RR
06/04/15
Item No. 4A

AN ORDINANCE 2015-06-04-0471

APPROVING THE TERMS AND CONDITIONS AND AUTHORIZING THE EXECUTION OF A COMPREHENSIVE DEVELOPMENT AGREEMENT AMONG THE CITY, WESTON URBAN LLC ("Weston Urban") AND FROST BANK ("FROST") BY WHICH THE CITY WILL PURCHASE THE FROST BANK TOWER FOR THE AMOUNT OF $51 MILLION, WESTON URBAN WILL CREATE 265 RESIDENTIAL UNITS IN THE CENTRAL BUSINESS DISTRICT, AND WESTON URBAN WILL CONSTRUCT A CLASS A OFFICE TOWER IN DOWNTOWN SAN ANTONIO FOR THE OCCUPANCY OF FROST; AND AUTHORIZING THE NEGOTATION AND EXECUTION OF ANCILLARY DOCUMENTS AMONG AND BETWEEN THE CITY, WESTON URBAN AND FROST AS NECESSARY TO EFFECTUATE THE INTENT AND PURPOSE OF THE COMPREHENSIVE DEVELOPMENT AGREEMENT.

* * * * *

WHEREAS, acting pursuant to Section 2267.052 of the Texas Government Code and through City Ordinance No. 2012-11-01-0856, the City adopted Public-Private Partnership Guidelines (the "City's *P3 Guidelines*") that establish a procedure under which the City may solicit, receive, review, and enter into public-private partnerships for "qualifying projects" as defined in Section 2267.001 of the Texas Government Code; and

WHEREAS, the City's P3 Guidelines allow for the submission to the City of unsolicited proposals for qualifying projects and Weston Urban jointly with Frost submitted to the City in accordance with Section IV(A) of the City's P3 Guidelines a certain Pre-Proposal Letter dated June 25, 2014 (the "Pre-Proposal Letter"); and

WHEREAS, the Pre-Proposal Letter described a proposed public-private partnership among the City, Weston Urban and Frost that would (i) make available to the City a downtown high-rise office building adjacent to City Hall to be utilized as an administration building; (ii) allow for the development of a new Class A office tower in downtown San Antonio to house Frost Bank headquarters; and (iii) further the City's goals of increasing downtown housing and employment retention through the redevelopment and improvement of real property currently owned by the City and Frost; and

WHEREAS, following receipt of the Pre-Proposal Letter and pursuant to Section IV(A) of the City's P3 Guidelines, the City invited Weston Urban and Frost to submit a Detailed Proposal for the project which was submitted to the City on August 8, 2014 providing details regarding the project described in the Pre-Proposal Letter (the "Detailed Proposal"); and

WHEREAS, the Detailed Proposal contemplated: (i) the conveyance of the existing Frost Bank Tower to the City, (ii) the construction of a Class A office tower by Weston Urban on property owned by Frost located at the corner of Flores and Houston Street to be leased by Frost as its corporate headquarters, and (iii) the conveyance of certain City-owned real property located at 300 N. Santa Rosa St., 114 W. Commerce St., and 401 N. Flores St. to Weston Urban for residential redevelopment (the "*Project*"); and

WHEREAS, following receipt of the Detailed Proposal and in accordance with Section 2267.066 of the Texas Government Code and Section VI(A) of the City's P3 Guidelines, the City made the Detailed Proposal available on the City's website on August 18, 2014 and provided notice that it would accept, for simultaneous consideration, any competing proposals that comply with the City's P3 Guidelines; and

WHEREAS, the City received one competing proposal from Primera Partners which proposed that the City purchase the Riverview Tower; and

WHEREAS, the City's P3 Oversight Committee (the "Oversight Committee") evaluated the competing proposal and declined to pursue it because: 1) the building does not accommodate the space requirements for the City's consolidation; 2) the building does not have parking to accommodate City staff or to provide for public parking during non-business hours; and 3) the proposal did not provide for any other economic development benefits such as the construction of an office tower to house a downtown employer or the development of housing in the central business district; and

WHEREAS, following a due diligence process on the Frost Bank Tower, a cost-benefit analysis on the proposed transaction, and negotiations among the City, Weston Urban and Frost on the terms and conditions of a Comprehensive Development Agreement (the "CDA") for the Project in accordance with Chapter 2267 of the Texas Government Code, the Oversight Committee recommends to the City Council that the City implement the Project in accordance with the terms and conditions of the CDA; and

WHEREAS, in accordance with Section 2267.066(e) of the Texas Government Code, the City posted a copy of the CDA on its website for public review and inspection, and in accordance with Section 2267.066(d) and 2267.066(e-1) of the Texas Government Code, held a public hearing on the Weston Urban and Frost Proposal and the final version of the CDA on May 28, 2015; and

WHEREAS, at an additional public hearing held on June 4, 2015, City staff recommended to City Council the approval of the CDA and ancillary agreements, including but not be limited to escrow agreements, license agreements and building schematics, documents, and exhibits s; and

WHEREAS, pursuant to Section 2267.053(b-2) of the Texas Government Code, the City hereby declares that the Project as set forth in the CDA and ancillary agreements will serve the following public purposes: (i) enables the City to consolidate offices and employees in the existing Frost Bank Tower; (ii) provides a public benefit to the City through the consolidation of offices and employees; (iii) furthers economic development through the construction of a Class A office tower and additional residential development in the central business district, (iv) furthers the City's job retention and downtown development goals; and (v) enhances the City's property tax base through the construction of a new Class A office tower and the development of additional residential units in downtown; and

WHEREAS, pursuant to Section 2267.053(c) of the Texas Government Code, the City has determined that the Project as set forth in the CDA and ancillary agreements serves the public purposes of Chapter 2267 of the Texas Government Code due to: (i) there being a public benefit to be derived from the Project, as described in the preceding recital; (ii) the City having determined that the cost of acquiring the existing Frost Bank Tower and incentivizing the other components of the Project are reasonable in relation to the costs required for similar facilities or projects; and (iii) that the CDA provides for the timely development and delivery of the existing Frost Bank Tower, the construction of the new Class A office tower and the other components of the Project; **NOW, THEREFORE**:

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

SECTION 1. The City Council approves the terms and conditions of a Comprehensive Development Agreement among the City, Weston Urban LLC and Frost Bank, to include all ancillary agreements, documents and exhibits, for the City's purchase of the existing Frost Bank Tower, Weston Urban LLC's construction of a Class A office tower to be occupied by Frost Bank as its corporate headquarters, and

Weston Urban LLC's additional development of formerly City-owned properties to create an additional 265 residential properties in the central business district.

SECTION 2. The City Manager or her designee is authorized to execute the Comprehensive Development Agreement, to include all ancillary agreements, documents and exhibits in accordance with this Ordinance. A copy of the Comprehensive Development Agreement, in substantially final form, is attached to this Ordinance as "**Exhibit A**." The final agreement shall be filed with this Ordinance upon execution.

SECTION 3. The City Manager, in concurrence with the Chief Financial Officer and City Attorney, shall have the authority to finalize any and all outstanding terms of the Comprehensive Development Agreement, to include all ancillary agreements, documents and exhibits, so long as such terms are in accordance with this Ordinance.

SECTION 4. This Ordinance shall be effective immediately upon its passage by eight (8) votes or after the 10th day of its passage by less than eight (8) affirmative votes.

PASSED AND APPROVED this 4th 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

Agenda Item:	**4A (in consent vote: 4A, 4B, 4C, 4D, 4E, 4F)**
Date:	06/04/2015
Time:	09:39:49 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the execution of a Comprehensive Development Agreement among the City of San Antonio, Weston Urban LLC and Frost Bank for the City of San Antonio to purchase Frost Bank Tower for the amount of $51 million, for Weston Urban LLC to create 265 residential units in the central business district and for Western Urban LLC to construct a Class A office tower in downtown San Antonio for the occupancy of Frost Bank; and authorizing negotiation and execution of ancillary agreements and documents among and between the City of San Antonio, Weston Urban LLC and Frost Bank as necessary to effectuate the intent and purpose of the Comprehensive Development Agreement.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
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

COMPREHENSIVE DEVELOPMENT AGREEMENT

AMONG

THE CITY OF SAN ANTONIO, TEXAS,

WESTON URBAN, LLC,

AND

FROST BANK

DRAFT

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COMPREHENSIVE DEVELOPMENT AGREEMENT

This COMPREHENSIVE DEVELOPMENT AGREEMENT (this "***Agreement***") is made and entered into by and among THE CITY OF SAN ANTONIO, TEXAS (the "***City***"), WESTON URBAN, LLC ("***Weston Urban***") and FROST BANK ("***Frost***") as of the Effective Date (herein defined).

DEFINITIONS AND INTERPRETATIONS

Each term or phrase used in this Agreement in which the first letter of such word is capitalized has the meaning set forth in the attached Appendix 1, unless the context in which such term or phrase is used in this Agreement clearly indicates otherwise.

ARTICLE 1. RECITALS

A. Acting pursuant to Section 2267.052 of the Texas Government Code and through Ordinance No. 2012-11-01-0856, the City adopted certain Public-Private Partnership Guidelines (the "***P3 Guidelines***") that establish procedures under which the City may solicit, receive, review and enter into public-private partnerships involving "qualifying projects" (as defined in Section 2267.001 of the Texas Government Code).

B. The P3 Guidelines allow for the submission to the City of unsolicited proposals for qualifying projects.

C. Weston Urban and Frost submitted to the City a certain Pre-Proposal Letter dated June 25, 2014 under Section IV(A) of the P3 Guidelines (the "***Pre-Proposal Letter***").

D. The Pre-Proposal Letter described a proposed collaboration between the City, Weston Urban and Frost that would (i) make available to the City a downtown high-rise office building adjacent to City Hall; (ii) allow for the development of a new Class A office tower in downtown San Antonio; and (iii) further the City's goals of increasing downtown housing and employment through the redevelopment and improvement of real property currently owned by the City and Frost.

E. Following receipt of the Pre-Proposal Letter and pursuant to Section IV(A) of the P3 Guidelines, the City invited Weston Urban and Frost to submit a Detailed Proposal for the project described in the Pre-Proposal Letter.

F. Weston Urban and Frost submitted a Detailed Proposal to the City on August 8, 2014 providing further detail regarding the project described in the Pre-Proposal Letter (the "***Detailed Proposal***").

G. The Detailed Proposal contemplated (i) the conveyance of the Existing Frost Facilities (as defined herein) from Frost to the City, (ii) the development of the New Tower (as defined herein) by Weston Urban, and (iii) the conveyance of certain City Real Estate (as defined herein) from the City to Weston Urban for redevelopment along with certain Additional Frost Properties (as defined herein) to be acquired from Frost (collectively, the "***Project***").

H. Following receipt of the Detailed Proposal and in accordance with Section 2267.066 of the Texas Government Code and Section VI(A) of the P3 Guidelines, the City made the Detailed Proposal available on the City's website on August 18, 2014 and provided notice that it would accept for simultaneous consideration any competing proposals that comply with the P3 Guidelines.

I. The City received one competing proposal in response to its request for competing proposals before the October 17, 2014 deadline established by the City for submission of competing proposals.

J. The Oversight Committee created by the City under the P3 Guidelines reviewed and evaluated the Detailed Proposal and the competing proposal in accordance with Article V of the P3 Guidelines.

K. The Oversight Committee reviewed the Detailed Proposal and the competing proposal in accordance with Article V of the P3 Guidelines, and issued its recommendation to the City Council that the City pursue negotiation of a Comprehensive Development Agreement with Weston Urban and Frost to implement the Project based on the Detailed Proposal.

L. The City, Weston Urban and Frost have negotiated this Agreement and the Ancillary Agreements (as defined below) for purposes of implementing the Project.

