

HISTORIC AND DESIGN REVIEW COMMISSION

June 28, 2024

HDRC CASE NO: 2024-156
ADDRESS: 1516 BURNET ST
LEGAL DESCRIPTION: NCB 1360 BLK 1 LOT 6
ZONING: MF-33, H
CITY COUNCIL DIST.: 2
APPLICANT: Stephen Luman
OWNER: James McFarland | MCFARLANDS LOVE & HOPE CENTER INC
TYPE OF WORK: Demolition of a Historic Landmark
APPLICATION RECEIVED: April 05, 2024
60-DAY REVIEW: June 04, 2024 (60-Day Review); June 05, 2024 (Demolition Hold)
CASE MANAGER: Bryan Morales

REQUEST:

The applicant is requesting a Certificate of Appropriateness for approval to demolish the historic landmark located at 1516 Burnet St.

APPLICABLE CITATIONS:

UDC Section 35-614. – Demolition

Demolition of a historic landmark constitutes an irreplaceable loss to the quality and character of the City of San Antonio. Accordingly, these procedures provide criteria to prevent unnecessary damage to the quality and character of the city's historic districts and character while, at the same time, balancing these interests against the property rights of landowners.

(a)Applicability. The provisions of this section apply to any application for demolition of a historic landmark (including those previously designated as historic exceptional or historic significant) or a historic district.

(3)Property Located in Historic District and Contributing to District Although Not Designated a Landmark.

No certificate shall be issued for property located in a historic district and contributing to the district although not designated a landmark unless the applicant demonstrates clear and convincing evidence supporting an unreasonable economic hardship on the applicant if the application for a certificate is disapproved. When an applicant fails to prove unreasonable economic hardship in such cases, the applicant may provide additional information regarding loss of significance as provided in subsection (c)(3) in order to receive a certificate for demolition of the property.

(b) Unreasonable Economic Hardship.

(1)Generally. The historic and design review commission shall be guided in its decision by balancing the historic, architectural, cultural and/or archaeological value of the particular landmark or eligible landmark against the special merit of the proposed replacement project. The historic and design review commission shall not consider or be persuaded to find unreasonable economic hardship based on the presentation of circumstances or items that are not unique to the property in question (i.e. the current economic climate).

(2)Burden of Proof. The historic and design review commission shall not consider or be persuaded to find unreasonable economic hardship based on the presentation of circumstances or items that are not unique to the property in question (i.e. the current economic climate). When a claim of unreasonable economic hardship is made, the owner must prove by a preponderance of the evidence that:

A. The owner cannot make reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the highly significant endangered, historic and cultural landmark, historic and cultural landmarks district or demolition delay designation, as applicable, is removed or the proposed demolition or relocation is allowed;

B. The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return; and

C. The owner has failed to find a purchaser or tenant for the property during the previous two (2) years, despite having made substantial ongoing efforts during that period to do so. The evidence of unreasonable economic hardship introduced by the owner may, where applicable, include proof that the owner's affirmative obligations to maintain the structure or property make it impossible for the owner to realize a reasonable rate of return on the structure or property.

(3)Criteria. The public benefits obtained from retaining the cultural resource must be analyzed and duly considered by the historic and design review commission.

As evidence that an unreasonable economic hardship exists, the owner may submit the following information to the historic and design review commission by affidavit:

A. For all structures and property:

- i. The past and current use of the structures and property;
- ii. The name and legal status (e.g., partnership, corporation) of the owners;
- iii. The original purchase price of the structures and property;

i. The assessed value of the structures and property according to the two (2) most recent tax assessments;

- v. The amount of real estate taxes on the structures and property for the previous two (2) years;
- vi. The date of purchase or other acquisition of the structures and property;
- vii. Principal balance and interest rate on current mortgage and the annual debt service on the structures and property, if any, for the previous two (2) years;
- viii. All appraisals obtained by the owner or applicant within the previous two (2) years in connection with the owner's purchase, financing or ownership of the structures and property;
- ix. Any listing of the structures and property for sale or rent, price asked and offers received;
- x. Any consideration given by the owner to profitable adaptive uses for the structures and property;
- xi. Any replacement construction plans for proposed improvements on the site;
- xii. Financial proof of the owner's ability to complete any replacement project on the site, which may include but not be limited to a performance bond, a letter of credit, a trust for completion of improvements, or a letter of commitment from a financial institution; and
- xiii. The current fair market value of the structure and property as determined by a qualified appraiser.
- xiv. Any property tax exemptions claimed in the past five (5) years.

B. For income producing structures and property:

- i. Annual gross income from the structure and property for the previous two (2) years;
- ii. Itemized operating and maintenance expenses for the previous two (2) years; and
- iii. Annual cash flow, if any, for the previous two (2) years.

C. In the event that the historic and design review commission determines that any additional information described above is necessary in order to evaluate whether an unreasonable economic hardship exists, the historic and design review commission shall notify the owner. Failure by the owner to submit such information to the historic and design review commission within fifteen (15) days after receipt of such notice, which time may be extended by the historic and design review commission, may be grounds for denial of the owner's claim of unreasonable economic hardship.

