITIONS DEADLINE].

6. As of the Termination Date, Weston Urban and/or its Affiliates had incurred actual, out-of-pocket costs, fees, and expenses encompassed under the definition of New Tower Recoverable Costs under the CDA of \$\_\_\_\_\_.00 and the undersigned believes all such expenses to be reasonable. Weston Urban has attached to this Payment Affidavit as Exhibits \_\_\_ - \_\_\_, true and correct documentation evidencing the incurrence of all such New Tower Recoverable Costs and has provided the City with copies of such documentation on or before the date of this Affidavit.

7. In addition, Weston Urban is owed the sum of \$\_\_\_\_\_.00 (amount not to exceed \$\_\_\_\_\_) to account for the accrued development fee included within the definition of New Tower Recoverable Costs.

8. By submission of this Payment Affidavit to Escrow Agent, Weston Urban is requesting for Escrow Agent to disburse the sum of \$\_\_\_\_\_.00 (the "*Disbursal Amount*") to Weston Urban in accordance with paragraph 3 of the Escrow Agreement.

[signature pages follow]



IN WITNESS WHEREOF, this Affidavit is executed as of the date first written above.

**WESTON URBAN, LLC,**  
a Texas limited liability company

By: WESTON URBAN GP, LLC,  
a Texas limited liability company  
Its Manager

By: \_\_\_\_\_  
Name: Randal C. Smith  
Title: Manager

THE STATE OF TEXAS           §

COUNTY OF BEXAR           §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 201\_\_, by Randal C. Smith, Manager of Weston Urban GP, LLC, a Texas limited liability company, the Manager of Weston Urban, LLC, a Texas limited liability company, on behalf of said limited liability companies.

[SEAL]

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

\_\_\_\_\_  
(Name - Typed or Printed)

\_\_\_\_\_  
(Date Commission Expires)

**EXHIBIT B**

**PAYMENT AFFIDAVIT FOR TERMINATION UNDER SECTION 6.06A**

BEFORE ME, the undersigned authority, on this \_\_\_ day of \_\_\_\_\_, 201\_\_\_, personally appeared Randal C. Smith, the Manager of Weston Urban GP, LLC, a Texas limited liability company, in its capacity as the Manager of Weston Urban, LLC, a Texas limited liability company ("*Weston Urban*"), known to me to be the person whose name is subscribed below, and who, being by me first duly sworn, did on his oath state as follows:

1. This Payment Affidavit is being delivered in connection with the termination of that certain Comprehensive Development Agreement (the "*CDA*") dated \_\_\_\_\_, 2015 by and between the City of San Antonio, Texas (the "*City*"), Weston Urban and Frost Bank ("*Frost*"), pursuant to Section 6.06A of the CDA. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to them in the CDA. This Payment Affidavit is also being delivered in connection with the release to Weston Urban by Chicago Title of Texas LLC ("*Escrow Agent*") of certain Escrowed Funds (as defined in the Escrow Agreement) being held by Escrow Agent pursuant to that certain Escrow Agreement (the "*Escrow Agreement*") by and between the City, Weston Urban and Escrow Agent.

2. Weston Urban satisfied the New Tower Closing Obligations on \_\_\_\_\_, 201\_\_\_.

3. The Existing Tower Closing Date under the CDA was scheduled for \_\_\_\_\_, 201\_\_\_ by mutual agreement between the City and Frost. On the Existing Tower Closing Date, the City [**specify either failure to pay or specific action which City failed to perform**] [failed to satisfy its obligations to deliver the balance of the Purchase Price due for the Existing Frost Facilities, or failed to perform another action required of the City for the closing on the purchase of the Existing Frost Facilities] and the City failed to remedy such defaults on or before \_\_\_, 201\_\_\_ [INSERT THE FIRST BUSINESS DAY THAT IS TEN DAYS AFTER THE ORIGINALLY SCHEDULED EXISTING TOWER CLOSING DATE].