M. This Agreement serves as the "comprehensive agreement" for the Project for purposes of Chapter 2267 of the Texas Government Code and the P3 Guidelines.

N. In accordance with Section 2267.066(e) of the Texas Government Code, the City has made a copy of this Agreement available on its website for public review and inspection.

O. In accordance with Section 2267.066(d) and 2267.066(e-1) of the Texas Government Code, the City held a public hearing on the final version of this Agreement on May

28, 2015, and this hearing was held after the copy of this Agreement was made available on the City's website and at least thirty (30) days before the Effective Date of this Agreement.

P. The City Council approved and authorized this Agreement and the Ancillary Agreements through the Authorizing Ordinance (as defined below).

Q. Pursuant to Section 2267.053(b-2) of the Texas Government Code, the City hereby declares that the Project as set forth in this Agreement and the Ancillary Agreements will serve the following public purposes: (i) enable the City to consolidate offices and employees in the Existing Frost Facilities, which are conveniently located adjacent to City Hall and provide for adequate parking, (ii) provide a cost benefit to the City through the consolidation of offices and employees in the Existing Frost Facilities, (iii) further economic development in the City through the development of the New Tower and the additional development to occur on the City Real Estate and the Additional Frost Properties, (iv) further the City's job retention and downtown development goals, and (v) enhance the City's property tax base through development of the New Tower and the additional development to occur on the City Real Estate and the Additional Frost Properties.

R. Pursuant to Section 2267.053(c) of the Texas Government Code, the City has determined that the Project as set forth in this Agreement and the Ancillary Agreements serves the public purposes of Chapter 2267 of the Texas Government Code due to (i) there being a public benefit to be derived from the Project as described in the preceding recital, (ii) the City having determined that the cost of acquiring the Existing Frost Facilities and incentivizing the other components of the Project are reasonable in relation to the costs required for similar facilities or projects, and (iii) the Project as set forth in this Agreement and the Ancillary Agreements providing for the timely development and delivery of the Existing Frost Facilities, the New Tower and the other components of the Project.

NOW, THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE 2. THE NEW TOWER

Section 2.01 Pre-Construction Phase

A. The time between the Effective Date of this Agreement and the date that Weston Urban delivers its Closing Notice to the City and Frost is referred to herein sometimes as the "***Pre-Construction Phase***." During the Pre-Construction Phase, Weston Urban shall use commercially reasonable, good faith and diligent efforts, to satisfy the following contingencies for the construction of the New Tower, all on terms, conditions and provisions acceptable to Weston Urban in its reasonable good faith discretion (collectively, the "***Weston Urban Closing Conditions***"): (i) finalizing the plans and specifications for the New Tower; (ii) obtaining firm commitments for all financing (including equity and debt) required for the New Tower; (iii) entering into the New Frost Lease; (iv) entering into the construction contract for the New Tower at a price reasonably acceptable to Weston Urban; (v) determining that all Permits reasonably required by Weston Urban and necessary to construct the New Tower will be timely issued and obtained by Weston Urban; and (vi) entering into an agreement pursuant to which Weston Urban will be reimbursed through the Houston Street TIRZ for public infrastructure enhancements that are required in connection with the New Tower (the "***Infrastructure Agreement***").

B. At such time as Weston Urban determines that all Weston Urban Closing Conditions have been satisfied and that Weston Urban is prepared to commence construction of the New Tower, Weston Urban shall deliver written notice to the City and Frost (the "***Closing Notice***") setting forth an anticipated New Tower Closing Date such that the City and Frost will be prepared to close on the conveyance of the Existing Frost Facilities from Frost to the City on the Existing Tower Closing Date; *provided, however*, in no event may the New Tower Closing Date designated by Weston Urban be sooner than sixty (60) days or later than ninety (90) days from the date of the Closing Notice unless other dates are mutually agreed to by the Parties. As a courtesy, Weston Urban shall provide the City and Frost with a "Pre-Closing Notice" signaling its expectation that the Closing Notice will be issued by an approximate date not less than thirty (30) days following the date upon which such "Pre-Closing Notice" is given. If for any reason the Closing Notice is not issued within twenty-four (24) months following the Effective Date of this Agreement, subject to extensions for any delays caused by Force Majeure and any delays caused by the City or Frost, then the City or Frost may deliver written notice to Weston Urban requiring

that Weston Urban elect within five (5) business days of receipt of such notice to either (i) terminate this Agreement pursuant to Section 6.04, or (ii) schedule the New Tower Closing Date on a date not more than ninety (90) days from the date such notice is received by Weston Urban or such longer period as the Parties may mutually agree upon with the City Manager acting on behalf of the City (the "***Outside Closing Deadline***"). If the New Tower Closing Date does not occur on or before the Outside Closing Deadline, then either the City or Frost may terminate this Agreement pursuant to Section 6.03 below. In addition, if Weston Urban determines that construction of the New Tower is not feasible at any point during the Pre-Construction Phase, then Weston Urban may terminate this Agreement pursuant to Section 6.04 below.

C. Additionally, Weston Urban shall notify Frost and the City in writing upon completion and satisfaction of each of the following as they occur (collectively, the "***Initial Closing Conditions***"): (i) it and Frost having entered into the New Frost Lease, (ii) it having finalized a schematic architectural design for the New Tower, and (iii) it having received a lender commitment letter for the construction loan for the New Tower. If Weston Urban has not delivered notice of the completion and satisfaction of the Initial Closing Conditions within twelve (12) months following the Effective Date of this Agreement, subject to extensions for any delays caused by Force Majeure and subject to any extensions that may be mutually agreed upon between the Parties with the City Manager acting on behalf of the City, then either the City or Frost may deliver written notice to Weston Urban requiring that such conditions be satisfied within sixty (60) days from the date such notice is received or deemed received by Weston Urban or such longer period as the Parties may mutually agree upon with the City Manager acting on behalf of the City (the "***Initial Conditions Deadline***"). If the Initial Closing Conditions have not been completed and satisfied prior to the Initial Conditions Deadline, then either the City or Frost shall have the option of terminating this Agreement pursuant to Section 6.03 below.

D. In the event that (i) an Infrastructure Agreement has not been agreed to by the applicable parties, in form and substance acceptable to Weston Urban in its sole discretion, on or before August 31, 2015, subject to extension until November 2, 2015 by the City, with the City Manager acting on behalf of the City delivering written notice of such extension to Weston Urban or (ii) the City does not appropriate funds for the fee waivers provided for under the Tower Economic Development Agreement on or before November 2, 2015 ((i) and (ii) collectively

referred to herein as the "***Primary Governmental Approval Conditions***"), then Weston Urban shall have the option of terminating this Agreement pursuant to Section 6.05A below.

E. In the event that (i) Weston Urban is unable to obtain, or satisfy itself that it will be able to obtain any Permit required in connection with the New Tower on or before the end of the Pre-Construction Phase, or (ii) the City does not agree to grant a construction staging license agreement granting Weston Urban the right to use, during a temporary closure period, Camaron Street between Houston Street and Travis Street for construction staging during construction of the New Tower ((i) and (ii) collectively referred to herein as the "***Ancillary Governmental Approval Conditions***"), then Weston Urban shall have the option of terminating this Agreement pursuant to Section 6.05B below.

Section 2.02 Construction of the New Tower

As soon as practicable following the Existing Tower Closing Date (as may be extended), Weston Urban shall commence construction on the New Tower and thereafter diligently and continuously (subject to Force Majeure) construct the New Tower to completion in accordance with all Applicable Laws and achieve Substantial Completion of the New Tower within thirty-six (36) months following the Existing Tower Closing Date (as may be extended). The date upon which Substantial Completion of the New Tower is achieved is referred to herein sometimes as the "***Tower Completion Date***." If the Tower Completion Date has not occurred within thirty-six (36) months following the Existing Tower Closing Date (as may be extended), subject to extensions for any delays caused by Force Majeure or the City and subject to any extensions that may be granted by the City Manager, then the City may deliver written notice to Weston Urban requiring that the Tower Completion Date occur within one hundred eighty (180) days or such longer period as the City Manager may elect to grant (the "***Outside Tower Completion Deadline***"). If the Tower Completion Date has not occurred on or before the Outside Tower Completion Deadline and Frost elects to terminate the New Frost Lease, then the City and Frost shall have the option of terminating this Agreement pursuant to Section 6.09 below unless construction on the New Tower is in progress as of the Outside Tower Completion Deadline in which event the Outside Tower Completion Deadline shall be automatically extended until such time as the New Tower may be completed assuming Weston Urban continues to diligently and continuously proceed with the construction of the New Tower, subject to Force Majeure, but in no event later than sixty (60)

months following the Existing Tower Closing Date (as may be extended). If the Tower Completion Date has not occurred within sixty (60) months following the Existing Tower Closing Date (as may be extended) and Frost elects to terminate the New Frost Lease, then the City and Frost each shall have the option of terminating this Agreement pursuant to Section 6.09 below.

Section 2.03 Fee Waivers and Infrastructure Assistance

Contemporaneously with the execution of this Agreement, the City and Weston Urban are executing that certain Tower Economic Development Agreement attached hereto as **Exhibit "A"** (the "***Tower Economic Development Agreement***") pertaining to the development of the New Tower. The Tower Economic Development Agreement provides for (i) waiver of certain fees or charges that would otherwise be levied by the City in connection with land development and construction, (ii) waiver of certain impact fees otherwise payable by Weston Urban in connection with construction of the New Tower, and (iii) waiver of certain City fees that would otherwise be levied in connection with temporary closure of rights-of-way (including sidewalks, alleys or roadways) as may be required during construction of the New Tower.

Section 2.04 New Tower Closing

On the New Tower Closing Date, Weston Urban shall (a) close on a construction loan for the New Tower (the "***Construction Loan***"), and (b) acquire the New Tower Property from Frost pursuant to a separate real estate contract to be negotiated between Weston Urban and Frost (the "***New Tower Property Contract***"). The closing of the Construction Loan and the acquisition of the New Tower Property by Weston Urban (collectively, the "***New Tower Closing Obligations***") shall be conditions to Frost's obligation to convey the Existing Frost Facilities to the City pursuant to the Existing Tower Contract on the Existing Tower Closing Date. If either of the New Tower Closing Obligations are not satisfied on the scheduled New Tower Closing Date, then the New Tower Closing Date shall be delayed for up to thirty (30) days (such period being the cure period for the default arising out of the failure of Weston Urban or Frost, as the case may be, to perform on the New Tower Closing Date). If the initial failure to satisfy the New Tower Closing Obligations is caused by a default by Weston Urban under the New Tower Property Contract or the Construction Loan, and such New Tower Closing Obligations are not satisfied within such thirty (30) day cure period (except due to a default by Frost under this Agreement, the New Tower

Property Contract, or in relation to the Construction Loan should Frost be the construction lender for the New Tower, or by a default by the City under this Agreement or under any Ancillary Agreement), then Frost or the City shall be entitled to terminate this Agreement pursuant to Section 6.07 below. If the initial failure to satisfy the New Tower Closing Obligations is caused by a default by Frost under the New Tower Property Contract or the Construction Loan should Frost be the construction lender for the New Tower, and such New Tower Closing Obligations are not satisfied within such thirty (30) day cure period (except due to a default by Weston Urban under this Agreement, the New Tower Property Contract, or in relation to the Construction Loan, or by a default by the City under this Agreement or under any Ancillary Agreement), then Weston Urban or the City shall be entitled to terminate this Agreement pursuant to Section 6.08 below; provided, however, that if Weston Urban files an action seeking specific performance under the contact for purchase of the New Tower Property within such thirty (30) day period, then the City may not exercise such termination right so long as Weston Urban is pursuing such action for specific performance and all deadlines under this Agreement shall be tolled during the pendency of such action for specific performance.

