

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Engineering & Construction Management

AGENDA DATE: Consent Agenda
November 8, 2011

CONTACT PERSON NAME AND PHONE NUMBER: R. Alan Shubert, P.E. (915) 541-4200

DISTRICT(S) AFFECTED: District 8, Rep. Niland

SUBJECT:

That the City Manager be authorized to sign a contract of sale between the City of El Paso and The Broker Company for the purchase of lots 17-20, Block 200, Campbell's Addition, and addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Volume 2, Page 68, Real Property Records, El Paso County, commonly known as 216 Florence, El Paso, Texas and that the City Manager, or her designee, be authorized to sign an necessary documents to accomplish the intent of this resolution.

BACKGROUND / DISCUSSION:

City Council authorize City staff to enter into negotiations for the purchase of 216 Florence due to its strategic location abutting City owned property in the Downtown area, which will allow for future growth. An appraisal was done by Ralph Sellers & Associates on June 14, 2011; the appraised value was \$481,000 which will be the purchased price. The price to be paid by the City will also include the asbestos abatement, and demolition costs, giving the City a "project ready" parcel. Earnest monies in the amount of \$10,000 will be deposited with the title company, and will be reduced from the purchase price at closing.

PRIOR COUNCIL ACTION:

June 22, 2010- authorization to enter into negotiations, and bring a contract of sale to Council

AMOUNT AND SOURCE OF FUNDING:

PCP10MF2- Property Acquisitions
27269- 2010 CO's
508000- Land

BOARD / COMMISSION ACTION:

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Contract of Sale between the CITY OF EL PASO and The Broker Company for the purchase of

Lots 17-20, Block 200, Campbell's Addition, an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Volume 2, Page 68, Real Property Records, El Paso County, commonly known as 216 Florence, El Paso, Texas

And that the City Manager, or her designee, be authorized to sign any necessary documents to accomplish the intent of this Resolution.

ADOPTED this _____ day of _____, 2011.

THE CITY OF EL PASO

John F. Cook, Mayor

ATTEST:

Richarda D. Momsen, City Clerk

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



R. Alan Shubert, P.E.
Director of Engineering and Construction
Management

CONTRACT OF SALE

between

**THE BROKER COMPANY
SELLER**

AND

**CITY OF EL PASO, TEXAS
BUYER**

FOR

**216 SOUTH FLORENCE
EL PASO, TEXAS**

CONTRACT OF SALE

This Contract of Sale (the *Contract*) is made and entered into as of the Effective Date by and between **THE BROKER COMPANY**, a Texas corporation (*Seller*), and **CITY OF EL PASO, TEXAS** (*Buyer*).

ARTICLE I DEFINED TERMS

1.1 **Definitions.** As used herein, the following terms have the meanings set forth below:

“Business Day” means any day, other than a Saturday or Sunday, on which national banks in El Paso, Texas, are open for business.

“Buyer’s Objection Letter” has the meaning assigned to such term in Section 4.3 hereof.

“Closing” means consummation of the sale and purchase of the Property contemplated by this Contract by the deliveries required under Section 7.2.

“Closing Date” means the date on which the Closing will be held as specified in Section 7.1.

“Cure Period” has the meaning assigned to such term in Section 4.4 hereof.

“Deed” has the meaning assigned to such term in Section 7.2(a)(ii) hereof.

“Earnest Money Deposit” means the money, plus any accrued interest thereon, deposited by Buyer in escrow with the Title Company at the time and in the amount specified in Section 3.2 hereof.

“Effective Date” means the date upon which the City Manager signs this contract on behalf of Buyer.

“Existing Survey” has the meaning assigned to such term in Section 4.2 hereof.

“Improvements” means the buildings and other improvements located on the Land and all fixtures and other property owned by Seller that is affixed to the Land.

“Inspection Period” means the period commencing on the Effective Date and ending 30 days after Seller provides written notification it has completed demolition and site preparation as provided in Section 4.6 hereof.

“Inspections” has the meaning assigned to such term in Section 4.7 hereof.

“Land” means that certain tract of land located in El Paso County, Texas, described as on **Exhibit A** appended hereto, together with all rights appurtenant thereto.

“Liabilities” means any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unfixed, unliquidated, unsecured, unmatured, unaccrued, unasserted, contingent, conditional, inchoate, implied, vicarious, joint, several or secondary liability, and strict liability including strict liability arising under environmental laws).

“New Survey” has the meaning assigned to such term in Section 4.2 hereof.

“Ownership Documents” has the meaning assigned to such term in Section 5.2(a) hereof.

“Permitted Exceptions” means (i) those exceptions or conditions that affect or may affect title to the Property that are approved or deemed to be approved by Buyer.

