

OPTION CONTRACT

This Option Contract is made by and between **Robert G. Lozano (aka Robert G. Lozano, Jr.) and Edward G. Lozano**, referred to in this Option Contract as "Optionor", and the **City of Corpus Christi, Texas**, a Texas home rule municipal corporation, referred to in this Option Contract as "Optionee".

Recitals

WHEREAS, Optionor is the owner of real property in Nueces County, referred to in this Option Contract as the "Property", comprised of

Property ID: 287880
Legal Description: PORT AYERS SUBURBAN CTR LT 2 BLK A-5
Address: 4233 South Port Avenue
Corpus Christi, Nueces County, Texas 78415

Property ID: 287881
Legal Description: PORT AYERS SUBURBAN CTR LT 3 BLK A-5
Address: 4229 South Port Avenue
Corpus Christi, Nueces County, Texas 78415

FILE COPY

shown in **Exhibit A**;

WHEREAS, Optionee desires to acquire the exclusive right and option to purchase, without becoming obligated to purchase, the property and associated easements, at an agreed price and under specified terms and conditions; and

THEREFORE, it is agreed as follows:

Grant of Option

1. For the consideration expressed in Paragraph 3 of this Option Contract, Optionor hereby grants to Optionee the exclusive right and irrevocable option to purchase the Property (the "Option") at the price and under the terms set forth in a Real Estate Sales Contract which is attached to and by this reference made a part of this Option Contract as **Exhibit B**, Real Estate Sales Contract.

Option Period

2. The Option to purchase the Property shall commence at the time of execution of this Option Contract by Optionee and shall be for a term of 60 days (the "Option Period"). This Option Period may be extended for an additional 30 day period upon written notice from Optionee to Optionor. Optionee's execution of the Option shall occur within 48 hours of Optionor's execution; otherwise, this Option is null and void.

Consideration

3. This Option is granted in consideration of Optionee's payment to Optionor of the sum of \$25,000.00, receipt of which is hereby acknowledged.

Application of Consideration of Purchase Price

4. If this Option is exercised in accordance with its terms, then the consideration paid Optionor by Optionee for the Option Period shall be applied against the purchase price.

Retention of Consideration

5. If this Option or any extension thereof is not exercised, all sums paid and services rendered to Optionor by Optionee shall be retained by Optionor in consideration of the granting of this option unless there is a matter that affects Title as detailed in paragraph 8.

Exercise of Option

6. Optionee may exercise this Option by execution and tender to Optionor of the real estate sales contract attached hereto as **Exhibit B**. Optionor shall forthwith execute and deliver to Optionee an executed copy of said contract within 10 days.

The Optionee's Right of Entry

7. Optionee shall have the right at any time hereafter to enter the Property to inspect, and make soil tests and engineering surveys on the Property provided such acts do not unreasonably interfere with such Optionor possession and use. Optionee will pay all costs of inspections, feasibility studies, environmental testing and any other due diligence concerning the property.

OPTIONEE HEREBY ASSUMES ANY AND ALL RISKS ARISING OUT OF, INCIDENT TO, OR IN ANY WAY CONNECTED WITH THE USE OF THE RIGHT-OF-WAY AND PROPERTY SUBJECT TO THIS AGREEMENT AND AGREES TO HOLD OPTIONOR HARMLESS FOR ANY CLAIMS AND LIABILITIES PERTAINING TO THE ACCESS OF THE PROPERTY BY ANY OF THE OPTIONEE'S INSPECTORS, AGENTS OR EMPLOYEES.

Title

8. Optionee shall order a title report. Optionor agrees that it will not create any encumbrance, lien or other matter which would affect or encumber title to the Property during the term of this Option Agreement without first securing the written consent of Optionee, including leases, licenses or other minor possessory interests in the Property. In the event that any matter affects marketable title to the Property, and such matter is a monetary lien or encumbrance which can be discharged by payment, Optionee may take title to the Property and reduce the Purchase Price accordingly; otherwise Optionor shall refund to Optionee all sums paid hereunder for this Option.

Automatic Termination

9. If Optionee fails to exercise the option in accordance with the terms of this Option Contract within the Option Period or any extension thereof, then the option to purchase granted by this Option Contract, and the rights thereunder of Optionee, shall automatically and immediately terminate without notice and Optionee shall thereafter properly execute, acknowledge, and deliver to Optionor within 60 days of request therefor, a release required by Optionor to verify the termination of this Agreement.

Notices

10. Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt request, and shall be deemed received upon signature of receiving party and notices shall be addressed as set forth below, but each party may change his or her address by written notice in accordance with this Paragraph.

