



June 12, 2018

City Manager Spencer Cronk
The City of Austin
P. O. Box 1088
Austin, TX 78767

Re: Letter of Intent to Purchase 10414 McKalla Place
24.1158 Acre Site

Dear Mr. Cronk:

This letter sets forth the basic terms and conditions upon which Capital Commercial Investments, Inc., or its assigns (“Purchaser”), would be willing to purchase the referenced tract of land located at 10414 McKalla Place in Austin, TX, along with all land leases, easements and other appurtenant rights, benefits, and any intangibles owned or used by Seller in connection therewith (collectively, the “Property”).

Purchase Price: The Purchase Price will be a total amount of \$17,750,000.00, which shall be due and payable at “Closing” (as hereinafter defined).

Earnest Money: Within three (3) business days after the mutual execution of a binding contract of purchase and sale incorporating the provisions of this letter (the “Purchase Contract”), Purchaser will place \$500,000.00 in escrow with Heidi Andrews – Old Republic Title Company, (the “Title Company”), such amount (the “Escrow Deposit”) to be held as an earnest money deposit with respect to Purchaser’s performance of its obligations under the Purchase Contract and delivered to the Closing as part of the Purchase Price. The Purchase Contract will provide that Seller’s receipt of the Escrow Deposit as liquidated damages will be Seller’s sole and exclusive remedy in the event of Purchaser’s default.

Property Inspection: The Purchase Contract will provide that Purchaser’s obligation to purchase the Property will be contingent upon Purchaser’s inspection, review and approval of the following matters pertaining to the Property (collectively, the “Due Diligence Matters”), such approval to be subject to Purchaser’s sole discretion: (a) the physical condition of the land and improvements; (b) all zoning ordinances and permits related to the use and development thereof; (c) the economic feasibility of Purchaser’s intended

use; (d), an environmental report, including a Phase 2 if necessary; (e) all leases, contracts, or other agreements affecting or otherwise encumbering the Property; and (f) any other matters that may be specified in the Purchase Contract.

Within five (5) days following the effective date of the Purchase Contract, Seller shall provide Purchaser with the items in its possession described in Exhibit A attached hereto and any other documentation pertaining to the Property as may be set forth in the Purchase Contract (collectively, the "Inspection Documents"). Seller shall also permit Purchaser and its agents and consultants to enter upon and inspect the Property as necessary in connection with Purchaser's review of the Due Diligence Matters, subject to tenant's rights under the leases.

Purchaser shall have a period of ninety (90) days following receipt of the Inspection Documents (the "Inspection Period") in which to review and evaluate the Due Diligence Matters. If Purchaser is not satisfied with the results of its review and evaluation of the Property for any reason whatsoever, Purchaser shall have the right to terminate the Purchase Contract upon written notice given to Seller at any time prior to the expiration of the Inspection Period. In the event that Purchaser elects to terminate the Purchase Contract, the Title Company shall immediately return the full amount of the Escrow Deposit (and any accrued interest) to Purchaser, less the sum of \$100.00 paid as independent consideration for Purchaser's right to terminate), and the Contract will then terminate, with neither party having any further rights nor obligations thereunder, except as may be otherwise set forth therein.

Title Matters:

Within ten (10) days following the effective date of the Purchase Contract, Purchaser shall cause the Title Company to deliver to Purchaser a commitment to issue an owner's policy of title insurance (the "Title Commitment") at closing in the amount of the Purchase Price, insuring good and indefeasible title to the Property, along with copies of any instruments or other documents shown as exceptions to such owner's title insurance policy coverage. Purchaser shall have a period of ten (10) days following receipt of the Title Commitment (the "Title Review Period") in which to review same and give Seller written notice of Purchaser's objections (collectively referred to as "Title Objections"), if any, to any conditions thereof or any exceptions thereto, including any objections based on matters revealed by the "As-Built Survey" (as hereinafter defined); provided that the Title Review Period shall be extended as necessary to permit Seller to make a good faith effort to cure or otherwise satisfy any Title Objections prior to the Closing. In the event that Seller is unable to cure or satisfy any Title Objection to Purchaser's sole satisfaction, Purchaser shall have the right, in its sole discretion, to terminate the Purchase Contract at any time prior to the Closing and receive a full refund of the Escrow Deposit (and any accrued interest).