“Property” means, collectively, the Land, and the Improvements.

“Purchase Price” means the total consideration to be paid by Buyer to Seller for the purchase of the Property.

“Seller’s Title Cure Period” has the meaning assigned to such term in Section 4.4 hereof.

“Title Company” means Sierra Title Company, 4849 N. Mesa, Suite 100, El Paso, Texas, Attn: David Puente.

“Title Commitment” has the meaning assigned to such term in Section 4.1 hereof.

“Title Review Period” has the meaning assigned to such term in Section 4.3 hereof.

“Title Policy” has the meaning assigned to such term in Section 4.5 hereof.

1.2 **Other Defined Terms.** Certain other defined terms have the respective meanings assigned to them elsewhere in this Contract.

ARTICLE II AGREEMENT OF PURCHASE AND SALE

On the terms and conditions stated in this Contract, Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase and acquire from Seller, the Property.

ARTICLE III PURCHASE PRICE

3.1 **Purchase Price.** The total purchase price to be paid by Buyer for the Property shall be the appraised value, which is estimated to be Four Hundred Eighty One Thousand and No/100 Dollars (\$481,000.00) (the **“Purchase Price”**). The Purchase Price, net of all prorated amounts allocated to Seller as set forth in this Contract, shall be payable to Seller through the Title Company at the Closing by wire transfer of immediately available federal funds.

3.2 **Earnest Money Deposit.** Buyer shall deposit with the Title Company the sum of Ten Thousand and No/100 Dollars (\$10,000.00) by wire transfer of immediately available federal funds, as Earnest Money (the “**Earnest Money Deposit**”) as follows:

Within three (3) Business Days following the Effective Date, Buyer shall deposit the sum of Ten Thousand and No/100 Dollars (\$10,000.00).

The Earnest Money Deposit shall be held by the Title Company in escrow to be applied or disposed of as provided in this Contract, and shall be invested in an interest-bearing account at a financial institution in El Paso, Texas, reasonably acceptable to Seller and Buyer, and all interest earned thereon shall become a part thereof. If the purchase and sale hereunder are consummated in accordance with the terms of this Contract, the entire \$10,000.00 Earnest Money Deposit shall be applied to the Purchase Price at Closing.

ARTICLE IV TITLE AND SURVEY AND INSPECTION

4.1 **Title Commitment.** Within 3 days following the Effective Date, Seller agrees to order, at Buyer’s sole cost and expense, a current commitment for Title Insurance for the Property (the “**Title Commitment**”), a copy of which shall be furnished to Seller and Buyer. The Title Commitment shall contain the express commitment of the Title Company to issue a Texas Form T-1 Owner Policy of Title Insurance for the Property, which shall otherwise be in form and content consistent with Section 4.5 hereof. The Title Commitment shall be accompanied by copies of all instruments that create or evidence title exceptions affecting the Property.

4.2 **Survey.** Buyer acknowledges that Seller has previously provided Buyer with a copy of the most recent survey of the Land, in Seller’s possession and control (the “**Existing Survey**”). Buyer shall obtain an update of the Existing Survey or obtain a new survey at Buyer’s cost (any such updated survey or new survey being herein called the “**New Survey**”). The parties agree that the New Survey must satisfy the following requirements unless waived in writing by Seller and Buyer: The New Survey shall (i) be an accurate Category 1A Land Title Survey of the Property by a surveyor registered under the laws of the State of Texas, which New Survey shall be prepared in accordance with the *Manual of Practice for Land Surveying in Texas* and shall show the number of acres contained in the Property to the nearest one thousandth (1/1000th) of an acre; (ii) contain a legally sufficient description of the metes and bounds of the Property; (ii) be dated no more than 60 days prior to the Closing Date and (iii) certified to Seller, Buyer and the Title Company. The parties agree to use the metes and bounds description of the Land contained in the New Survey, if different from that appended hereto as **Exhibit A**, for purposes of describing the Property in the warranty deed conveying to Buyer title to the Property.

4.3 **Review of Title Commitment and Survey.** Buyer shall have a period of 30 days following its receipt of the Title Commitment, the New Survey and UCC Search (the “**Title Review Period**”) in which to review the Title Commitment, the New Survey, and UCC Search and give written notice to Seller specifying Buyer’s objections, if any, to the Title Commitment,

the New Survey or UCC Search (the “**Buyer’s Objection Letter**”). If Buyer fails to give the Buyer’s Objection Letter to Seller prior to the expiration of the Title Review Period, then all exceptions to title shown on Schedule B but not on Schedule C of the Title Commitment are deemed to be Permitted Exceptions. Buyer shall notify Seller of any items on Schedule C that Buyer will agree can be deemed to be Permitted Exceptions and all remaining items must be removed by Seller at Seller’s sole cost as a precondition to closing.