4. [Weston Urban/ Frost] delivered written notice on \_\_\_\_\_, 201\_\_\_ (the "**Termination Date**") terminating the CDA pursuant to Section 6.06A of the CDA and such notice was delivered in accordance with the notice requirements of the CDA. A true and correct copy of the notice delivered by [Weston Urban/Frost] to the City terminating the CDA pursuant to Section 6.06A of the CDA is attached to this Affidavit as Exhibit "A".

5. As of the Termination Date, Weston Urban and/or its Affiliates had incurred actual, out-of-pocket costs, fees, and expenses encompassed under the definition of New Tower Recoverable Costs under the CDA of \$ \_\_\_\_\_ .00 and the undersigned believes all such expenses to be reasonable. Weston Urban has attached to this Payment Affidavit as Exhibits \_\_\_ - \_\_\_, true and correct documentation evidencing the incurrence of all such New Tower Recoverable Costs and has provided the City with copies of such documentation on or before the date of this Affidavit.

6. In addition, Weston Urban is owed the sum of \$\_\_\_\_\_.00 (amount not to exceed \$\_\_\_\_\_) to account for the accrued development fee included within the definition of New Tower Recoverable Costs.

7. By submission of this Payment Affidavit to Escrow Agent, Weston Urban is requesting for Escrow Agent to disburse the sum of \$\_\_\_\_\_.00 (the "*Disbursal Amount*") to Weston Urban in accordance with paragraph 4 of the Escrow Agreement.

[signature pages follow]

IN WITNESS WHEREOF, this Affidavit is executed as of the date first written above.

**WESTON URBAN, LLC,**  
a Texas limited liability company

By: WESTON URBAN GP, LLC,  
a Texas limited liability company  
Its Manager

By: \_\_\_\_\_  
Name: Randal C. Smith  
Title: Manager

THE STATE OF TEXAS           §

COUNTY OF BEXAR           §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 201\_\_, by Randal C. Smith, Manager of Weston Urban GP, LLC, a Texas limited liability company, the Manager of Weston Urban, LLC, a Texas limited liability company, on behalf of said limited liability companies.

[SEAL]

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

\_\_\_\_\_  
(Name - Typed or Printed)

\_\_\_\_\_  
(Date Commission Expires)

# **EXHIBIT B**

## DEED ESCROW AGREEMENT

This DEED ESCROW AGREEMENT (this "*Agreement*") is made and entered into as of the 1st day of July, 2015 ("*Effective Date*"), by and among THE CITY OF SAN ANTONIO, TEXAS (the "*City*"), WESTON URBAN, LLC ("*Weston Urban*") and CHICAGO TITLE OF TEXAS LLC ("*Escrow Agent*") (the City, Weston Urban and Escrow Agent are sometimes referred to herein collectively as the "*Parties*" and each individually as a "*Party*").

### RECITALS:

A. Pursuant to that certain Comprehensive Development Agreement (the "*CDA*") dated effective as of June 29, 2015 by and between the City, Weston Urban and Frost Bank ("*Frost*"), the City and Weston Urban have agreed to enter into this Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to them in the CDA.

B. The CDA sets forth the terms, conditions and provisions under which the City, Weston Urban and Frost will undertake a certain Project that includes (i) the conveyance of the Existing Frost Facilities from Frost to the City, (ii) the development of the New Tower by Weston Urban, and (iii) the conveyance of certain City Real Estate from the City to Weston Urban for redevelopment along with certain Additional Frost Properties to be acquired from Frost.

C. The City Real Estate is comprised of three separate parcels of real property referenced in the CDA as (i) the Municipal Plaza Property, (ii) the Pecan Street Property, and (iii) the West Travis Property (each referenced herein individually sometimes as a "*City Real Estate Parcel*").

D. Simultaneous with the CDA, the City and Weston Urban have entered into separate City Real Estate Contracts pertaining to the purchase and sale of each City Real Estate Parcel. Each City Real Estate Contract also references this Agreement in relation to the deposit of the Deeds (as defined below) and the City Real Estate Earnest Money (as defined in the CDA).