As-Built Survey: As part of its delivery of the Inspection Documents to Purchaser, Seller will also deliver any existing survey(s) of the Property. Purchaser shall also have the right to cause an survey of the Property to be prepared and certified to Purchaser and the Title Company in a form sufficient to permit deletion of the “survey exception” from the owner’s title insurance policy to be issued at the Closing, such Survey to include a field note legal description of the Property. Any objection raised by Purchaser with respect to any matter revealed by the Survey shall be deemed to be a Title Objection as provided above. Seller shall reimburse Purchaser for the cost of the Survey at the Closing, not to exceed \$5,000.

Closing: The closing of the purchase and sale of the Property (the “Closing”) shall be held ninety (90) days after expiration of the Inspection Period, unless such date falls upon a holiday or weekend, in which event the Closing will take place on the next business day, provided that Purchaser will have the right, upon ten (10) days advance written notice to Seller, to accelerate the Closing to an earlier business day as selected by Purchaser.

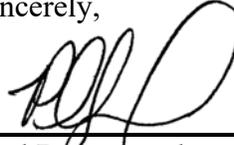
Prorations and Closing Costs: All interest, ad valorem taxes, operating expenses, rental income and any other revenue and expense items attributable to the ownership or operation of the Property shall be prorated as of the date of the Closing. All other costs related to the Closing, including recording fees and transfer taxes, shall be allocated between Seller and Purchaser in the manner customary for transactions of this nature.

Condemnation and Property Damage: In the event that all or any portion of the Property is condemned or destroyed or damaged by fire or other casualty in an amount greater than \$100,000 prior to the Closing, Purchaser shall have the option to either: (i) terminate the Purchase Contract and receive a full refund of the Escrow Deposit (and any accrued interest); or (ii) proceed with the Closing pursuant to the Contract, subject to Purchaser’s right to receive any proceeds arising from such condemnation or casualty.

Letter of Intent: It is understood that this letter constitutes only a non-binding expression of the understanding and intent of the parties with respect to the purchase and sale of the Property and that neither Seller nor Purchaser will have any legal obligation or liability in connection with the transaction described herein until such time as a mutually acceptable Purchase Contract has been prepared, executed and delivered by both parties. It is further understood that the City may be legally bound to enter into an Invitation for Bid or a Request for Proposal process to dispose of the Property. If the City intends to enter into such a process, please deem us to be interested parties and prospective respondents and include us in any notices and correspondence related thereto.

If the foregoing correctly reflects your understanding of our mutual intent with respect to the purchase and sale of the Property, please execute and return a copy of this letter to the undersigned. Upon our receipt of an acceptance of this letter by an authorized agent of Seller, we will direct our attorney to prepare the Purchase Contract and submit same to Seller for review and approval.

Sincerely,



Paul D. Agarwal
Founder and President

ACCEPTED AND AGREED:

CITY: The City of Austin

By: _____

Print Name: _____

As Its _____

EXHIBIT "A"

1. All tenant leases and all other agreements covering all or any part of the Property, including any and all modifications, supplements or amendments thereto;
2. All service, maintenance, management or other contracts relating to the ownership and operation of the Property;
3. All licenses and permits with respect to the ownership and operation of the Property, including but not limited to, building permits and certificates of occupancy in Seller's possession;
4. All certificates of all fire, hazard, liability and other insurance policies covering or relating to the Property;
5. The most current real estate and personal property tax statements with respect to the Property;
6. Any existing surveys of the Property and as-built plans and specifications with respect to any improvements thereto or any part thereof in Seller's possession;
7. An original, current inventory of all tangible personal property and fixtures owned by Seller or any affiliate of Seller and located on, attached to or used or purchased for use in connection with the Property, certified by Seller to be true and correct as of the date of delivery;
8. All warranties and guaranties relating to the Property, or any part thereof, or to the tangible personal property and fixtures owned by Seller or any affiliate of Seller and located on, attached to or used or purchased for use in connection with the Property;
9. A rent roll certified by the existing management company currently operating the Improvements as being true, correct and complete as of the date of delivery;
10. The written results of any inspections, appraisals, studies, tests or other third party assessment reports conducted with respect to the Property within the past nine months, including without limitation any environmental audits or reports;
11. The most current financial statements available for the Property together with financial statements for the two (2) most recent completed fiscal years, such financial statements to contain for each such period at least a balance sheet and an income statement; and
12. Any and all other documents, instruments, statements and information pertaining to the Property in Seller's possession that may be reasonably requested by Purchaser.