4.4 Seller’s Obligation to Cure; Buyer’s Right to Terminate. If Buyer delivers to Seller the Buyer’s Objection Letter before the end of the Title Review Period, then Seller may, but is not obligated to, within 10 days of the date of receipt of such letter (the “**Cure Period**”), give written notice (“**Seller’s Title Cure Notice**”) to Buyer of Seller’s intention to satisfy none, some or all of Buyer’s objections concerning Schedule B items. It is expressly understood that in no event shall Seller be obligated or required to bring any action or institute any proceeding, or to otherwise incur any costs or expenses in order to attempt to eliminate any matter contained in Buyer’s Objection Letter. If Seller fails to timely give Buyer the Seller’s Title Cure Notice or if Seller fails or refuses to satisfy any or all of Buyer’s objections or Seller notifies Buyer of its intention to satisfy none of the objections, then Buyer, as its sole and exclusive right and remedy, shall notify Seller in writing within 10 days after the expiration of the Cure Period, that either:

- (a) Buyer may in its sole discretion agree to extend the Cure Period to allow Seller additional time to cure objections; or
- (b) Terminate this Contract, in which event the Title Company shall return to Buyer the Earnest Money Deposit as provided herein, and Seller and Buyer shall have no further obligations, one to the other, with respect to the subject matter of this Contract except as otherwise provided herein; or
- (c) If Buyer takes no action, Buyer waives its right to further object to any objections it has asserted which Seller has failed or refused to satisfy in which event those objections asserted by Buyer shall be deemed Permitted Exceptions and waived by Buyer and the parties shall proceed to close this transaction;

4.5 Title Policy. At the Closing, or as soon thereafter as the Title Company can issue the same, Seller shall cause, at Buyer’s sole cost and expense, a standard T-1 form Owner Policy of Title Insurance (the “**Title Policy**”) to be furnished to Buyer by the Title Company. The Title Policy shall be issued by the Title Company and shall insure that Buyer has good and indefeasible fee simple title to the Property, subject only to the Permitted Exceptions. The Title Policy shall contain no exceptions other than Permitted Exceptions and shall provide that:

- (a) The survey exception may be amended, at Buyer’s expense, to except only “shortages in area”;
- (b) The exception for rights of parties in possession shall be deleted;

- (c) The tax exception shall be limited to taxes for the year of Closing and subsequent years not yet due and payable; and
- (d) Unless waived by Buyer, all exceptions, conditions, or requirements described in Schedule C of the Title Commitment shall be released and satisfied prior to or at Closing and such items and requirements shall not be exceptions to the Owner Title Policy to be provided by Seller. Seller shall have the right to terminate this Agreement in the event Seller cannot comply with this section.

4.6 Inspection. Upon receipt of written notification from Seller that the demolition of the Improvements has been completed and that the Land has been cleaned, graded and is development ready; Buyer shall have 30 days to inspect the site and to review all documentation provided by the Seller to evidence the fact that all construction materials, refuse, debris, asbestos, insulation, PCB's, storage tanks, etc. were disposed of in accordance with all applicable, federal, state, and local laws and regulations and that the Land is development ready. Within said 30 day time period, Buyer may request such additional reasonable documentation to evidence compliance with all applicable laws and regulations relating to the demolition of the Improvements and the grading and preparation of the site as may be necessary. In the event, Seller fails to properly prepare the site and/or provide the documentary evidence required by this section, the inspection period may be extended by mutual agreement of both parties for an amount of time, not to exceed an additional 30 days, sufficient to allow Seller to either provide the necessary documentation or prepare the site. If Seller is unwilling or unable to provide the documentation and/or prepare the site in accordance with the terms of this Contract, Buyer may, at its option, terminate the Contract and receive a reimbursement of the Earnest Money.

ARTICLE V REPRESENTATIONS, WARRANTIES, COVENANTS, AND AGREEMENTS OF SELLER

5.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer as of the Closing Date as follows:

- (a) Seller has the full right, power, and authority to sell and convey to Buyer the Property as provided in this Contract and to carry out Seller's obligations hereunder, and all requisite action necessary to authorize Seller to enter into this Contract and to carry out Seller's obligations hereunder has been, or on the Closing Date will have been, taken, and this Contract constitutes a valid and binding obligation of the Seller, enforceable in accordance with its terms;