ARTICLE 3. EXISTING FROST TOWER

Section 3.01 Existing Tower Contract

The conveyance of the Existing Frost Facilities from Frost to the City will be under the terms, conditions and provisions set forth in that certain Agreement of Sale and Purchase attached hereto as **Exhibit "B"** (the "***Existing Tower Contract***"), which is incorporated herein by reference and is being executed contemporaneously with this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and the Existing Tower Contract, the provisions of this Agreement shall control. Notwithstanding any other provision contained in this Agreement or in the Existing Tower Contract, the Parties acknowledge that neither Frost nor the City shall have any right to terminate the Existing Tower Contract except as expressly set forth in this Agreement and that the Existing Tower Contract may not be amended in a manner that provides either the City or Frost with a termination right thereunder unless Weston Urban consents, in its sole discretion, to such an amendment.

Section 3.02 Existing Tower Closing

Subject to the terms, conditions and provisions of the Existing Tower Contract and this Agreement, the real estate closing on the purchase of the Existing Frost Facilities by the City from Frost shall take place on a date (the "***Existing Tower Closing Date***") mutually agreed upon between the City and Frost but not more than twenty-one (21) days after the New Tower Closing Date (as may be extended). In the event that the City fails to deliver the Purchase Price (including payment of the Prepaid Purchase Price Portion to Frost on the Existing Tower Closing Date) for the Existing Frost Facilities on the Existing Tower Closing Date or perform any other actions required for its closing on the purchase of the Existing Frost Facilities, then the Existing Tower Closing Date shall be delayed for up to ten (10) days. If the City is unable to close on the purchase of the Existing Frost Facilities within such ten (10) day period, then Frost and Weston Urban shall be entitled to terminate this Agreement pursuant to Section 6.06A below.

Section 3.03 Purchase Price

The Purchase Price to be paid by the City to Frost for the Existing Frost Facilities shall be $51,000,000.00, which is equal to the amount that the City and Frost have mutually agreed to be the fair market value of the Existing Frost Facilities. Because the City has not designated from lawfully-available funds on hand or funds to which it has immediate access as a source of payment of the Purchase Price, the City's obligation to pay the balance of the Purchase Price, after payment of the Prepaid Purchase Price Portion to Frost, on the Existing Tower Closing Date shall be subject to and conditioned on the City's ability to issue the Bonds (as evidenced by payment of purchase proceeds therefor versus delivery of such Bonds); provided, however, that in the event the City does not issue the Bonds or otherwise make available a source of payment of the Purchase Price, then Frost and Weston Urban shall be entitled to terminate this Agreement pursuant to Section 6.06A below.

Section 3.04 Condition of Existing Frost Facilities

Prior to the Effective Date, the City has conducted a complete inspection of the Existing Frost Facilities, and the Purchase Price set forth in Section 3.03 has been agreed to by the City and

Frost as the fair market value of the Existing Frost Facilities, taking into account any and all conditions related to the Existing Frost Facilities.

Section 3.05 Existing Tower Prepaid Purchase Price Portion

Within two (2) Business Days following the Effective Date of this Agreement, the City shall (a) deposit Five Hundred Ten Thousand and No/100 Dollars ($510,000.00) of the Prepaid Purchase Price Portion in accordance with the Existing Tower Contract, and (b) deposit with Chicago Title of Texas, LLC (Doug Becker) (the "***Escrow Agent***"), Five Million and No/100 Dollars ($5,000,000.00) of the Prepaid Purchase Price Portion to be held in accordance with the Escrow Agreement by and between the City, Weston Urban, and the Escrow Agent, that is attached hereto as **Exhibit "I"**.

Section 3.06 Master Lease

On the Existing Tower Closing Date (as may be extended), the City and Frost shall enter into that certain Master Lease Agreement attached hereto as **Exhibit "C"** (the "***Existing Tower Master Lease***") pursuant to which Frost will lease back the Existing Frost Facilities from the City until such time as the New Tower has been completed and Frost has vacated the Existing Frost Facilities in accordance with the terms, conditions and provisions of the Existing Tower Master Lease.

Section 3.07 Lease Concessions

As partial consideration from Frost for the City's participation in the Project and its acquisition of the Existing Frost Facilities, the following is being memorialized in that certain Lease Amendment being entered into by Frost and the City on or about the Effective Date, in the form attached hereto as **Exhibit "L"** (the "***City Lease Amendment***"), which amends the City's existing lease agreement with Frost pursuant to which the City occupies the 19th floor of the Existing Frost Tower as follows:

(a) Upon closing the purchase of the Existing Frost Facilities, the City's rent for the currently occupied space in the Existing Frost Tower shall be reduced to operating expenses only, estimated to be $8.00 per rentable foot, with base rental being $0.00.

(b) Commencing on the Existing Tower Closing Date (as may be extended) and continuing thereafter until the expiration or earlier termination of the Existing Tower Master Lease, the City will have the option to lease and occupy the 18th floor of the Existing Frost Tower, the training room, and other space in the Existing Frost Facilities as such space becomes vacant and available for lease to third parties at no cost (i.e., no rent or operating costs) to the City; provided, however, the City will be responsible for all finish out expenses required for the use and occupancy of those spaces.

(c) As more thoroughly described in the City Lease Amendment, in the event that the Existing Tower Master Lease is terminated and Frost repurchases the Existing Frost Facilities and the City occupies space in the 18th floor, the training room or elsewhere in the Existing Frost Facilities under the terms of the City Lease Amendment at the time the Existing Tower Master Lease is terminated and Frost repurchases the Existing Frost Facilities, then (a) the rental for such space shall be adjusted to fair market value on that date, and (b) for thirty (30) days thereafter the City shall have the option to extend the terms of the lease of those various spaces, at its election, for up to three (3) years, on a space by space basis, by providing written notice of such extension to Frost.

ARTICLE 4. CITY REAL ESTATE

Section 4.01 City Real Estate Contracts

The conveyance of the City Real Estate from the City to Weston Urban will be under the terms, conditions and provisions set forth in this Article 4 and those certain Real Estate Contracts of Sale attached hereto as **Exhibit "D-2"**, **Exhibit "D-3"**, and **Exhibit "D-4"** (the "***City Real Estate Contracts***"), which are incorporated herein by reference and are being executed contemporaneously with this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and a City Real Estate Contract, the provisions of this Agreement shall control.

Section 4.02 Purchase Price

The purchase prices to be paid by Weston Urban to the City for the respective portions of the City Real Estate shall be the amounts set forth below, which are equal to amounts that the City

and Weston Urban have mutually agreed to be the fair market values of the City Real Estate but which may be subject to adjustment under the terms, conditions and provisions of the applicable City Real Estate Contract:

A. West Travis Property: $950,000.00;

B. Municipal Plaza Property: Approximately $5,007,347.20 (reflecting a purchase price of $6,500,000.00 for the entire building and a credit of approximately $1,492,652.80 for the value of the City Condo Unit that will be retained by the City, as such values may be adjusted to account for reallocations of space in the Municipal Plaza Property pursuant to the terms, conditions and provisions of the City Real Estate Contract for the Municipal Plaza Property); and

C. Pecan Street Property: $392,432.00.

Section 4.03 Condition of City Real Estate

Prior to the Effective Date, Weston Urban has conducted a complete inspection of the City Real Estate, and the purchase prices set forth in Section 4.02 have been agreed to by the City and Weston Urban as the fair market value of the City Real Estate, taking into account any and all conditions related to the City Real Estate.

Section 4.04 City Real Estate Earnest Money

Within two (2) Business Days following the Effective Date of this Agreement, Weston Urban shall deposit with Escrow Agent, the aggregate sum of One Million and No/100 Dollars ($1,000,000.00) (the "***City Real Estate Earnest Money***"), which is divided between the respective portions of the City Real Estate under the City Real Estate Contracts as follows, and held in accordance with the Deed Escrow Agreement:

A. West Travis Property: $200,000;

B. Municipal Plaza Property: $750,000; and

C. Pecan Street Property: $50,000.

Section 4.05 City Real Estate Closings

Pursuant to the terms, conditions and provisions of the City Real Estate Contracts and this Agreement, the closing on the purchase of the City Real Estate by Weston Urban from the City

shall take place on the City Move Completion Date. In acknowledgement of the fact that Weston Urban may not otherwise have adequate legal or equitable remedies against the City under the City Real Estate Contracts, the City has delivered the deeds for the City Real Estate into escrow on the Effective Date of this Agreement using the form of Deed Escrow Agreement attached hereto as **Exhibit "K"**.

Section 4.06 Municipal Plaza Property Condominium

Contemporaneously with the closing on the purchase of the Municipal Plaza Property by Weston Urban from the City, Weston Urban shall establish a condominium regime for the Municipal Plaza Property pursuant to the Condominium Declaration. At the closing on the conveyance of the Municipal Plaza Property, the City shall be conveyed the condominium unit (the "***City Condo Unit***") comprising the existing City Council Chambers and certain supporting first floor areas (the boundaries of such City Condo Unit to be mutually agreed upon between Weston Urban and the City and in general accordance with depiction on the attached **Exhibit "E-1"**) and including the pro rata share of the common areas established under the Condominium Declaration attributable thereto, and Weston Urban shall acquire ownership of the unit or units comprising the remainder of the Municipal Plaza Property (the "***Weston Urban Condo Unit***"), including the pro rata share of the common areas established under the Condominium Declaration attributable thereto. As set forth in the Condominium Declaration, the City Condo Unit will be subject to an option to purchase in favor of Weston Urban that would be triggered if the use of the City Condo Unit for the City Council Chambers is discontinued.

Section 4.07 Parking Lease in Existing Frost Tower

Contemporaneously with the closing on the purchase of the Municipal Plaza Property by Weston Urban from the City, the City and Weston Urban shall enter into that certain Parking Lease attached hereto as **Exhibit "G"** (the "***Parking Lease***") pursuant to which the City will lease to Weston Urban eighty-five (85) parking spaces in the Existing Frost Parking Garage to be used in connection with the Municipal Plaza Building.

Section 4.08 City Real Estate Development and Incentive Agreement

Subject to satisfaction of the City's obligations under the City Real Estate Contracts to convey the City Real Estate to Weston Urban, Weston Urban will be obligated to develop or cause to be developed not less than two hundred sixty-five (265) housing units, in the aggregate, on the City Real Estate and the Additional Frost Properties in accordance with the terms, conditions and provisions of the City Real Estate Development and Incentive Agreement between the City and Weston Urban attached hereto as **Exhibit "H"** (the "***City Real Estate Development and Incentive Agreement***"), which is incorporated herein by reference and is being executed contemporaneously with this Agreement.

Section 4.09 Tunnel License

Contemporaneously with the closing on the purchase of the Municipal Plaza Property by Weston Urban from the City, the City and Weston Urban shall enter into that certain Tunnel License Agreement attached hereto as **Exhibit "J"** pursuant to which the City will permit occupants, guests and invitees of the Municipal Plaza Property to use the tunnel connecting the Existing Frost Facilities and the Municipal Plaza Property on the terms and conditions set forth therein.

ARTICLE 5. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.01 By Weston Urban

Weston Urban hereby makes the following representations, warranties and covenants to the City and Frost as of the Effective Date:

A. Existence. Weston Urban is a limited liability company duly created and legally existing under the laws of the State of Texas.