E. The CDA also provides that (i) on the Effective Date of this Agreement, the City will deposit the Deeds into escrow, and (ii) within two (2) Business Days following the Effective Date of this Agreement, Weston Urban will deposit the City Real Estate Earnest Money into escrow, such Deeds and City Real Estate Earnest Money to be disbursed in accordance with the terms, conditions and provisions of this Agreement.

### AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, Weston Urban and Escrow Agent do hereby covenant and agree as follows:

1. Defined Terms. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the CDA. "*Business Day*" means any day other than a Saturday, a Sunday or a public or bank holiday or the equivalent for banks generally under the laws of the State of Texas.

2. Establishment of Escrow. On or before the Effective Date of this Agreement, the City has depositing three (3) duly executed and acknowledged original Deeds Without Warranty (each a "*Deed*" and collectively the "*Deeds*") providing for the conveyance to Weston Urban of each City Real

Estate Parcel. Contemporaneously with the execution of this Agreement, Weston Urban is depositing with Escrow Agent the sum of One Million and no/100 Dollars (\$1,000,000.00) (the "**City Real Estate Earnest Money**"), which is divided for purposes of this Agreement between the different City Real Estate Parcels as follows:

- (a) \$200,000 for the West Travis Property as the "**West Travis Earnest Money**";
- (b) \$750,000 for the Municipal Plaza Property as the "**Municipal Plaza Earnest Money**"; and
- (c) \$50,000 for the Pecan Street Property as the "**Pecan Street Earnest Money**".

Escrow Agent is hereby instructed to place the funds comprising the City Real Estate Earnest Money (the "**Escrowed Funds**") into an interest bearing account at \_\_\_\_\_ Bank, it being agreed that all interest on the Escrowed Funds shall be added to the Escrowed Funds during the term of this Agreement. By its execution of this Agreement, Escrow Agent acknowledges receipt of the Deeds and the Escrowed Funds and the Escrow Agent agrees to hold such Deeds and Escrowed Funds in escrow and disburse them in accordance with the terms, conditions and provisions of this Agreement..

3. Closing on City Real Estate Contracts. When Weston Urban is ready to close on its purchase of a City Real Estate Parcel pursuant to the terms, conditions and provisions of the applicable City Real Estate Contract, then Weston Urban shall notify the City and the Escrow Agent in writing that it is ready to close. Upon receipt of such a notice, the Escrow Agent shall release the Deed and the applicable portion of the City Real Estate Parcel from escrow under this Agreement once all conditions to closing have been satisfied, including without limitation Weston Urban having tendered all funds necessary for such closing (accounting for a credit to Weston Urban for the applicable portion of the City Real Estate Earnest Money as set forth in paragraph 2 above). Upon release from escrow under this Agreement, the Deed shall be recorded in the Bexar County Real Property Records and the applicable portion of the City Real Estate Earnest Money shall be applied to the purchase price under the applicable City Real Estate Contract.

4. Termination of Comprehensive Development Agreement and Release of Escrowed Funds to Weston Urban. If the CDA terminates under Section 6.05, Section 6.06 or Section 6.08 (including any subsection under any of such sections), then Weston Urban or the City may notify the other Parties hereunder in writing of such termination, whereupon within two (2) Business Days of receiving such notice the Escrow Agent shall disburse the entire City Real Estate Earnest Money remaining in escrow to Weston Urban and return all Deeds remaining in escrow to the City.

5. Termination of Comprehensive Development Agreement and Release of Escrowed Funds to City. If the CDA terminates under Section 6.03, Section 6.04, Section 6.07, or Section 6.09 (including any subsection under any of such sections), then Weston Urban or the City may notify the other Parties hereunder in writing of such termination, whereupon within two (2) Business Days of receiving such notice the Escrow Agent shall disburse the entire City Real Estate Earnest Money remaining in escrow to the City and return all Deeds remaining in escrow to the City.