- (b) On the Effective Date, and as of the date of Closing, there are no adverse or other parties in possession of the Property or who have any leasehold rights in the Property;
- (c) Seller has removed all of Seller's inventory, goods, supplies and furniture and all underground storage tanks from the Property;
- (d) There is no litigation pending or, to Seller's current actual knowledge, threatened, affecting the Property; and Seller has no knowledge of, and has received no written notice from, any governmental authority requiring any work, repairs, construction, alterations or installations on or in connection with the Property, or asserting any violation of any federal, state or municipal laws, ordinances, codes, orders, regulations or requirements affecting any portion of the Property, including, without limitation, the Americans with Disabilities Act and any applicable environmental laws or regulations;
- (e) Seller has not received written notice of any pending condemnation action with respect to all or any portion of the Property and there are no existing condemnation or other legal proceedings affecting the existing use of the Property by any governmental authority having jurisdiction over or affecting all or any part of the Property;
- (f) At Closing, Seller shall have good and indefeasible title to the Property free and clear of any claim, lien, or encumbrance, specifically including any claims for mechanics liens, subject only to the Permitted Exceptions;
- (g) Seller has no notice that the current use of the property does not comply with all currently applicable zoning ordinances and governmental requirements. Seller has not received any written notice of suspension or cancellation of any certificates of occupancy;
- (h) At the Closing, there will be no unpaid bills or claims in connection with any repair of the Improvements or other work performed or material purchased in connection with the Improvements;
- (i) No one will have the right to occupy the Property after the Closing Date and no contracts of any kind, including contracts for maintenance, security, disposal, or fire suppression will survive the Closing;
- (j) Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act or the Tax Reform Act of 1986, and Buyer is not obligated to withhold any portion of the Purchase Price for the benefit of the Internal Revenue Service;

- (k) To the best of Seller's knowledge the Land is not in violation of any applicable law, now, nor has it at any time during Seller's ownership thereof been, used for the manufacture, processing, distribution, use, treatment, storage, disposal, placement, transport or handling of toxic materials, hazardous wastes or hazardous substances (as those terms are defined in the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 et seq.) or the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.); oils, petroleum-derived compounds; or pesticides (the *Hazardous Materials*). In addition, no (i) underground storage tanks, (ii) asbestos (either commercially processed or excavated raw materials), (iii) electrical transformers, fluorescent light fixtures with ballast, or other items or equipment containing polychlorinated biphenyls, or (iv) other Hazardous Materials are present on the Property in violation of any applicable law. Seller has not received any written notice from any neighboring property owners indicating they have any concerns about existing environmental conditions which could affect the Property or indicating in any way they might hold Seller liable for any contribution to clean up and remediate such condition; and
- (l) No party (other than Buyer) has any right or option to acquire all or any part of the Property, whether subject to earnest money contract, option agreement, right of first refusal, reversionary or future interests, or right of reverter.

5.2 **Agreements of Seller.** Seller covenants and agrees with Buyer as follows:

- (a) **Ownership Documents.** Within 5 Business Days following the Effective Date, Seller shall deliver to Buyer the following items (the "**Ownership Documents**") with respect to the Property, to the extent in the possession or under the reasonable control of Seller:
 - (i) A copy of the Existing Survey; and a copy of the results of all physical inspections, all structural, mechanical, engineering or soil reports, if any, prepared with respect to the Property;
 - (ii) A copy of current real estate and personal property tax bills or other documentation showing the amount of current real property taxes and the assessed value of the Land and Improvements; and
 - (iii) A copy of all environmental reports, inspections or assessments, if any, of the Land and Improvements.

If the parties fail to consummate the transaction described herein for any reason other than the Seller's default, Buyer agrees to return to Seller all materials delivered by

or on behalf of Seller pursuant to or in connection with this Contract within 10 Business Days of such event.

5.3 **Seller's Indemnity**. In addition to any other applicable rights under this Agreement, Seller agrees to indemnify and defend Buyer and its City Council members, agents, and employees, (collectively, *Buyer's Indemnified Parties*) from and against any and all liabilities, liens, claims, damages, costs, expenses, suits or judgments paid or incurred by any of Buyer's Indemnified Parties and all expenses related thereto, including, without limitation, court costs and reasonable attorneys' fees arising out of or in any way connected or related to: (i) the ownership, maintenance, or operation of the Seller's business operations on the Property; (ii) the existence of any historical underground storage tanks on the property; (iii) any breach or nonperformance by Seller of any provision or covenant contained in this Agreement or in any certificate or other instrument or document furnished (or to be furnished) by Seller with respect to the transactions contemplated hereunder, if Buyer is not in default or breach; (iv) any liability arising because of a breach of contract or other matter related to the Property which occurred or is alleged to have occurred prior to Closing and which is not due to actions taken by Buyer, if Buyer is not in default or breach; (v) the breach of any representation or warranty of Seller contained in this Agreement, if Buyer is not in default or breach; or (vi) violation of any applicable laws or regulations relating to the demolition of the improvements located on the Property and disposition of all debris prior to Closing.