B. Authorization. Weston Urban is duly and legally authorized to enter into this Agreement and the Ancillary Agreements and has complied with all laws, rules, regulations, charter provisions and bylaws relating to its corporate existence and authority to act, and the undersigned representative is authorized to act on behalf of and bind Weston Urban to the terms of this Agreement and the Ancillary Agreements. Weston Urban has provided to City and Frost, on or prior to the Effective Date, a certified copy of a resolution of its members authorizing Weston

Urban's execution of this Agreement and the Ancillary Agreements through the undersigned representative, together with documents evidencing Weston Urban's good standing and authority to transact business in the State of Texas. Weston Urban has all requisite power to perform all of its obligations under this Agreement and the Ancillary Agreements. The execution of this Agreement or the Ancillary Agreements by Weston Urban does not require any consent or approval which has not been obtained.

C. Enforceable Obligations. Assuming due authorization, execution and delivery by each signatory party hereto and thereto, this Agreement, the Ancillary Agreements to which Weston Urban is a party and all obligations of Weston Urban hereunder and thereunder are enforceable against Weston Urban in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditor's rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

D. No Legal Bar. The execution and delivery of this Agreement and the Ancillary Agreements to which Weston Urban is a party and the performance of its obligations hereunder and thereunder by Weston Urban will not conflict with any provision of any Applicable Laws to which Weston Urban is subject or conflict with, or result in a breach of, or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Weston Urban is a party or by which it is bound or any order or decree applicable to Weston Urban.

E. Litigation. There are no legal actions or proceedings pending or, to the knowledge of Weston Urban, threatened against Weston Urban which, if adversely determined, would materially and adversely affect the financial condition, business or prospects of Weston Urban or its ability to fulfill its obligations under this Agreement or the Ancillary Agreements.

F. Knowledge. Weston Urban has no knowledge of any facts or circumstances which presently evidence, or with the passage of time would evidence, that any of the representations made by Weston Urban under this Agreement are in any way inaccurate, incomplete or misleading. As used herein, "knowledge" with respect to Weston Urban means the current actual knowledge of Randal Smith with no duty of investigation being imposed on him and without the knowledge of any other person being imputed to him.

Section 5.02 By Frost

Frost hereby makes the following representations, warranties and covenants to the City and Weston Urban as of the Effective Date:

A. Existence. Frost is a Texas state bank duly created and legally existing under the laws of the State of Texas.

B. Authorization. Frost is duly and legally authorized to enter into this Agreement and the Ancillary Agreements and has complied with all laws, rules, regulations, charter provisions and bylaws relating to its corporate existence and authority to act, and the undersigned representative is authorized to act on behalf of and bind Frost to the terms of this Agreement and the Ancillary Agreements. Frost has provided to City and Weston Urban, on or prior to the Effective Date, a certified copy of a resolution of its board of directors authorizing Frost's execution of this Agreement and the Ancillary Agreements through the undersigned representative, together with documents evidencing Frost's good standing in the State of Texas. Frost has all requisite corporate power to perform all of its obligations under this Agreement and the Ancillary Agreements. The execution of this Agreement or the Ancillary Agreements by Frost does not require any consent or approval which has not been obtained.

C. Enforceable Obligations. Assuming due authorization, execution and delivery by each signatory party hereto and thereto, this Agreement and the Ancillary Agreements to which Frost is a party and all obligations of Frost hereunder and thereunder are enforceable against Frost in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditor's rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

D. No Legal Bar. The execution and delivery of this Agreement and the Ancillary Agreements to which Frost is a party and the performance of its obligations hereunder and thereunder by Frost will not conflict with any provision of any Applicable Laws to which Frost is subject or conflict with, or result in a breach of, or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Frost is a party or by which it is bound or any order or decree applicable to Frost.

E. Litigation. There are no legal actions or proceedings pending or, to the knowledge of Frost, threatened against Frost which, if adversely determined, would materially and adversely

affect the financial condition, business or prospects of Frost or its ability to fulfill its obligations under this Agreement or the Ancillary Agreements.

F. Knowledge. Frost has no knowledge of any facts or circumstances which presently evidence, or with the passage of time would evidence, that any of the representations made by Frost under this Agreement are in any way inaccurate, incomplete or misleading. As used herein, "knowledge" with respect to Frost means the current actual knowledge of Stanley E. McCormick, Robert Goudge and John D. Wittenberg, Jr. with no duty of investigation being imposed on any of them and without the knowledge of any other person being imputed to any of them.

Section 5.03 By the City

The City hereby makes the following representations and covenants to and with Weston Urban and Frost as of the Effective Date unless another date is expressly stated to apply:

A. Existence. The City is a municipal corporation and home rule city of the State of Texas principally situated in Bexar County.

B. Power and Authority. The City has all requisite municipal corporate power and authority to enter into this Agreement and the Ancillary Agreements, and subject to the provisions of Section 8.19, perform all of its obligations hereunder and thereunder. The execution and performance by the City of this Agreement and the Ancillary Agreements have been duly authorized by the City Ordinance and do not require the consent or approval of any other person which has not been obtained, including, without limitation, any Governmental Authority; provided, however, that the issuance of any bonds required for purposes of satisfying the City's obligations hereunder may require the approval of the Attorney General of Texas.

C. No Legal Bar. Subject to the provisions of Section 8.19, the execution and performance by the City of this Agreement and the Ancillary Agreements does not and will not violate any provisions of any contract, agreement, instrument or Applicable Law to which the City is a party or is subject.

D. Litigation. There are no pending legal actions or proceedings which, if adversely determined, would materially and adversely affect the ability of the City to fulfill its obligations under this Agreement or the Ancillary Agreements.

E. Enforceable Obligations. Assuming due authorization, execution and delivery by each Party hereto and thereto, this Agreement and the Ancillary Agreements and all obligations of the City hereunder and thereunder are enforceable against the City in accordance with their terms.

Section 5.04 Reliance

Each Party agrees and acknowledges that, in entering into this Agreement and the Ancillary Agreements:

A. Each Party is expressly and primarily relying on the truth and accuracy of the foregoing representations, warranties and covenants of each other Party, without any obligation to investigate the accuracy or completeness thereof;

B. Notwithstanding any investigation thereof by any Party, each Party may continue to rely thereon until this Agreement is or shall be terminated according to its terms;

C. Such representations, warranties and covenants are a material inducement to each Party in making this Agreement and agreeing to undertake and accept its terms; and

D. Each Party would not be willing to do so in the absence of any of such representations, warranties and covenants.

ARTICLE 6. DEFAULTS, REMEDIES AND TERMINATION RIGHTS

Section 6.01 Events of Default

Each of the following will be an Event of Default:

A. A Party fails to perform or observe any of the obligations, covenants or agreements to be performed or observed by such Party under this Agreement or one of the Ancillary Agreements and such failure continues for (i) more than thirty (30) days following written notice of such failure to such Party, or (ii) such longer period of time as may be reasonable under the circumstances not to exceed ninety (90) days, if such failure cannot be cured within thirty (30) days because of the nature of the default and during such thirty (30) day period curative action has commenced and is thereafter pursued diligently by such Party.

B. Any material representation or warranty of a Party is untrue when made or becomes untrue thereafter and remains untrue after thirty (30) days following written notice to such Party that the material representation or warranty is untrue.

C. A petition under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state thereof is filed by or against the City, Weston Urban or Frost and is not dismissed, withdrawn or otherwise concluded without adjudication within seventy-five (75) days after being filed.

D. The City, Weston Urban or Frost admits in writing its inability to pay its debts when due.

E. A bill in equity or other proceeding for the appointment of a receiver of Weston Urban or Frost or other custodian for Weston Urban or Frost's business or assets is filed and consented to by Weston Urban or Frost (as applicable).

F. A receiver or other custodian (permanent or temporary) of Weston Urban's or Frost's assets or property, or any part thereof, is appointed by any court of competent jurisdiction.

G. Proceedings for a composition with creditors under any state or federal law have been instituted by or against Weston Urban or Frost.

Section 6.02 General Remedies for Uncured Event of Default

After delivery of any required notice and expiration of any applicable cure period, any non-defaulting Party may pursue against the defaulting party, at its option and without prejudice to any other rights and remedies provided for hereunder or by law, any right or remedy conferred upon or reserved to it under this Agreement and/or at law or in equity. Except where this Agreement or one of the Ancillary Agreements expressly identifies a remedy as a party's sole remedy, the rights and remedies provided in this Agreement shall be in addition to and cumulative of all other rights and remedies available to a Party against a defaulting party, and the pursuit of one remedy will not be an election of a sole remedy and will not preclude the right to pursue any or all other available remedies, whether the same be remedies at law and/or equitable remedies, including injunction and relief in the form of mandamus.

Section 6.03 Termination for Failure to Achieve Initial Closing Conditions or Outside Closing Deadline

If (i) Weston Urban does not satisfy the Initial Closing Conditions by the Initial Conditions Deadline, or (ii) the New Tower Closing Date does not occur (with Weston Urban closing on the Construction Loan and the acquisition of the New Tower Property) on or before the Outside

Closing Deadline (unless due to a default by the City or Frost), then the City and Frost shall each, as their sole remedy, have the option of terminating this Agreement pursuant to this Section 6.03 by delivering written notice to the other Parties, whereupon (a) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall be terminated, (b) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (c) the City Real Estate Earnest Money shall be disbursed to the City in accordance with the Deed Escrow Agreement, and (d) thereafter none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements). Notwithstanding the foregoing, neither the City nor Frost shall be entitled to terminate this Agreement pursuant to this Section 6.03 if it is in default of its obligations under this Agreement.

Section 6.04 Termination by Weston Urban during the Pre-Construction Phase

If Weston Urban determines at any point during the Pre-Construction Phase that the Weston Urban Closing Conditions will not or cannot be satisfied by the New Tower Closing Date (as may be extended), then Weston Urban shall have the option, as its sole remedy (except as provided in Section 6.05A) of terminating this Agreement pursuant to this Section 6.04 by delivering written notice to the other Parties, whereupon (a) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall thereby be terminated, (b) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (c) the City Real Estate Earnest Money shall be disbursed to the City in accordance with the Deed Escrow Agreement, and (d) thereafter none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements).

Section 6.05 Failure to Satisfy Governmental Approval Conditions

A. If either of the Primary Governmental Approval Conditions are not satisfied on or before November 2, 2015 (as such deadline may be extended by mutual agreement between the City and Weston Urban with the City Manager acting on behalf of the City), then Weston Urban shall have the option, as its sole remedy, of terminating this Agreement pursuant to this Section

6.05A by delivering written notice to the other Parties on or before the end of the thirtieth (30th) day following such deadline (as may be extended), whereupon (i) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall thereby be terminated, (ii) a sum out of the Prepaid Purchase Price Portion equal to the New Tower Recoverable Costs incurred prior to the date this Agreement was terminated pursuant to this Section 6.05A shall be disbursed to Weston Urban (up to a maximum of Five Million and No/100 Dollars ($5,000,000.00)) in accordance with the Escrow Agreement, (iii) the remainder of the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (iv) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, and (v) thereafter none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements Agreement (except as expressly set forth in any Ancillary Agreements). To the extent any portion of the Prepaid Purchase Price Portion disbursed to Weston Urban is attributable to New Tower Recoverable Costs relating to public infrastructure improvements, then the work product related to such public infrastructure improvements (including without limitation any and all designs, plans, permits, renderings, reports, studies) shall be delivered to the City following payment of such Prepaid Purchase Price Portion subject to any and all disclaimers, reservations and other conditions that may apply to such work product.

B. If Weston Urban determines that it has been unable or will be unable to satisfy either of the Ancillary Governmental Approval Conditions on or before the end of the Pre-Construction Phase, then Weston Urban shall have the option, as its sole remedy, of terminating this Agreement pursuant to this Section 6.05B by delivering written notice to the other Parties at any time prior to the Outside Closing Date whereupon (a) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall thereby be terminated, (b) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (c) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, and (d) thereafter none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements Agreement (except as expressly set forth in any Ancillary Agreements).