To the Optionor:
Robert G Lozano
2509 S Padre Island Dr
Corpus Christi, Texas 78415

To the Optionee:
CITY OF COPRUS CHRISTI
Department of Engineering Services
P.O. Box 9277
Corpus Christi, Texas 78469-9277

Entire Agreement

11. This Option Contract contain the entire agreement between the parties relating to the option herein granted.

Binding Effect

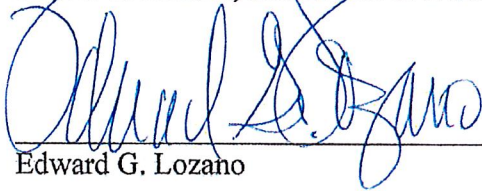
12. This Option Contract shall bind and inure to the benefit of all the respective heirs, personal representatives, successors, and assigns of the parties hereto except as hereinabove expressly provided.

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement in duplicate this 25 day of June, 2021.

OPTIONOR:



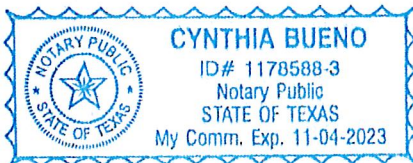
Robert G. Lozano, aka Robert G. Lozano, Jr.



Edward G. Lozano

STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on June 25, 2021, by Robert G. Lozano (aka Robert G. Lozano, Jr.) and Edward G. Lozano.




Notary Public in and for the State of Texas

OPTIONEE:

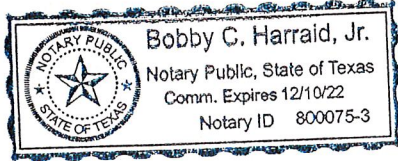
CITY OF CORPUS CHRISTI, TEXAS

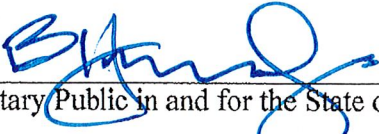

Michael Rodriguez, Chief of Staff

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on June 25 2021, by Michael Rodriguez, as Chief of Staff of the City of Corpus Christi, a Texas municipal corporation, on behalf of said corporation.




Notary Public in and for the State of Texas

Approved as to Legal Form
For the City Attorney

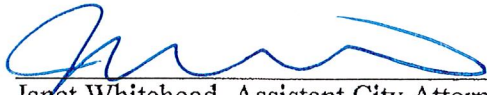
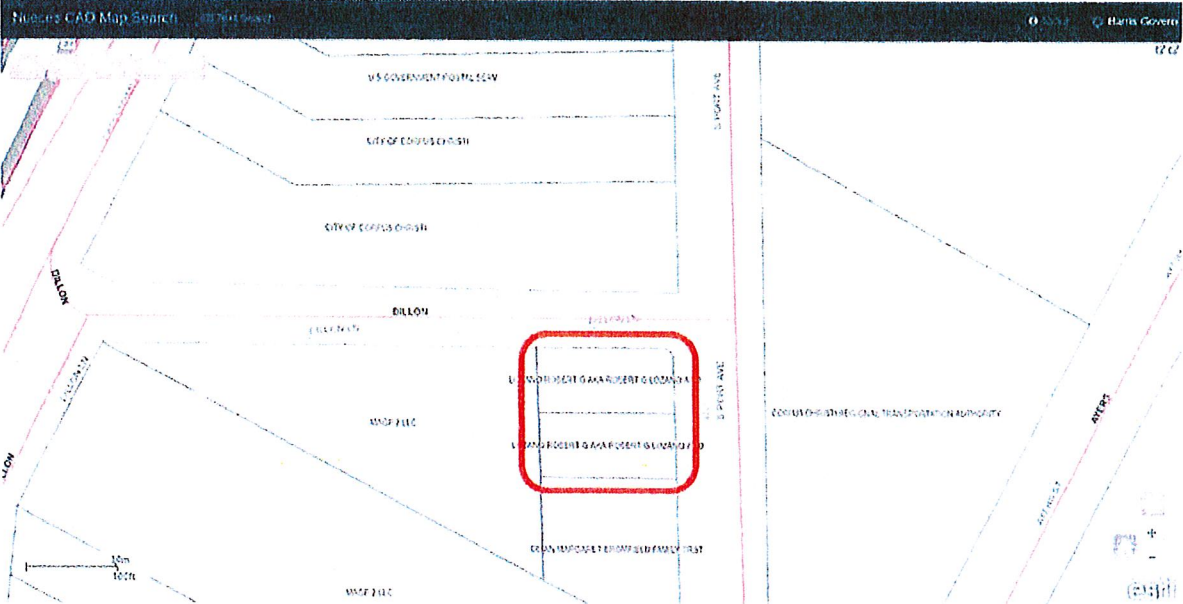