5.4 **Survival Beyond Closing**. The representations, warranties, undertakings and agreements of Seller contained herein survive the Closing for a period of ninety (90) days and are not merged therein. The provisions of this Section 5.4 shall survive any termination of this Contract as well as the Closing.

ARTICLE VI REPRESENTATIONS, WARRANTIES OF BUYER

6.1 **Buyer's Representations**. Buyer hereby represents and warrants to Seller as of the date of this Contract and as of the Closing Date as follows:

- (a) Once this contract is approved by City Council and signed by the City Manager, Buyer has the full right, power, and authority to purchase the Property from Seller as provided in this Contract and this Contract is effective and binding upon the City.

6.2 **Survival Beyond Closing**. The representations, warranties, undertakings and agreements of Buyer contained herein survive the Closing for a period of ninety (90) and are not merged therein.

6.3 “AS IS, WHERE IS.” EXCEPT AS OTHERWISE PROVIDED IN THIS CONTRACT, THE PROPERTY IS SOLD AS-IS. THIS CONTRACT IS AN ARMS-LENGTH AGREEMENT BETWEEN THE PARTIES. THE PURCHASE PRICE WAS BARGAINED ON THE BASIS OF AN “AS IS” TRANSACTION. THE BUYER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT THE SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE FOR THE PROPERTY REFLECTS THAT ALL OF THE PROPERTY IS SOLD BY THE SELLER AND PURCHASED BY THE BUYER SUBJECT TO THE FOREGOING.

**ARTICLE VII
CLOSING**

7.1 Date and Place of Closing. Provided that Buyer has not terminated this Contract as herein provided and all of the other conditions of this Contract shall have been satisfied prior to or on the Closing Date, the Closing of this transaction shall take place at 10:00 a.m. local time at the offices of the Title Company 30 days after the expiration of the Inspection Period (the “Closing Date”), or such earlier date as may be specified by Buyer by not less than 5 days advance written notice to Seller. If the Closing Date falls on a Saturday, Sunday or legal holiday, the Closing shall take place on the next Business Day thereafter.

7.2 Items to be Delivered at Closing

- (a) **Seller.** At the Closing, Seller shall deliver or cause to be delivered to Buyer or the Title Company, the following items fully executed by Seller or Buyer, as the case may be, and acknowledged where so indicated by all necessary parties in respect to the Property:
 - (i) The Title Policy, in the form specified in Section 4.5 hereof (unless waived by Buyer in accordance with the provisions of Section 4.5);
 - (ii) A Special Warranty Deed (the “**Deed**”), duly executed and acknowledged by Seller, conveying title to the Land and Improvements, in substantially the form of **Exhibit B** appended hereto, subject only to the Permitted Exceptions;
 - (iv) An affidavit, in compliance with Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder,

stating under penalty of perjury the Seller's United States identification number and that each of Seller is not a "foreign person" as that term is defined in Section 1445, duly executed and acknowledged by Seller;

- (v) The environmental reports, test results and disposal documentation with regard to the demolition and removal of asbestos from the site, if any;
 - (vi) All keys or other access devices in the possession of Seller or their agents to the locks located at the Project; and
 - (vii) Any other items reasonably requested by the Title Company as administrative requirements for consummating the Closing.
- (b) **Buyer.** At the Closing, Buyer shall deliver or cause to be delivered to Seller or the Title Company, the following items:
- (i) The Purchase Price, less the \$10,000 of Earnest Money being held by the Title Company which is applicable to the Purchase Price, payable by wire transfer as required by Section 3.1 hereof;
 - (ii) Appropriate evidence of authorization reasonably satisfactory to Seller and the Title Company for the consummation of the transaction contemplated by this Contract; and
 - (iii) Any other items reasonably requested by the Title Company as administrative requirements for consummating the Closing.

7.3 Prorations. The following items shall be adjusted or prorated between Seller and Buyer as set forth below:

- (a) **Taxes.** General real estate taxes for the then current year relating to the Property shall be prorated as of midnight preceding the Closing Date. If the Closing occurs before the tax rate is fixed for the then current year, the apportionment of taxes shall be made upon the basis of the tax rate for the immediately preceding year applied to the latest assessed valuation of the Land and Improvements. Within 30 days after the actual taxes for the year in which the Closing occurs are determined, Seller and Buyer shall adjust the proration of such taxes and Seller and Buyer, as the case may be, shall pay to the other any amount required as a result of such adjustment and this covenant shall not merge with the Deed delivered hereunder but shall survive the Closing. All special taxes or assessments assessed prior to the Closing Date shall be paid by Seller.