C. Notwithstanding any provision herein to the contrary, the failure of Weston Urban to exercise either or both of the termination rights described in Sections 6.05A and Section 6.05B shall not affect Weston Urban's right to terminate this Agreement under Section 6.04 even if the underlying condition(s) giving rise to Weston Urban's determination that the Weston Urban Closing Conditions will not or cannot be satisfied by the New Tower Closing Date are directly or indirectly related to a Primary Governmental Approval Condition or an Ancillary Governmental Approval Condition.

Section 6.06 Termination under Existing Tower Contract

A. Default by City. If the City defaults in its obligations under the Existing Tower Contract to acquire the Existing Frost Facilities from Frost on the Existing Tower Closing Date (as may be extended) for any reason whatsoever other than a default by Frost or Weston Urban under the Agreement or an Ancillary Agreement (including (x) the City's obligations being held unenforceable or void, or (y) the City failing to provide the funds necessary to consummate the transaction contemplated by the Existing Tower Contract), then either Weston Urban or Frost shall each have as its sole remedy for such default the option of terminating this Agreement by delivering written notice thereof to the other Parties, whereupon (i) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (ii) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, (iii) Five Hundred Ten Thousand and No/100 Dollars ($510,000.00) of the Prepaid Purchase Price Portion shall be disbursed to Frost pursuant to the Existing Tower Contract, (iv) a sum out of the balance of the Prepaid Purchase Price Portion equal to the New Tower Recoverable Costs incurred prior to the date this Agreement was terminated pursuant to this Section 6.06A shall be disbursed to Weston Urban (up to a maximum of Five Million and No/100 Dollars ($5,000,000.00)) in accordance with the Escrow Agreement, and (v) the remainder of the Prepaid Purchase Price Portion (if any) shall be refunded to the City in accordance with the Escrow Agreement, and (vi) none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements) thereafter. To the extent any portion of the Prepaid Purchase Price Portion disbursed to Weston Urban is attributable to New Tower Recoverable Costs relating to public infrastructure improvements, then the work product related to such public

infrastructure improvements (including without limitation any and all designs, plans, permits, renderings, reports, studies) shall be delivered to the City following payment of such Prepaid Purchase Price Portion subject to any and all disclaimers, reservations and other conditions that may apply to such work product.

B. Default by Frost. If Frost defaults in its obligations under the Existing Tower Contract to convey the Existing Frost Facilities to the City on the Existing Tower Closing Date (as may be extended) for any reason (other than a default by the City under the Existing Tower Contract) whatsoever, then either Weston Urban or the City shall each have as its sole remedy for such default, the option of terminating this Agreement by delivering written notice thereof to the other Parties, whereupon (i) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (ii) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, (iii) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (iv) Frost shall pay to the City the City Pre-Closing Unwind Payment, (v) Frost shall pay to Weston Urban a sum equal to all New Tower Recoverable Costs incurred by Weston Urban up to a maximum of Five Million and No/100 Dollars ($5,000,000.00) within thirty (30) days following receipt from Weston Urban of a demand for such payment along with reasonable documentation confirming the incurrence of such costs by Weston Urban, and (vi) none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements) thereafter.

C. Title Issues. On or before July 15, 2015 (the "***Title Review Deadline***"), the City and Frost shall agree upon those matters presently affecting the title to Existing Tower Facilities whereupon such list of permitted exceptions shall be delivered to Weston Urban and attached to this Agreement as **Exhibit "M"** (the "***Permitted Exceptions***"). If the City and Frost do not agree upon the Permitted Exceptions on or before the Title Review Deadline (as such deadline may be extended by written agreement among all the Parties with the City Manager acting on behalf of the City), then any of the Parties may terminate this Agreement by delivering notice to the other Parties on or before the expiration of the tenth (10th) Business Day following the Title Review Deadline, whereupon (i) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (ii) the City Real Estate Earnest Money shall be refunded to Weston

Urban in accordance with the Deed Escrow Agreement, (iii) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, and (vi) none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements) thereafter. If the City and Frost do not agree upon the Permitted Exceptions on or before the Title Review Deadline and no Party elects to terminate this Agreement before the expiration of the tenth (10th) Business Day following the Title Review Deadline, then the City shall be deemed to have accepted as Permitted Exceptions all matters shown on the Schedule B of the most recent title commitment issued to the City in regard to the Existing Tower Facilities prior to the Title Review Deadline. If after the date the Authorizing Ordinance is approved by the San Antonio City Council Frost causes any new matter to affect title to the Existing Tower Facilities that is not included among the Permitted Exceptions or not otherwise consented to by the City and Frost does not cure such matter to the City's reasonable satisfaction within thirty (30) days following receipt of written notice delivered by the City to Frost and Weston Urban, then the City shall have as its sole remedy for such default, the option of terminating this Agreement by delivering written notice thereof to the other Parties within fifteen (15) days following the expiration of such thirty (30) day period, whereupon (i) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (ii) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, (iii) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (iv) Frost shall pay to Weston Urban a sum equal to all New Tower Recoverable Costs incurred by Weston Urban up to a maximum of Five Million and No/100 Dollars ($5,000,000.00) within thirty (30) days following receipt from Weston Urban of a demand for such payment along with reasonable documentation confirming the incurrence of such costs by Weston Urban, (v) in the event that Weston Urban has issued the Closing Notice, Frost shall pay to the City either the City Unwind Payment (if the City is not yet bound to counter-parties to deliver debt instruments for payment of the Purchase Price) or the City Pre-Closing Unwind Payment (if the City is bound to counter-parties to deliver debt instruments for payment of the Purchase Price), as applicable, and (vi) none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements)

thereafter. If during the term of this Agreement, the City discovers any matter affecting title to the Existing Tower Facilities that (x) was not included as a Permitted Exception, (y) was not caused by Frost after the date the Authorizing Ordinance is approved by the San Antonio City Council, and (z) would materially and adversely impact the City's intended use of the Existing Tower Facilities, and Frost does not cure such matter to the City's reasonable satisfaction within thirty (30) days following receipt of written notice delivered by the City to Frost and Weston Urban, then the City shall have as its sole remedy for such default, the option of terminating this Agreement by delivering written notice thereof to the other Parties within fifteen (15) days following the expiration of such thirty (30) day period, whereupon (i) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (ii) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, (iii) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, and (iv) none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements) thereafter. With respect to any title matter that gives rise to a termination right under this Section 6.06C (excluding those matters included among the initial list of Permitted Exception), if the City does not terminate this Agreement within the applicable fifteen (15) day period referenced above, then such title matter shall be deemed to constitute a Permitted Exception hereunder; provided, however, that the Parties may extend the duration of any such fifteen (15) days period by mutual agreement with the City Manager acting on behalf of the City.

D. Condemnation.

(1) Except as provided below with respect to an Excluded Condemnation, if all or any portion of the Existing Tower Facilities are taken or condemned on or before the Existing Tower Closing Date, then the City may terminate this Agreement by providing written notice to the Frost and Weston Urban prior to the earlier of (x) the Existing Tower Closing Date, or (y) ten (10) days after receipt by the City of notice of such taking or condemnation, whereupon (i) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (ii) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, (iii) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, and (vi) none of the

Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements) thereafter.

(2) Notwithstanding anything to the contrary herein, the City shall not have a right to terminate this Agreement or the Existing Tower Contract (but rather the City shall be obligated to close on the acquisition of the Existing Tower Facilities under the Existing Tower Contract and take an assignment of any award resulting from such Excluded Condemnation) if a taking or condemnation satisfies one or both of the following criteria (referenced herein as an "***Excluded Condemnation***"): (i) the eminent domain or condemnation proceeding is instituted (or notice of same is given) by the City or any agency or subsidiary of the City; or (ii) the Existing Tower Facilities could still be used following such taking or condemnation in substantially the same manner as prior to such taking or condemnation.

Section 6.07 Termination for Failure of Weston Urban to Satisfy New Tower Closing Obligations after Issuing Closing Notice.

If Weston Urban issues the Closing Notice and then fails to satisfy the New Tower Closing Obligations on or before the expiration of the thirty (30) day cure period identified in Section 2.04 above (except due to a default by Frost under this Agreement or the New Tower Property, a default by Frost on its obligations under the documents governing the Construction Loan should Frost be the construction lender for the New Tower, or by a default by the City under this Agreement or under any Ancillary Agreement), then either the City or Frost shall have the option as its sole remedy for such default, of terminating this Agreement by delivering written notice thereof to the other Parties, whereupon (a) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (b) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (c) the City Real Estate Earnest Money shall be disbursed to the City in accordance with the Deed Escrow Agreement, (d) Weston Urban shall pay to the City the City Pre-Closing Unwind Payment within thirty (30) days following notice received from the City along with such reasonable documentation evidencing the amount of such Pre-Closing Unwind Payment, and (e) none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the

terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements) thereafter.

Section 6.08 Termination for Failure of Frost to Satisfy New Tower Closing Obligations

If Weston Urban issues the Closing Notice and then Frost defaults on its obligations to close under the New Tower Property Contract or fails to fulfill any obligations it has assumed as a construction lender in connection with the Construction Loan on or before the expiration of the thirty (30) day cure period identified in Section 2.04 above (except due to a default by Weston Urban under this Agreement, the New Tower Property Contract, or with respect to its obligations under the documents governing the Construction Loan, or by a default by the City under this Agreement or under any Ancillary Agreement), then either the City or Weston Urban shall have the option as its sole remedy for such default of terminating this Agreement by delivering written notice thereof to the other Parties, whereupon (a) this Agreement and all Ancillary Agreements other than the City Lease Amendment shall terminate, (b) the Prepaid Purchase Price Portion shall be refunded to the City in accordance with the Escrow Agreement and the Existing Tower Contract, (c) the City Real Estate Earnest Money shall be refunded to Weston Urban in accordance with the Deed Escrow Agreement, (d) Frost shall pay to the City the City Unwind Payment within thirty (30) days following notice received from the City along with such reasonable documentation evidencing the amount of such City Unwind Payment, (e) Frost shall pay to Weston Urban a sum equal to all New Tower Recoverable Costs incurred by Weston Urban up to a maximum of Five Million and No/100 Dollars ($5,000,000.00) within thirty (30) days following receipt from Weston Urban of a demand for such payment along with reasonable documentation confirming the incurrence of such costs by Weston Urban, and (f) thereafter none of the Parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements).

Section 6.09 Termination for Failure to Achieve Outside Tower Completion Deadline

If the Tower Completion Date does not occur on or before the Outside Tower Completion Deadline (as may be extended by the City Manager or automatically as set forth in Section 2.02

above), or if the Tower Completion Date does not occur within sixty (60) months following the Existing Tower Closing Date (as it may be extended), and in either case Frost elects to terminate the New Frost Lease as a result, then the City, as its sole remedy, and Frost, in addition to, and cumulative of, any remedies under the New Frost Lease, shall have the option of terminating this Agreement pursuant to this Section 6.09 by delivering written notice of such termination to the other parties. Upon termination of this Agreement: (a) Frost shall have the option of either (i) exercising its right to compel a sale of the Existing Frost Facilities to Frost pursuant to the Options Agreement (so called herein) attached to the Existing Tower Contract for the purchase price set forth in the Options Agreement, in which case, Frost would be obligated to pay the City the City Post-Closing Unwind Payment at the closing of the sale as described in the Options Agreement or (ii) notifying the City that it is electing to extend the term of the Existing Tower Master Lease until the earlier of (A) the expiration of the 120th full calendar month of the term thereof or (B) such date as Frost shall subsequently exercise its rights to compel a sale of the Existing Frost Facilities to Frost pursuant to the Options Agreement (in which event, Frost shall pay to the City the City Post-Closing Unwind Payment, calculated as of the date of the closing of the repurchase); (b) this Agreement and all Ancillary Agreements other than the Existing Tower Master Lease, the City Lease Amendment, and the Options Agreement shall be terminated; (c) the City Real Estate Earnest Money shall be disbursed to the City in accordance with the Deed Escrow Agreement; and (d) none of the parties hereto shall have any continuing rights or obligations under this Agreement or under any of the terminated Ancillary Agreements (except as expressly set forth in any Ancillary Agreements). If Frost fails to notify the City of whether it elects to proceed under subclauses (i) or (ii) of clause (a) above within sixty (60) days of the date this Agreement is terminated by City or Frost, Frost will be deemed to have elected to proceed under subclause (ii).