6. Termination of a City Real Estate Contract and Partial Release of Escrowed Funds. If a City Real Estate Contract is terminated for any reason other than a termination of the CDA or a default by Weston Urban under such City Real Estate Contract, then Weston Urban or the City may notify the other Parties hereunder in writing of such termination, whereupon within two (2) Business Days of receiving such notice the Escrow Agent shall disburse the applicable portion of the City Real Estate Earnest Money to Weston Urban and return the applicable Deed to the City.

7. Replacement of Escrowed Funds with Letter of Credit. Upon the occurrence of the Tower Completion Date (as defined in the CDA), Weston Urban may, at its option, elect to replace any or all of the City Real Estate Earnest Money remaining in escrow with a letter of credit issued to the City by a bank reasonably acceptable to the City and with a form of draw certificate reasonably acceptable to the City. If Weston Urban elects to exercise this option, it shall provide written notice of such election to the other Parties hereunder and deliver the letter of credit and form of draw certificate to the Escrow Agent and City. Upon receipt of the letter of credit and draw certificate the City shall have ten (10) days to provide its approval in writing to Weston Urban and the Escrow Agent of the issuing bank and instruments which consent will not be unreasonably withheld. Failure by the City to timely provide the approval notice shall be deemed an approval thereof. Upon such approval or deemed approval Weston Urban shall deliver the Letter of Credit to the Escrow Agent to be retrieved by the City. Upon retrieval of the Letter of Credit by the City, the Escrow Agent shall release a sum equal to the amount pledged under such letter of credit to Weston Urban.

8. Obligations and Compensation of Escrow Agent. Escrow Agent hereby accepts the Escrowed Funds and agrees to hold in escrow and disburse the Escrowed Funds only in accordance with the terms, conditions and provisions of this Agreement. Escrow Agent shall be entitled to no compensation for Escrow Agent's performance of its obligations hereunder.

9. Concerning the Escrow Agent. The City and Weston Urban agree that the following provisions shall control with respect to the right, duties, liabilities, privileges and immunities of Escrow Agent:

(a) Escrow Agent is not a party to, and is not bound by, or charged with notice of, any agreement out of which this escrow may arise, other than this Agreement.

(b) Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of the subject matter of the escrow or any part thereof, or for the form or execution thereof, or for the identity or authority of any person executing or depositing the same.

(c) In the event Escrow Agent becomes involved in litigation in connection with this Agreement, Weston Urban agrees to indemnify and save Escrow Agent harmless from all loss, costs, damages, expenses and attorneys' fees suffered or incurred by Escrow Agent as a result thereof (excluding, however, the negligence or misconduct of Escrow Agent or its employees or agents). The obligations of Weston Urban under this paragraph shall be performable at the principal office of Escrow Agent in San Antonio, Texas.

(d) Escrow Agent shall be protected in acting upon any written notice, waiver, consent, certificate, receipt, authorization, power of attorney or other paper or document which Escrow Agent in good faith believes to be genuine and what it purports to be.

(e) Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except its own negligence or willful misconduct (or that of its employees or agents).

(f) Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder.



(g) In the event any claims or demands upon Escrow Agent are made in connection with any provision of this Agreement, or in the event Escrow Agent, in good faith, shall be in doubt as to what action it should take hereunder, Escrow Agent may, in its good faith discretion, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in such event, Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act (except in connection with the negligence or misconduct of Escrow Agents or its employees or agents), and Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties and Escrow Agent shall have been notified thereof in writing signed by all such parties. In the event Escrow Agent shall be in doubt as to what action it should take hereunder at any time during the term of this Agreement, Escrow Agent shall have the right, in its good faith discretion, to file an interpleader action in the District Court of Bexar County, Texas, and interplead all funds, documents and instruments held by it into the registry of said Court, and in such event, all costs, expenses and attorneys' fees incurred by Escrow Agent in filing such interpleader action shall be paid by the City and Weston Urban or from the funds so interplead. Notwithstanding anything herein to the contrary, Escrow Agent shall not be in default under this Agreement if it continues to hold the Escrowed Funds pursuant to a court order and Weston Urban hereby agrees to indemnify and save Escrow Agent harmless from all loss, costs, damages, expenses and attorneys' fees suffered or incurred by Escrow Agent as a result thereof (excluding, however, the negligence or misconduct of Escrow Agent or its employees or agents). The rights of Escrow Agent under this paragraph are cumulative to all other rights which it may have by law or otherwise.