Janet Whitehead, Assistant City Attorney

EXHIBIT A
TO OPTION CONTRACT



the title insurance policy to be timely issued after Closing. If such title review discloses any defects to title, Seller may, but shall not be obligated to, cure any such defects, and if any such defects are not cured by the scheduled Closing date (as may be extended by mutual agreement) either party may elect to terminate this contract prior to Closing, or if not so terminated, Buyer will accept title subject to such defects.

5. **General Warranty Deed and Closing Costs.** After securing the title insurance commitment, Seller must execute a General Warranty Deed that conveys indefeasible title to the Property to the Buyer, and Buyer must make the cash payment portion of the compensation, drafted in accordance with the provisions of this Contract. Buyer will pay all Closing Costs except costs to cure title, which must be paid by Seller.
6. **Property Taxes.** Seller must pay all property taxes incurred on the Property up to and including 2020. All property taxes for the year 2021, if any due and payable or incurred for the year, will be prorated between the Buyer and the Seller from January 1, 2021 to the date of Closing. The prorated taxes are only an estimate indicated by a Tax Certificate obtained by the Title Company and the Seller agrees to pay any shortages of property taxes should they occur during the following year. Seller shall promptly execute a Tax Proration Agreement expressly stating this agreement.
7. **Buyer's Audits and Due Diligence.** It is understood and agreed that Buyer may perform or cause to be performed, all environmental audits, due diligence, land surveying, permitting, and all other work associated with development of Buyer's project, up to the time of Closing and that the time required for such audit may cause delay in Closing and the results thereof may cause a voidance of this contract. Buyer may elect to void this contract prior to Closing if Buyer is not satisfied with the results of such audits, due diligence, and permits. Any on-site activities under this paragraph by the Buyer or its contractors will be at times and in manners agreeable to Seller.

a. **Right of Entry**

(1) At Buyer's sole expense, Buyer or Buyer's authorized agents shall have the right to enter upon the Property for purposes of making such land surveys, environmental site analysis, and engineering studies as Buyer may deem necessary. Buyer shall not cause or permit damage or injury to the Property. Upon termination of this Contract, Buyer shall promptly restore the Property to the condition existing prior to any tests or studies conducted pursuant to this Contract. This obligation shall survive the termination of this Contract, notwithstanding anything to the contrary contained herein. Seller shall make available for Buyer's inspection and copying within ten (10) days from the date hereof all reports, studies and tests in Seller's possession with respect to the Property.

(2) In connection with Buyer's inspections, studies, and assessments, Buyer must: (i) employ only trained and qualified inspectors and assessors; (ii) notify Seller, in advance, of when the inspectors or assessors will be on the Property; (iii) abide by any reasonable entry rules or requirements that Seller may require; (iv) not interfere with existing operations or occupants of the Property; and (v) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

b. Environmental Condition of Property.

Definitions.

"*Environmental Law*" shall mean any law relating to environmental conditions and industrial hygiene applicable to the Property, including without limitation, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Federal Water Pollution Control Act, the Clear Air Act, the Clear Water Act, the Toxic Substances Control Act, the Endangered Species Act, the Safe Drinking Water Act, the Texas Water Code, the Texas Solid Waste Disposal Act, and all similar applicable federal, state and local environmental statutes, ordinances and the regulations, orders and decrees now or hereafter promulgated thereunder.

"*Hazardous Materials*" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in any Environmental Law existing as of the date hereof.

Environmental Audit. Buyer shall have the right to cause an independent environmental consultant chosen by Buyer, in Buyer's sole discretion, to inspect the Property, including but not limited to an Environmental Site Analysis (ESA) Phase I and Phase II, to determine the condition of the Property, the presence of any Hazardous Materials and any apparent violation of any Environmental Law (the "*Environmental Audit*") and to deliver a report describing the findings and conclusions of the Environmental Audit. The cost and expense of the Environmental Audit shall be borne by Buyer. If the Environmental Audit reveals, or at any time prior to closing Buyer otherwise becomes aware of the existence of any environmental condition or violation of any Environmental Law which Buyer is unwilling to accept or the Seller is unwilling to cure, Buyer shall have the right and option to cancel this Contract and receive a full return of the Earnest Money.