Section 6.10 Mediation

In the event of a dispute by the Parties to this Agreement which cannot, within a reasonable time, be resolved, the Parties agree to submit the disputed issue to non-binding mediation. The Parties shall participate in good faith, but in no event shall they be obligated to pursue mediation that does not resolve the issue within three (3) days after the mediation is initiated or ten (10) days after mediation is requested. The Parties participating in the mediation shall share the costs of the

mediation proportional to the number of Parties participating. The provisions hereof shall survive any termination of this Agreement.

ARTICLE 7. FORCE MAJEURE

Section 7.01 Mitigation

Each Party shall use commercially reasonable efforts to mitigate any delay in performance by such Party under this Agreement caused by Force Majeure.

Section 7.02 Notice

Each Party whose performance under this Agreement is prevented by Force Majeure shall provide notice to the other Parties within ten (10) Business Days after the Party becomes aware of the occurrence of the Force Majeure. The notice shall describe the facts and circumstances of the Force Majeure and the anticipated effect thereof on the performance of such Party's obligations, duties, covenants and agreements under this Agreement, which notice shall be supplemented from time to time upon request. Such Party shall also give notice to the other Parties of its ability to resume performance under this Agreement within a reasonable time following termination of the Force Majeure.

Section 7.03 Effect of Force Majeure

For so long as a Party is unable to perform a duty, obligation or covenant under this Agreement because of the existence or the effect of Force Majeure, the performance of such duty, obligation or covenant will be suspended on a day by day basis during the continuation of the relevant occurrence.

ARTICLE 8. MISCELLANEOUS PROVISIONS

Section 8.01 Term

Unless earlier terminated pursuant to the terms, conditions and provisions hereof, the Term of this Agreement shall extend from the Effective Date until the later of (a) the date upon which the last of the City Real Estate being conveyed to Weston Urban under this Agreement has been

conveyed by the City to Weston Urban, and (b) the date upon which the Existing Tower Master Lease terminates; provided, however, that the term of some of the Ancillary Agreements may extend beyond such Term as set forth in such Ancillary Agreements.

Section 8.02 Notices

The Parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, 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 of such deposit. 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

Drew R. Fuller, Jr.
Hornberger Fuller & Garza
The Quarry Heights Building
7373 Broadway, Suite 300
San Antonio, TX 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

Frost: Frost Bank
Attn: Robert Goudge
100 West Houston Street, T-10
San Antonio, Texas 78205

With a copy to: Frost Bank
Attn: John D. Wittenberg Jr.
100 West Houston Street, T-5
San Antonio, Texas 78205

Peter R. Broderick
Dykema Cox Smith
112 East Pecan, Suite 1800
San Antonio, Texas 78205

The Parties may, from time to time, change their respective addresses, and each has the right to specify as its address any other address within the United States of America by giving at least five (5) Business Days written notice to the other Parties.

Section 8.03 Assignment

The Parties shall not assign (partially or in the entirety) any rights or duties under this Agreement without prior written consent of each other Party, such consent to not be unreasonably withheld; provided, however, that Weston Urban or Frost shall be permitted to assign their rights or duties under this Agreement to an Affiliate of Weston Urban or Frost (respectively) provided that no such assignment shall relieve Weston Urban or Frost from its obligations hereunder or under the Ancillary Agreements, including without limitation any duty with respect to the development of the New Tower or the development of the City Real Estate and Additional Frost Properties which Weston Urban may accomplish through partnerships or contractual agreements with third parties. Furthermore, Frost shall be able to assign this Agreement and all of its rights and obligations under any Ancillary Agreement to any party which acquires all or substantially all of the assets of Frost or with which Frost may be merged or otherwise consolidated.

Section 8.04 Business Days

If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first Business Day following such Saturday, Sunday, or legal holiday.

Section 8.05 Time

Time is of the essence in all things pertaining to the performance of this Agreement.

Section 8.06 Severability

If any clause or provision of this Agreement is held invalid, illegal or unenforceable by a court of competent jurisdiction, then said clause or provision shall not affect any other clause or provision and the remainder of this Agreement shall be construed as if such clause or provision

was never contained herein. In addition a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable will be added to the Agreement. Notwithstanding the foregoing to the contrary, if the City fails to performs its obligations under the Existing Tower Contract to acquire the Existing Frost Facilities from Frost on the Existing Tower Closing Date (as may be extended) due to such obligation being held invalid, illegal or unenforceable by a court of competent jurisdiction, then either Weston Urban or Frost shall each have the option of terminating this Agreement pursuant to the terms, conditions and provisions set forth in Section 6.06A above.

Section 8.07 Waiver

Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party will have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.08 Reliance

The City acknowledges that Weston Urban and Frost are acting in reliance upon the City's performance of its obligations under this Agreement in making its decision to commit substantial resources and money to pursue the Project. Weston Urban and Frost acknowledge that the City is acting in reliance upon the Weston Urban's performance and Frost's performance of their respective obligations under this Agreement in making its decision to commit substantial resources and money to pursue the Project.

Section 8.09 Further Documents

The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as any other Party may reasonably request in order to effectuate the terms of this Agreement.

Section 8.10 Governing Law; Venue

THIS AGREEMENT, AND THE ACTIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE

LAWS OF THE STATE OF TEXAS (EXCLUDING PRINCIPLES OF CONFLICTS OF LAW). VENUE SHALL BE IN BEXAR COUNTY, TEXAS.

Section 8.11 Attorneys' Fees

If any Party to this Agreement defaults in the performance of any covenants, obligations or agreements of such Party contained in this Agreement and another Party hereto places the enforcement of this Agreement, or any part thereof, or the exercise of any other remedy therein provided for such default, in the hands of an attorney who files suit upon the same (either by direct action or counterclaim), the non-prevailing Party shall pay to the prevailing Party (or Parties) its reasonable attorneys' fees and costs of court. In addition to the foregoing award of attorneys' fees to the prevailing Party, the prevailing Party (or Parties) shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

Section 8.12 No Oral Modification

Any agreement hereafter made shall be ineffective to change, waive, modify, discharge, terminate, or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing and signed by the Party against whom such charge, waiver, modification, discharge, termination or abandonment is sought to be enforced.

Section 8.13 No Party Deemed Drafter

Each Party has thoroughly reviewed and revised this Agreement (including each exhibit hereto) and has had the advice of counsel prior to execution hereof, and the Parties agree that none of them shall be deemed to be the drafter hereof.

Section 8.14 Use of Defined Terms

Any defined term used in the plural shall refer to all members of the relevant class, and any defined term used in the singular shall refer to any number of members of the relevant class. Any reference to this Agreement or any exhibits hereto and any other instruments, documents and agreements shall include this Agreement, exhibits and other instruments, documents and

agreements as originally executed or existed and as the same may from time to time be supplemented, modified or amended.

Section 8.15 Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but taken together shall constitute only one document. The Parties agree to circulate for execution all executed such counterparts in order that each Party may obtain a counterpart executed by all Parties.

Section 8.16 Entire Agreement, Amendment and Waiver, Survival

This Agreement, together with the Ancillary Agreements and all exhibits hereto and thereto, constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior written and oral agreements and understandings with respect to such subject matter. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, waiver or modification shall be sought, and in the case of the City, approved by action of City Council unless otherwise expressly set forth herein. No failure or delay of any Party in exercising any power or right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right of power, preclude any other or future exercise thereof or the exercise of any other right or power. Unless otherwise set forth in this Agreement, all agreements of the Parties contained in this Agreement which must survive to afford each respective Party the anticipated benefits of such agreements shall likewise survive, whether or not identified in this Agreement to so survive.

Section 8.17 Table of Contents; Headings

The table of contents and headings of the various articles, sections and other subdivisions of this Agreement are for convenience of reference only and shall not modify, define or limit any of the terms or provisions of this Agreement.

Section 8.18 Parties in Interest

The terms of this Agreement shall be binding upon, and insure to the benefit of, the Parties hereto and their successors and permitted assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person (other than the Parties hereto and their successors and permitted assigns and as expressly provided herein) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein or any standing or authority to enforce the terms and provisions of this Agreement.

Section 8.19 Appropriations

Any obligation of the City under this Agreement and/or an Ancillary Agreement requiring payment of money by the City (each a "***City Required Expenditure***") shall be subject to the appropriation of funds by the City Council (in accordance with Article XI, Section 5 of the Texas Constitution) until such time as an appropriation for such City Required Expenditure is made by the City Council. Notwithstanding the foregoing, the Parties expressly acknowledge that an appropriation of funds for the Prepaid Purchase Price Portion has been made by the City Council in connection with its approval of this Agreement. If money is not appropriated for any City Required Expenditure by the date set forth herein or in any Ancillary Agreement as the date such payment is due (including without limitation any appropriation required for the City to fulfill its obligation under the Existing Tower Contract to pay the Purchase Price), then Weston Urban shall have the right to terminate this Agreement by providing written notice to the other Parties whereupon this Agreement shall terminate pursuant to the terms, conditions and provisions of Section 6.06A as if the City defaulted on its obligations to acquire the Existing Tower; provided, however, that if the appropriation required for the City to fulfill its obligation under the Existing Tower Contract to pay the Purchase Price is not made, then Frost shall also have the right to terminate this Agreement by written notice to the other Parties pursuant to the terms, conditions and provisions of Section 6.06A as if the City defaulted on its obligations to acquire the Existing Tower.

Section 8.20 Incorporation of Exhibits and Other Documents

The following exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement:

Exhibit "A"	Tower Economic Development Agreement
Exhibit "B"	Existing Tower Contract
Exhibit "C"	Existing Tower Master Lease
Exhibit "D-1"	Depiction of City Real Estate
Exhibit "D-2"	City Real Estate Contract - West Travis Property
Exhibit "D-3"	City Real Estate Contract - Municipal Plaza Property
Exhibit "D-4"	City Real Estate Contract - Pecan Street Property
Exhibit "E"	Condominium Declaration
Exhibit "E-1"	Depiction of City Condo Unit
Exhibit "F"	Depiction of Additional Frost Properties
Exhibit "G"	Parking Lease
Exhibit "H"	City Real Estate Development and Incentive Agreement
Exhibit "I"	Escrow Agreement
Exhibit "J"	Tunnel License Agreement
Exhibit "K"	Deed Escrow Agreement
Exhibit "L"	City Lease Amendment
Exhibit "M"	Permitted Exceptions

[Remainder of page intentionally blank]

THEREFORE, IN WITNESS WHEREOF, the City, Weston Urban and Frost have executed this Agreement to be effective as of the Effective Date.

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
Date: _____, 2015

FROST BANK,
a Texas state bank

By: _____
Name: _____
Title: _____

Date: _____, 2015

APPENDIX 1 - DEFINITIONS

As used in this Agreement, each of the following terms and phrases has the meaning as set forth on this Appendix 1, unless the context in which such term or phrase is used in this Agreement clearly indicates otherwise.