10. Right to Modify. This Agreement may be terminated, extended, modified or amended only by a written document signed by all of the Parties.

11. No Partnership. Nothing contained in this Agreement nor any acts of the Parties shall be construed to make the Parties partners or joint venturers, to create the relationship of principal and agent or any other association between the Parties, or to render any of said Parties liable for the debts or obligations of the other, except as expressly provided in this Agreement.

12. Partial Invalidity. If any term, provision, condition or covenant contained in this Agreement shall, to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is held invalid or unenforceable) shall not be affected thereby, and each and every other term, provision and condition of this Agreement shall, nevertheless, remain in full force and effect.

13. Captions. The captions of the sections and paragraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation or condition.

14. Notice. Any formal notices or other communications required or permitted to be given by one Party to another by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below for such Party, (a) by delivering the same in person, (b) by depositing the same in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified, or (c) by depositing the same with a nationally recognized courier service guaranteeing "next day delivery," addressed to the Party to be notified. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective on the date deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties, until changed as provided below, shall be as follows:

The City: City of San Antonio  
Attention: Sheryl Sculley, City Manager  
100 Military Plaza, 1st Floor  
San Antonio, Texas 78205

With copies to: City Clerk  
Attention: Leticia M. Vacek  
100 Military Plaza, 2nd Floor  
San Antonio, Texas 78205

City Attorney  
Attention: Martha G. Sepeda  
100 Military Plaza, 3rd Floor  
San Antonio, Texas 78205

Weston Urban: Weston Urban, LLC  
Attn: Randy Smith  
112 East Pecan Street, Suite 100  
San Antonio, Texas 78205

With a copy to: Stephen L. Golden  
Golden, Steves, Cohen & Gordon LLP  
300 Convent Street, Suite 2650  
San Antonio, Texas 78205

If to Escrow Agent: Chicago Title of Texas LLC  
Attn: Douglas W. Becker  
270 N. Loop 1604 East, Suite 120  
San Antonio, TX 78232

15. Attorneys' Fees. In the event that at any time during the term of this Agreement, the Parties shall institute any action or proceeding against the other or others relating to the provisions of this Agreement, or any default hereunder, then, in that event, the non-prevailing party therein shall pay to the prevailing party the reasonable attorneys' fees and costs and expenses of litigation (including those pertaining to the appeal from any final and appealable court order) incurred therein by the prevailing party. In the event different parties are the prevailing parties on different issues, the attorneys' fees and disbursements shall be apportioned in proportion to the value of the issues decided for and against the parties.

16. Governing Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas and venue will be in Bexar County, Texas.

17. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Notwithstanding anything to the contrary herein, the City agrees to the maximum extent permitted by law that its immunity from suit is waived for the purpose of adjudicating a claim for breach of this Agreement and that this Agreement is subject to the terms and conditions of Subchapter I of Chapter 271, Texas Local Government Code, as amended.

18. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall be one and the same document.

19. Entire Agreement. This Agreement is signed by the parties as a final expression of all of the terms, covenants, and conditions of their agreement and as a complete and exclusive statement of its terms, covenants, and conditions and is intended to supersede all prior agreements and understandings concerning the subject matter of this Agreement.

**[Remainder of Page Intentionally Blank. Signature Page(s) Follow.]**

EXECUTED as of the Effective Date of this Agreement.

**CITY OF SAN ANTONIO, TEXAS**

By: \_\_\_\_\_  
Name: Sheryl L. Sculley  
Title: City Manager  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

**WESTON URBAN, LLC,**  
a Texas limited liability company

By: WESTON URBAN GP, LLC,  
a Texas limited liability company  
Its Manager

By: \_\_\_\_\_  
Name: Randal C. Smith  
Title: Manager

ESCROW AGENT:

**CHICAGO TITLE OF TEXAS LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_