8. **Broker Commission.** Seller is responsible for payment of all broker's fees and commissions incurred in connection with the sale of this property.
9. **Possession.** At the Closing, the Property will be conveyed free of the rights of possession of any third parties in or to the Property except for valid easements, if any, filed of record and currently in force and effect.
10. **Representations and Warranties.**



By Seller. In order to induce Buyer to enter into this Contract, Seller makes the following representations and warranties all of which will be true and correct as of the date hereof and as of the date of closing:

Authority; No Conflict. Seller has the absolute and unrestricted right, power and authority to execute and deliver this Contract and the documents to be executed and delivered by Seller in connection with the closing of the transactions described in this Contract (such documents being collectively referred to herein as "*Seller's Closing Documents*") and to perform its obligations under this Contract and the Seller's Closing Documents. Seller shall present to the Buyer and/or the Title Company, if necessary, all reasonable evidence of such authority which may be requested by either of them. The execution and delivery of this Contract and Seller's Closing Documents, the consummation of the transactions described herein, and compliance with the terms of this Contract will not conflict with, or constitute a default under, any agreement to which Seller is a party or by which Seller or the Property is bound, or violate any regulation, law, court order, judgment, or decree applicable to Seller or the Property, except as otherwise expressly provided herein.

No Litigation or Proceedings. Seller has no knowledge of any pending or threatened litigation, condemnation, or assessment affecting the Property.

Environmental Representations. Except as otherwise expressly provided herein, Seller has no knowledge that the Property contains Hazardous Materials (as defined in Section 10(b)), contains any underground storage tanks, or is not in full compliance with all Environmental Laws (as defined in Section 10(b)).

Title to Property. Seller has full and complete fee simple title to the Property, subject only to the liens and encumbrances, if any, disclosed on the Commitment or Survey to be furnished to Buyer hereunder.

No Options. No person, corporation, or other entity has or, on the date of Closing, shall have any right or option to acquire the Property.

Compliance. Seller has not received any notice from any governmental agency regarding the Seller's or the Property's non-compliance with applicable laws, ordinances, regulations, statutes, rules and restrictions relating to the Property.

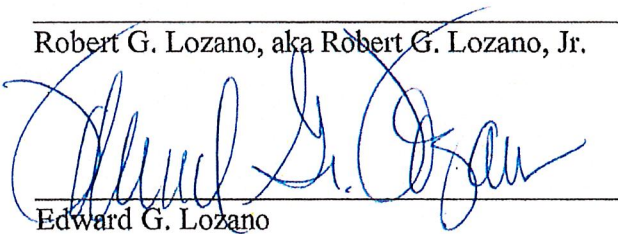
11. **As-Is.** Buyer acknowledges that Seller makes no representations or warranties with respect to the present condition of the Property or its fitness or suitability for any particular purpose and that the Property is to be sold in an "as-is" condition. Buyer confirms that it is relying solely upon its investigation of the present condition of the Property and all governmental laws and ordinances which might affect its use and development.
12. **Survives Closing.** This Contract survives Closing of the sale of the Property and the delivery of the Warranty Deed and other necessary documents by Seller to Buyer at Closing, and all terms and conditions remain in effect between Seller and Buyer.

13. **Mineral Rights.** The sale of this property to the Buyer shall include the surface estate only, and shall not include any interests in the mineral estate.
14. **Essential.** Time is of the essence in closing this transaction.

SELLER



Robert G. Lozano, aka Robert G. Lozano, Jr.

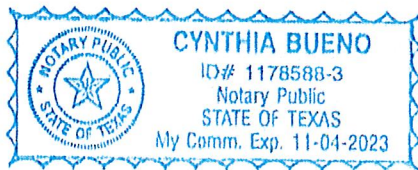


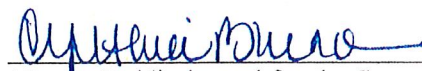
Edward G. Lozano

STATE OF TEXAS §

COUNTY OF NUECES §

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Notary Public in and for the State of Texas

BUYER

CITY OF CORPUS CHRISTI, TEXAS

Michael Rodriguez, Chief of Staff

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on _____, 2021, by Michael Rodriguez, as Chief of Staff of the City of Corpus Christi, a Texas municipal corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

ATTEST:

REBECCA HUERTA, CITY SECRETARY

Approved as to Legal Form
For the City Attorney

Janet Whitehead, Assistant City Attorney

EXHIBIT A
TO REAL ESTATE SALES CONTRACT