7.4 **Recalculation of Prorations.** In the event the Closing does not occur and fund as of 12:00 noon, local time, on the Closing Date, all prorations shall extend to the midnight of the following day.

7.5 **Possession.** Possession of the Property shall be delivered to Buyer by Seller at the Closing subject to the rights of any approved third parties under the Permitted Exceptions.

7.6 **Costs of Closing.** Each party is responsible for paying the legal fees of its counsel in negotiating, preparing, and closing the transaction contemplated by this Contract. Buyer shall pay for the premium for Title Policy and all endorsements requested by Buyer and the cost of the New Survey. Seller shall pay for all real estate tax searches; UCC searches; its own engineering inspections as well as for the charges attributable to recording the Deed. The parties shall split the cost of any Title Company escrow fees. Any other expenses that are incurred by either party that are expressly identified herein as being the responsibility of a particular party shall be paid by such party. All other expenses are allocated between the parties in the customary manner for sales of real property similar to the Property in El Paso County, Texas.

7.7 **Provisions of Article VII to Survive Closing.** The provisions of this Article VII survive the Closing.

ARTICLE VIII DEFAULTS AND REMEDIES

8.1 **Default of Buyer.** If the Buyer has not terminated this Contract pursuant to any of the provisions hereof authorizing such termination, and Buyer defaults hereunder and fails to perform any of the covenants and/or agreements contained herein which are to be performed by Buyer, Seller shall be entitled to receive the Earnest Money Deposit as Seller's sole and exclusive remedy, as liquidated damages, due to the inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof.

8.2 **Default of Seller.** If Seller fails or refuses to consummate the sale of the Project to Buyer pursuant to this Contract at the Closing, or Seller fails to perform any of its other obligations hereunder for any reason other than Buyer's failure to perform Buyer's obligations under this Contract, then Buyer may, as Buyer's sole and exclusive right and remedy for any such default, either (i) bring an action against the Seller for specific performance of the Seller's obligations under this Contract and have Seller pay Buyer's attorney's fees and costs if specific performance is granted, or (ii) terminate this Contract by giving written notice thereof to Seller and the Title Company and Seller shall deliver all of the Earnest Money Deposit to Buyer and thereafter neither party hereto shall have any further rights or obligations hereunder.

8.3 **Effect of Termination.** Upon termination of this Contract under this Section 8 or pursuant to any other provision of this Contract, no party thereafter shall have any further obligations to the other hereunder except for the payment of any sums or damages upon

termination as provided herein and except for any covenants and obligations which expressly survive such termination.

ARTICLE IX BROKERAGE COMMISSIONS

9.1 **Representations Concerning Brokerage Commission.** Seller hereby represents and warrants to Buyer that it has not contracted or entered into any agreement with any real estate broker, agent, finder, or any other party in connection with this transaction, and that Seller has not taken any action which would result in any real estate broker's, finder's, or other fees or commissions being due or payable to any other party with respect to the transaction contemplated hereby. Buyer hereby represents and warrants to Seller that Buyer has not contracted or entered into any agreement with any real estate broker, agent, finder, or other party in connection with this transaction.

ARTICLE X CASUALTY OR CONDEMNATION

10.1 **Right of Termination.** Seller agrees to give Buyer and Title Company prompt notice of any fire or other casualty affecting the Project or of any actual or threatened taking or condemnation of all or any portion of the Project. If, prior to the Closing, there shall occur damage to the Project caused by fire or other casualty, then Seller or Buyer shall have the right to postpone the Closing Date or terminate this Contract by written notice delivered to the other party within 30 days after Buyer has received notice from Seller of that event or the date of the fire or other casualty or Seller's receipt of notice of taking or condemnation, whichever shall first occur. If this Contract is terminated pursuant to this Section 10.1, the Earnest Money Deposit shall be returned to Buyer and the parties shall have no further obligations under this Contract, or to each other with respect to the subject matter of this Contract. Notwithstanding the foregoing, in the event that the cost of repairing or restoring such damage shall be covered by available insurance and such cost shall be less than \$50,000, then Buyer shall proceed to Closing and Seller shall assign at Closing to Buyer its right, title and interest in the insurance proceeds available to repair or restore the damage or destruction and to any applicable rent loss insurance and, in addition, Seller shall credit the Purchase Price with the amount of any deductible under such insurance policy(s).

10.2 **Postponement of Closing.** In the event that Buyer gives notice to postpone the Closing Date pending a determination of the nature and extent of such damage or destruction and the availability and adequacy of insurance proceeds, the postponement shall be in effect for an additional 20 days after the 30 day period that Buyer has to give notice of its desire to postpone (the *Damages Determination Period*).