"***Additional Frost Properties***" mean those certain properties currently owned by Frost and to be conveyed to Weston Urban that are depicted on the attached **Exhibit "F"**.

"***Affiliate***" of a specified Person means a Person who (a) is directly or indirectly controlling, controlled by, or under common control with, the specified Person; (b) owns directly or indirectly thirty-five percent (35%) or more of the equity or voting interests of the specified Person; (c) is a general partner, officer, director, non-financial institution trustee or fiduciary of the specified Person or of any Person described in (a) or (b); or (d) is a son, daughter, spouse, parent, sibling or in-law of the specified Person.

"Agreement" means this Comprehensive Development Agreement.

"***Ancillary Agreements***" means the Options Agreement, the Tower Economic Development Agreement, the Existing Tower Contract, the Existing Tower Master Lease, the City Real Estate Contracts, the Condominium Declaration, the Parking Lease, the Tunnel License Agreement, the Escrow Agreement, the City Real Estate Development and Incentive Agreement, the Deed Escrow Agreement and the City Lease Amendment.

"Ancillary Governmental Approval Condition" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Applicable Law***" means any law, statute, ordinance, rule, regulation, order or determination of any Governmental Authority or any board of fire underwriters (or other body exercising similar functions), or any recorded restrictive covenant or deed restriction applicable to the Project, including, the Americans with Disabilities Act and all applicable zoning ordinances and building codes, flood disaster laws, health laws and environmental laws and regulations.

"Authorizing Ordinance" means Ordinance No. 2015-_____ authorizing this Agreement, which was adopted by the City Council on _____, 2015.

"Bonds" means those evidences of indebtedness issued by the City pursuant to applicable law for the purpose of providing funds to pay the Purchase Price.

"***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. Use of the word "***day***," as opposed to Business Day, means calendar day.

"City" means City of San Antonio, Texas, a home rule city under Article 11, Section 5, of the Texas Constitution and Municipal Corporation primarily situated in Bexar County, Texas.

"***City Condo Unit***" means that certain condominium unit created under the Condominium Declaration that comprises the existing City Council Chambers and certain supporting first floor areas, as described more fully in the Condominium Declaration with such boundaries of such unit to be mutually agreed upon between Weston Urban and the City and in general accordance with the attached **Exhibit "E-1"**.

"City Council" means the City Council of the City of San Antonio, Texas, or any successor governing body.

"***City Lease Amendment***" shall have the meaning ascribed to it in Section 3.07 of this Agreement.

"***City Manager***" shall mean the City Manager of the City of San Antonio or his or her designee.

"***City Move Completion Date***" means a date agreed upon between the City and Weston Urban pursuant to the applicable City Real Estate Contract that occurs within thirty (30) days following the date upon which the City has relocated all of its operations and employees from the applicable City Real Estate, removed its personal property from the applicable City Real Estate and satisfied such other terms, conditions and provisions as may be set forth more fully in the applicable City Real Estate Contracts.

"City Post-Closing Unwind Payment" means an amount equal to the actual, reasonable, out-of-pocket costs incurred by the City as a result of it having to retire Bonds and other indebtedness issued or incurred to pay the Purchase Price (including any indebtedness incurred to

pay the Prepay the Prepaid Purchase Price Portion) prior to stated maturity thereof as a result of a termination of this Agreement pursuant to Section 6.09, which includes with respect to the Bonds and such other indebtedness any prepayment penalties or premiums, interest accrued subsequent to such termination date, and the costs and expenses of professionals, consultants, and attorneys engaged by the City to facilitate such early retirement; provided, however, that the City shall use its best efforts to minimize the City Post-Closing Unwind Payment to the maximum extent feasible under the circumstances.

"City Pre-Closing Unwind Payment" means an amount equal to the actual, reasonable, out-of-pocket costs incurred by the City as a result of its inability to deliver Bonds and other indebtedness against payment therefor by the purchasers thereof pursuant to the terms of a written agreement between the City and such purchasers, which may include (but is not limited to) amounts owed to such purchasers for a failure to deliver Bonds and the costs and expenses of professionals, consultants, and attorneys engaged by the City to facilitate such issuance of Bonds; provided, however, that the City shall use its best efforts to minimize the City Pre-Closing Unwind Payment to the maximum extent feasible under the circumstances.

"***City Real Estate***" means, collectively, the Municipal Plaza Property, the Pecan Street Property, and the West Travis Property.

"***City Real Estate Contracts***" means those certain Real Estate Contracts of Sale attached hereto as **Exhibit "D-2"**, **Exhibit "D-3"**, and **Exhibit "D-4"**.

"***City Real Estate Development and Incentive Agreement***" means that certain City Real Estate Development and Incentive Agreement attached hereto as **Exhibit "H"**.

"***City Real Estate Earnest Money***" means the aggregate sum of One Million and No/100 Dollars ($1,000,000.00) which is divided between the respective portions of the City Real Estate as is to be handled in accordance with the terms, conditions and provisions of the Deed Escrow Agreement. Notwithstanding any provision herein to the contrary, the portion of the City Real Estate Earnest Money allocated to a particular property included among the City Real Estate shall be released at such time as either (a) Weston Urban acquires such property, (b) a court of competent jurisdictions holds that such property cannot be conveyed under the terms, conditions

and provisions of this Agreement, or (c) Weston Urban and the City mutually agree to exclude such property from the scope of this Agreement. In addition, upon Substantial Completion of the New Tower, the City agrees that Weston Urban shall have the option of substituting a letter of credit in form reasonably acceptable to the City for all or any portion of the City Real Estate Earnest Money still outstanding at such time.

"***City Unwind Payment***" means the actual, reasonable, out-of-pocket costs and expenses incurred by the City after the receipt of the Closing Notice to prepare to issue the indebtedness it will issue to finance the acquisition of the Existing Frost Facilities; provided, however, that the City shall use its best efforts to minimize the City Unwind Payment to the maximum extent feasible under the circumstances.

"***Closing Notice***" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Condominium Declaration***" means the declaration establishing a condominium regime on the Municipal Plaza Property in substantially the form attached hereto as **Exhibit "E"**, as may be modified by agreement between the City and Weston Urban to reflect changes in Applicable Law and the needs and requirements of specific uses and plans for the Municipal Plaza Property, with the City Manager or his or her designee authorized to consent to such revisions so long as the permitted uses of the City Condo Unit are not materially changed.

"Controlled Person" means a Person or entity that (A) is acting on behalf of a Party, (B) is subject to the direction of a Party, (C) is a contractor, subcontractor or sub-subcontractor providing labor or materials or other services directly in connection with the Project, (D) is a limited liability company that has as a manager or member either Weston Urban or Frost, or an Affiliate, parent or subsidiary of Weston Urban or Frost or a Person or entity described in (A), (B) or (C) hereof, or (E) is a general partnership or limited partnership that has, as a general partner, Weston Urban or Frost, an Affiliate, parent or subsidiary of Weston Urban or Frost or a Person or entity described in (A), (B) or (C) hereof.

"***Deed Escrow Agreement***" means that certain Deed Escrow Agreement attached hereto as **Exhibit "K"**.

"***Detailed Proposal***" means that certain Detailed Proposal submitted by Weston Urban and

Frost to the City on August 8, 2014.

"Effective Date" means June 29, 2015.

"***Escrow Agent***" means Chicago Title of Texas, LLC (Doug Becker).

"***Escrow Agreement***" means that certain Escrow Agreement by and between the City, Weston Urban and the Escrow Agent that is attached hereto as **Exhibit "I"** pursuant to which the Escrow Agent shall receive and disburse Five Million and No/100 Dollars ($5,000,000.00) out of the Prepaid Purchase Price Portion.

"Event of Default" means those events described Section 6.01 of this Agreement.

"***Existing Frost Facilities***" means the Existing Frost Tower and the Existing Frost Parking Garage and all other real property to be conveyed by Frost under the Existing Tower Contract.

"***Existing Frost Parking Garage***" means that parking garage currently located adjacent to the Existing Frost Tower and comprising a part of the Existing Frost Facilities as set forth herein.

"Existing Frost Tower" means that certain office building located in downtown San Antonio with an address of 100 West Houston Street.

"***Existing Tower Closing Date***" shall have the meaning ascribed to it in Section 3.02 of this Agreement.

"***Existing Tower Contract***" means that certain Agreement of Sale and Purchase attached hereto as **Exhibit "B"** pursuant to which the Existing Frost Facilities will be conveyed from Frost to the City.

"***Existing Tower Master Lease***" means that certain Master Lease Agreement attached hereto as **Exhibit "C"**.

"***Excluded Condemnation***" shall have the meaning set forth in Section 6.06D of this Agreement.

"Force Majeure" means labor disputes, casualties (which are not the result of willful

misconduct of a Party or its respective employees); acts of God including all days of rainy weather in excess of the average number of days of rainy weather for San Antonio, Texas, as reflected in the most recent publication of "Local Climatological Data" by the National Climatic Data Center; unusual delays in transportation or shipping; acts of war or terrorism; act of military authority; sabotage; shortages of fuel, labor or building materials; unknown environmental or archaeological conditions; or other delays due to causes beyond its or their control. For the purposes of the preceding sentence, a cause "beyond its or their control" does not include any financial inability or act, omission, error or breach of duty of any Controlled Person.

"***Frost***" means Frost Bank, a Texas state bank.

"Governmental Authority" means any federal, state and/or local agency, department, commission, board, bureau, administrative or regulatory body or other instrumentality having jurisdiction over the Project.

"***Infrastructure Agreement***" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Initial Closing Condition"*** shall have the meaning set forth in Section 2.01 of this Agreement.

"Initial Conditions Deadline" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Municipal Plaza Property***" means that certain approximately 18,330 square foot tract of land owned by the City with an address of 114 West Commerce Street as generally depicted on the attached **Exhibit "D-1"**, along with such additional interests related to such real property that are to be conveyed by the City to Weston Urban pursuant to that certain Real Estate Contract of Sale attached hereto as **Exhibit "D-4"**, all as more fully described in such Real Estate Contract of Sale.

"***New Frost Lease***" means the lease to be entered into between Weston Urban and Frost providing for the lease by Frost of certain space in the New Tower.

"New Tower" means the high-rise office tower (with associated parking structure) to be developed by Weston Urban on the New Tower Property to be comprised of at least 400,000

rentable square feet.

"***New Tower Closing Date***" means the date specified by Weston Urban in the Closing Notice as the date upon which Weston Urban is obligated to close (i) the purchase of the New Tower Property and (ii) the construction loan for construction of the New Tower.

"New Tower Closing Obligations" shall have the meaning set forth in Section 2.04 of this Agreement.

"***New Tower Property***" means the tract of land in downtown San Antonio bounded to the north by West Travis Street, to the east by North Flores Street, to the south by West Houston Street and to the west by Camaron Street on which the New Tower will be constructed.

"New Tower Property Contract" means that certain contract for the sale of the New Tower Property by Frost to Weston Urban to be negotiated between Frost and Weston Urban on such terms as may be acceptable to Frost and Weston Urban in their sole discretion. Notwithstanding any provision contained herein to the contrary, the New Tower Property Contract is not an Ancillary Agreement.