10.3 Insurance for Repair. If the cost to repair or replace the damage is reasonably estimated by the Seller's insurance adjuster to exceed \$50,000 (not including any cost of demolition), then at Buyer's election and in its sole discretion, Buyer may elect to proceed with the Closing and at the Closing, Seller shall assign to Buyer its right, title and interest in the insurance proceeds available to repair or restore the damage or destruction and to any applicable rent loss proceeds, and Seller shall credit the Purchase Price with the amount of any deductible under such insurance policy(s).

ARTICLE XI

MISCELLANEOUS

11.1 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered (i) if personally delivered, upon receipt; (ii) if sent by expedited prepaid reputable overnight delivery, the next business day after delivery to such service; (iii) if sent by United States registered or certified mail, return receipt requested, postage prepaid, 3 days after having been deposited in the United States Postal Service, properly addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other party in the manner provided for in this Section):

Seller:	The Broker Company 109 N. Oregon El Paso, Texas 79901	Copy: Engineering-Capital Assets 2 Civic Center Plaza El Paso, Texas 79901-1196
City:	City Manager City of El Paso 2 Civic Center Plaza El Paso, Texas 79901-1196	Copy: City Attorney City of El Paso 2 Civic Center Plaza El Paso, Texas 79901-1196

11.2 Governing Law. This Contract is being executed and delivered, and is intended to be performed, in the State of Texas, and the laws of Texas shall govern the validity, construction, enforcement, and interpretation of this Contract. This Contract is performable in, and the exclusive venue for any action brought with respect hereto shall lie in El Paso County, Texas, where the Property is located.

11.3 Entirety and Amendments. This Contract embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Project, and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

11.4 Parties Bound. This Contract is binding upon and inure to the benefit of Seller and Buyer, and their respective permitted successors and assigns.

11.5 Saturday, Sunday or Legal Holiday. If any date set forth in this Contract for the performance of any obligation by Buyer or Seller or for the delivery of any instrument or notice should be on other than a Business Day, the compliance with such obligations or delivery is deemed accepted on the next following Business Day.

11.6 Time is of the Essence. It is expressly agreed by Seller and Buyer that time is of the essence with respect to this Contract.

11.7 Exhibits. The Exhibits which are referenced in, and attached to, this Contract are incorporated in and made a part of this Contract for all purposes. If one or more Exhibits to be attached to this Contract are not so attached or are incomplete upon the Effective Date, then Seller agrees to prepare or complete any such Exhibits and furnish Buyer with a copy of same. Buyer have the right to approve the form and contents of each such Exhibit supplied by Seller within 5 days of receipt thereof in its sole and absolute discretion. Buyer reserves the right to terminate this Contract should Buyer not approve the form and content of such Exhibits, provided, however, such Exhibits shall be deemed accepted by Buyer if Buyer fails to provide Seller of any written objections to such Exhibits submitted by Seller within 10 days following receipt of the same.

11.8 Attorney's Fees. If either party hereto shall be required to employ an attorney to bring suit to enforce or defend the rights of such party hereunder, the prevailing party in such suit shall be entitled to recover its reasonable attorney's fees and costs, in addition to any other relief to which it or they may be entitled.

11.9 Expiration of Offer. The execution by the Buyer hereto and delivery to the Seller of an executed counterpart of this Contract shall constitute an offer to purchase the Property upon the terms stated herein. If a counterpart of this Contract executed by the Seller is not approved by the City Council of the City of El Paso and executed by the Buyer within 3 days thereafter without modification, the offer contained in this Contract shall be null and void.

11.10 Severability. If for any reason any provision of this Contract is held to violate any applicable law, and so much of this Contract is held to be unenforceable, then the invalidity of such specific provision shall not be held to invalidate any other provision of this Contract which shall remain in full force and effect.

11.11 Assignment. Either party may assign this Contract in whole, but not in part, without the other party's consent, provided, however, the assigning party shall give other party written notice of any such assignment not less than one (1) Business Day prior to such assignment together with a copy of the assignee's written agreement to assume and perform the obligations of the assigning party hereunder, and no assignment shall discharge or release the assigning party from any obligation or liability hereunder, whether arising before or after such assignment. Subject to the foregoing, this Contract shall be binding upon and inure to the benefit of the respective successors and assigns of the parties.

11.12 Multiple Counterparts. This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and either of the parties hereto may execute this Contract by signing any such counterpart.

11.13 Electronic Signature. Delivery of an executed counterpart signature pages of the Contract by facsimile or electronic mail is effective as delivery of an original of an executed counterpart signature page.

11.14 No Third Party Beneficiary. Except as otherwise expressly provided herein, this Contract is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary or otherwise.

11.15 Tax Deferred Exchange. Buyer acknowledges that Seller may effect the sale of the Property pursuant to the applicable provisions of Section 1031 of the Internal Revenue Code of 1986, as amended. Buyer agrees that Seller may effect such sale of the Property through a Section 1031 "Qualified Intermediary" in order to complete a tax deferred exchange, and that Seller may assign and transfer its rights and obligations under this Contract to such Qualified Intermediary for such purpose. Buyer agrees to reasonably cooperate with Seller and/or its Qualified Intermediary in the sale of the Property pursuant to this Contract, provided (a) Buyer shall not be obligated to incur any cost, expense, or liability whatsoever, (b) the Closing shall not be extended or delayed by reason of such exchange, and (c) Buyer shall incur no personal liability under any document or agreement required in connection with such exchange. Seller's ability to consummate an exchange shall not be a condition to the obligations of Seller under this Contract, and Buyer does not warrant and shall not be responsible for any of the tax consequences to Seller with respect to the transactions contemplated hereunder.

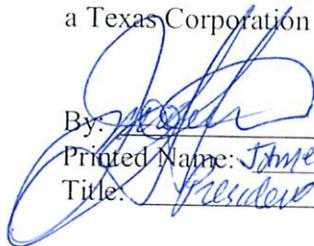
11.16 Effect of Headings. The subject headings of sections and subsections of this Contract included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

11.17 Recording. Neither this Contract, nor any memorandum or evidence hereof shall be recorded in any public records without the prior written consent of both parties.

[Signatures Begin on Next Page]

EXECUTED by Seller the 21 day of October, 2011.

THE BROKER COMPANY,
a Texas Corporation

By: 
Printed Name: James F. SCHERER
Title: President

[Signatures Continue on Next Page]

EXECUTED by the City of El Paso the ___ day of September, 2011.

CITY OF EL PASO, TEXAS

By: _____
Joyce Wilson, City Manager

APPROVED AS TO FORM:



Sylvia Borunda Firth
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



R. Alan Shubert, P.E.
Director of Engineering & Construction
Management

[Signatures Continue on Next Page]

Receipt of a fully executed copy of the Contract and a check, subject to collection for the Earnest Money Deposit received this ___ day of _____, 2011.

SIERRA TITLE COMPANY

By: _____
Printed Name: _____
Title: _____

EXHIBITS

- Exhibit A** - Description of Land
- Exhibit B** - Form of Special Warranty Deed
- Exhibit C** - Form of Bill of Sale

EXHIBIT A

Lots 17 – 20, Block 200, CAMPBELL'S ADDITION, an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Volume 2, Page 68, Real Property Records, El Paso County, Texas, municipally known and numbered as 216 South Florence, El Paso, El Paso County, Texas.

EXHIBIT B

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

SPECIAL WARRANTY DEED

Effective Date: _____, 2011

Grantor: THE BROKER COMPANY, a Texas Corporation.

Grantor's Mailing Address: _____

Grantee: THE CITY OF EL PASO, A MUNICIPAL CORPORATION

Grantee's Mailing Address: City of El Paso, #2 Civic Center Plaza, El Paso County, El Paso, Texas 79901-1196

Consideration: TEN and 00/100 DOLLARS (\$10.00), and other valuable consideration, receipt of which is hereby acknowledged.

Property (including any improvements):

Lots 17 – 20, Block 200, CAMPBELL'S ADDITION, an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Volume 2, Page 68, Real Property Records, El Paso County, Texas.

Reservations from Conveyance: None.

Exceptions to Conveyance and Warranty: See Exhibit "B" attached.

GRANT AND CONVEYANCE:

The GRANTOR, for the consideration and subject to the reservations from and exceptions to conveyance, and warranty, GRANTS, SELLS, and CONVEYS to the GRANTEE the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to the GRANTEE, the GRANTEE'S administrators, successors and assigns forever. The GRANTOR binds the GRANTOR and the GRANTOR'S successors and assigns to warrant and forever defend all and singular the property to the GRANTEE and the GRANTEE'S administrators, successors and assigns against every person whomsoever lawfully claiming or to

claim the same or any part thereof, except as to the Reservations From and Exceptions to Conveyance, when the claim is by, through, or under the GRANTOR but not otherwise.

When the context requires, singular nouns and pronouns include the plural.

EXECUTED the ____ day of _____, 2011.

[Signatures Being on Next Page]

GRANTOR:

THE BROKER COMPANY,
a Texas Corporation

By: _____

Printed Name: _____

Title: _____

STATE OF TEXAS)

COUNTY OF EL PASO)

This instrument was acknowledged before me on the ___ day of _____, 2011, by _
_____ as _____, of THE BROKER COMPANY, a
Texas Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ___ day of
_____, 2011.

Notary Public in and for the State of Texas
My Commission expires: _____

216 S. Florence