"***New Tower Recoverable Costs***" means all reasonable, out-of-pocket costs, fees, and expenses actually incurred by Weston Urban and/or its Affiliates that are associated with the development, design, planning, construction, and/or financing of the New Tower after, but not before, the date of the meeting at which City Council approves the Authorizing Ordinance, *plus* an amount to compensate Weston Urban and/or its Affiliates for the accrued development fee for the New Tower that would have been paid but for the default giving rise to termination of this Agreement, such accrued development fee being stipulated for purposes of this Agreement to be Fifty-Five Thousand and No/100 Dollars ($55,000.00) for each month between the date of the meeting at which City Council approves the Authorizing Ordinance and the earlier of (i) the expiration of the eighteenth (18th) month following the date of the meeting at which City Council approves the Authorizing Ordinance and (ii) the date upon which this Agreement is terminated. The New Tower Recoverable Costs include, without limitation, the following: (a) all expenses paid or owed to architects, engineers, legal, accounting, financial and other third-party consultants engaged by Weston Urban or its Affiliates in connection with the New Tower, (b) all expenses

incurred in connection with any environmental reports, surveys or geotechnical reports related to the development and construction of the New Tower, (c) all non-refundable deposits made with suppliers of goods and services for the development and construction of the New Tower, (d) all expenses related to such appraisals, fees and non-refundable deposits incurred or paid in connection with the financing of the New Tower, and (e) all expenses incurred in connection with preleasing for the New Tower, including any legal expenses, marketing expenses or commissions (brokerage or otherwise) incurred in connection therewith. Upon delivery or receipt of any notice to terminate this Agreement, Weston Urban shall use its best efforts to minimize the accrual of additional New Tower Recoverable Costs to the maximum extent feasible under the circumstances.

"***Options Agreement***" shall have the meaning set forth in Section 6.09 of this Agreement.

"***Outside Closing Deadline***" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Outside Tower Completion Deadline***" shall have the meaning set forth in Section 2.02 of this Agreement.

"***Oversight Committee***" has the meaning ascribed to it in the P3 Guidelines.

"***P3 Guidelines***" mean those certain Public-Private Partnership Guidelines adopted by the City acting pursuant to Section 2267.052 of the Texas Government Code and through Ordinance No. 2012-11-01-0856 establishing procedures for the purpose of guiding the selection of certain public-private partnership or "qualifying projects," as defined in Section 2267.001 of the Texas Government Code.

"***Parking Lease***" means that certain Parking Lease attached hereto as **Exhibit "G"**.

"***Parties***" means, collectively, the City, Weston Urban and Frost (each, a ***"Party"***).

"***Pecan Street Property***" means that certain approximately 12,461 square foot tract of land owned by the City generally depicted on the attached **Exhibit "D-1"**, along with such additional interests related to such real property that are to be conveyed by the City to Weston Urban pursuant to that certain Real Estate Contract of Sale attached hereto as **Exhibit "D-5"**, all as more fully

described in such Real Estate Contract of Sale.

"Permits" means all permits, consents, approvals, authorizations, variances, waivers, certificates and approvals from all Governmental Authorities, quasi-Governmental Authorities, utility companies and insurance rating agencies which are required for the planning, design, construction, completion, use and occupancy of the Project.

"Person" means an individual, partnership, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, limited liability company or any other entity, the United States, or a federal, state, or political subdivision thereof or any agency or court of such state or subdivision.

"***Pre-Closing Notice***" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Pre-Construction Notice***" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Pre-Construction Phase***" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Prepaid Purchase Price Portion***" means the sum of Five Million Five Hundred Ten Thousand and No/100 Dollars ($5,510,000.00) of which Five Million and No/100 Dollars ($5,000,000.00) is to be deposited by the City with the Escrow Agent as set forth in the Escrow Agreement, and Five Hundred Ten Thousand and No/100 Dollars ($510,000.00) is to be deposited by the City pursuant to the terms of the Existing Tower Contract.

"***Pre-Proposal Letter***" means that certain Pre-Proposal Letter dated June 25, 2014 delivered to the City by Weston Urban and Frost.

"Primary Governmental Approval Condition" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Project***" means collectively the transactions and developments contemplated under this Agreement, including without limitation (i) the conveyance of the Existing Frost Facilities from Frost to the City, (i) the development of the New Tower by Weston Urban, (iii) the conveyance of

certain City Real Estate by the City to Weston Urban for redevelopment, and (iv) the conveyance of the Additional Frost Properties by Frost to Weston Urban for development and/or redevelopment.

"Public Records" means the Official Public Records of Real Property of Bexar County, Texas.

"Purchase Price" means that amount described in Section 3.03 hereof to be paid by the City to Frost for the Existing Frost Facilities on the Existing Tower Closing Date, and which is comprised of the Prepaid Purchase Price Portion, if and to the extent paid to Frost on the Existing Tower Closing Date, and the balance of such Purchase Price.

"***Substantial Completion***" or "***Substantially Complete***" means the point of progress of the applicable work and improvements when the work is sufficiently complete that, subject only to minor punch-list type items, (A) such improvements can be occupied lawfully and utilized for the intended purpose, (B) a certificate of occupancy (either permanent or temporary) has been issued by the Governmental Authority and (C) a certificate has been provided by the architect(s) of such improvements to the effect that the improvements are "substantially completed."

"Term" shall have the meaning ascribed to it in Section 8.01 of this Agreement.

"Title Review Deadline" shall have the meaning ascribed to it in Section 6.06C of this Agreement.

"***Tower Completion Date***" means the date upon which Substantial Completion of the New Tower occurs.

"***Tower Economic Development Agreement***" means that certain Economic Development Agreement attached hereto as **Exhibit "A"**.

"West Travis Property" means that certain approximately 40,070 square foot tract of land owned by the City generally depicted on the attached **Exhibit "D-1"**, along with such additional interests related to such real property that are to be conveyed by the City to Weston Urban pursuant to that certain Real Estate Contract of Sale attached hereto as **Exhibit "D-2"**, all as more fully described in such Real Estate Contract of Sale.

"***Weston Urban***" means Weston Urban, LLC, a Texas limited liability company.

"***Weston Urban Closing Conditions***" shall have the meaning set forth in Section 2.01 of this Agreement.

"***Weston Urban Condo Unit***" means that certain condominium unit created under the Condominium Declaration that comprises all of the remainder of the Municipal Plaza Property excluding the City Condo Unit and any common areas established under the Condominium Declaration, as described more fully in the Condominium Declaration.

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City of San Antonio
Center City Development and Operations Department

Item #4
Downtown Public Private Partnership (P3) and Comprehensive Development Agreement

City Council A Session
June 4, 2015

WESTON URBAN

Frost BANKING INVESTMENTS INSURANCE

- Consolidates City Operations
- First Downtown Office Tower in 26 Years
- 265 downtown housing units

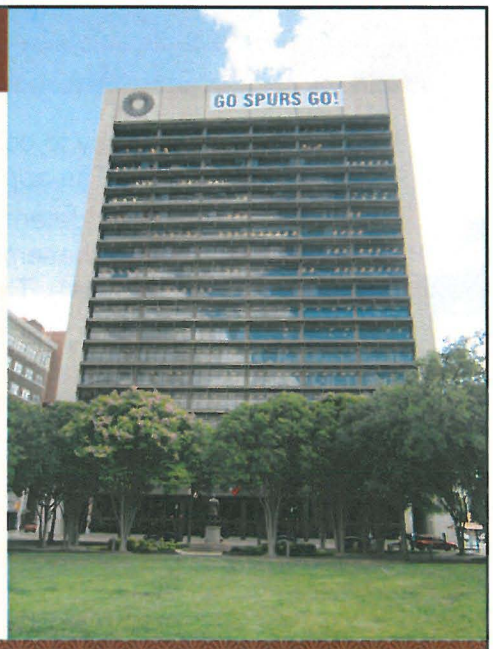
Municipal Plaza Building

319 West Travis

403 N Flores

Frost Bank Tower

- 445,617 Square Feet
  - 361,783 sq ft (Tower)
  - 83,834 sq ft (Bank Level)
- 732 space parking garage
- Connected to Municipal Plaza Building via tunnel



CITY OF SAN ANTONIO
CENTER CITY DEVELOPMENT OFFICE

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Site of New Tower

Due Diligence Efforts

- Hired the Glen Company to complete a **fair market appraisal** of Frost Bank Tower. The appraisal came in at $47.5 Million.
- **Space needs analysis** determined that the City would occupy 12 floors and the entire basement level, and some of the street level (367,057 square feet). The City could lease out 6 floors to third party office users and the remaining street level space to retail users.
- Commissioned a **Building Assessment** for the Frost Bank Tower. Identified $6.7 million in improvements.
- Performed a **30-year Cash Flow Analysis** that showed there is a net savings of $1.2 million to the City budget over 30 years.

CDA and Ancillary Agreements

- The transaction will be memorialized in a Comprehensive Development Agreement (CDA) between the City, Weston Urban, and Frost Bank. The CDA will include several other agreements and contracts.
- Real Estate Contract for the purchase of the Frost Bank Tower for $51M.
- Real Estate Contracts for the purchase of the 3 City Properties.
  - Municipal Plaza Building ($5.02 M)
  - San Fernando Gym ($950k)
  - 403 N Flores ($393k)
- Master Lease Agreement with Frost for the Frost Tower while the new tower is under construction.
- Development and Incentive Agreement for new tower and housing projects.

CDA and Ancillary Agreements

- Escrow Agreements for the tower and city properties.
  - The City will deposit $5.5 million representing the pre paid purchase price for the Frost Bank Tower.
  - Weston Urban will deposit $1 million into an escrow account as a guaranty of performance to purchase the City-owned properties.
- Parking Lease agreement with Weston Urban for 85 spaces in the Frost Bank Garage to be utilized by residents and retail customers of the Municipal Plaza Building.
- Condominium declaration that provides for the city's continued ownership of the City Council Chambers and other areas within the Municipal Plaza Building.
- License agreement with Weston Urban for shared use of the tunnel that connects Frost Bank to the Municipal Plaza Building.

Project Schedule

- **Design** effort for the new tower will take approximately 12 months and will be complete in **summer 2016**.
- **Construction** on the new tower is anticipated to begin in fall of 2016 with a **spring 2019** completion date.
- Frost Bank will relocate to the new tower and the City will begin renovations to the new city administrative office tower in an effort to vacate the Municipal Plaza Building and other leased offices and **move in by spring 2020**.
- Weston Urban will begin renovation of the Municipal Plaza Building for housing and anticipates completion in **spring 2023**.

CITY OF SAN ANTONIO
CENTER CITY DEVELOPMENT OFFICE

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Consolidation Benefits

Building	Department	Staff Count
City Hall	Mayor and City Council, City Managers Office, Office of the Ciy Clerk, Office of the City Attorney	144
Plaza De Armas	Communications/Public Affairs, Department for Culture and Creative Development, Public Art San Antonio	31
Frost Tower	Finance, ITSD, Human Resources, City Auditor, City Attorney's Office, Inter Governmental Affairs, Economic Development, Center City Development and Operations, Planning and Community Development, Office of Sustainability, Department of Human Services, Building and Equipment Services, EastPoint, Office of Management and Budget, Parks and Recreation, TCI, Solid Waste Management, Metro Health, Office of the City Clerk, Office of Historic Preservation	1291
International Center	Convention and Visitors Bureau	129
One Stop	Development Services Department	323
	Total	**1918**

City Owned Facilities Enhances Productivity Public Convenience

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Economic Development Benefits

- Facilitates an addition to San Antonio's skyline with the construction of the first office tower downtown since the Weston Centre opened in 1989.
- Retains one of San Antonio's largest and oldest employers in downtown San Antonio.
- Provides additional Class A space for future employers.
- Provides retail opportunities along our two major retail corridors.
- Facilitates the construction of at least 265 new housing units in the central business district.
- Facilitates the addition of 732 parking spaces in the City's parking system.

CITY OF SAN ANTONIO
CENTER CITY DEVELOPMENT OFFICE

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City of San Antonio
Center City Development and Operations Department

Item #4
Downtown Public Private Partnership (P3) and Comprehensive Development Agreement

City Council A Session
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