When a low-income resident homeowner is unable to meet the requirements set forth in this section, Then the historic and design review commission, at its own discretion, may waive some or all of the requested information and/or request substitute information that an indigent resident homeowner may obtain without incurring any costs. If the historic and design review commission cannot make a determination based on information submitted and an appraisal has not been provided, then the historic and design review commission may request that an appraisal be made by the city.

(d)Documentation and Strategy.

(1)Applicants that have received a recommendation for a certificate shall document buildings, objects, sites or structures which are intended to be demolished with 35mm slides or prints, preferably in black and white, and supply a set of slides or prints to the historic preservation officer.

(2)Applicants shall also prepare for the historic preservation officer a salvage strategy for reuse of building materials deemed valuable by the historic preservation officer for other preservation and restoration activities.

(3)Applicants that have received an approval of a certificate regarding demolition shall be permitted to Receive a demolition permit without additional commission action on demolition, following the commission's recommendation of a certificate for new construction. Permits for demolition and construction shall be issued simultaneously if requirements of section 35-609, new construction, are met, and the property owner provides financial proof of his ability to complete the project.

(4)When the commission recommends approval of a certificate for buildings, objects, sites, structures

designated as

landmarks, or structures in historic districts, permits shall not be issued until all plans for the site have received

approval from all appropriate city boards, commissions, departments and agencies. Permits for parking lots shall not

be issued, nor shall an applicant be allowed to operate a parking lot on such property, unless such parking lot plan

was approved as a replacement element for the demolished object or structure.

(e) Issuance of Permit. When the commission recommends approval of a certificate regarding demolition of buildings, objects, sites, or structures in historic districts or historic landmarks, permits shall not be issued until all plans for the site have received approval from all appropriate city boards, commissions, departments and agencies. Once the replacement plans are approved a fee shall be assessed for the demolition based on the approved replacement plan square footage. The fee must be paid in full prior to issuance of any permits and shall be deposited into an account as directed by the historic preservation officer for the benefit, rehabilitation or acquisition of local historic resources. Fees shall be as follows and are in addition to any fees charged by planning and development services:

0—2,500 square feet = \$2,000.00

2,501—10,000 square feet = \$5,000.00

10,001—25,000 square feet = \$10,000.00

25,001—50,000 square feet = \$20,000.00

Over 50,000 square feet = \$30,000.00

FINDINGS:

- a. The property located at 1516 Burnet St is sanctuary Vernacular building. The small one-story building has a transept with a front gable and composition shingle roofing and faux stone siding. The windows are wood one-over one and there is front non-original wood double door. New Hope Baptist congregation occupied the building from the 1800s until 1951 when it was sold and occupied by Morning Glory Baptist. The building has been modified, but the construction date is estimated in the 1800s. The original congregation was organized by Reverend Rubin Anderson and Baptist was the original denomination. The property was designated as local historic landmark in 2019.
- b. DEMOLITION NOTICE – Demolition notice postcards were mailed to properties within a 200 foot radius of the property, as required by the Unified Development Code. Additional notice regarding the request was provided to the point of contact for Harvard Place Eastlawn.
- c. DEMOLITION & DESIGNATION COMMITTEE – The Demolition and Designation Committee met on site on May 29, 2024. At that meeting, Commissioners asked questions regarding attempts to rehabilitate the structure, the property's structural condition, potential replacement plans, and discussed potential avenues for reuse or rezoning.
- d. REPLACEMENT PLANS – The applicant has not provided full replacement plans at this time. Final approval and permitting of new construction are required in order to release a demolition permit under the UDC.
- e. LOSS OF SIGNIFICANCE – When an applicant fails to prove unreasonable economic hardship, the applicant may provide to the Historic and Design Review Commission additional information which may show a loss of significance in regard to the subject of the application in order to receive Historic and Design Review Commission recommendation of approval of the demolition. If, based on the evidence presented, the Historic and Design Review Commission finds that the structure or property is no longer historically, culturally, architecturally or archeologically significant, it may make a recommendation for approval of the demolition. In making this determination, the Historic and Design Review Commission must find that the owner has provided sufficient evidence to support a finding by the commission that the structure or property has undergone significant and irreversible changes which have caused it to lose the historic, cultural, architectural or archeological significance, qualities or features which qualified the structure or property for such designation. Additionally, the Historic and Design Review Commission must find that such changes were not caused either directly or indirectly by the owner, and were not due to intentional or negligent destruction or a lack of maintenance rising to the level of a demolition by neglect.
- f. ECONOMIC HARDSHIP – The loss of a landmark structure is an irreplaceable loss to the quality and character of San Antonio. Demolition of any contributing buildings should only occur after every attempt has been made, within reason, to successfully reuse the structure. Clear and convincing evidence supporting an unreasonable economic hardship on the applicant if the application for a certificate is disapproved must be presented by the applicant in order for demolition to be considered. The criteria for establishing unreasonable economic hardship are listed in UDC Section 35-614 (b)(3). The applicant must prove by a preponderance of the evidence that:

- a. *The owner cannot make reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the highly significant endangered, historic and cultural landmark, historic and cultural landmarks district or demolition delay designation, as applicable, is removed or the proposed demolition or relocation is allowed;*

[The applicant has provided a contractor's estimate for the rehabilitation of the structure, which totals \$102,500. This bid includes foundation repair, plumbing, interior finishes, mechanical equipment, exterior rehabilitation, and electrical work. Additional bids have not been obtained at this time. The applicant has not provided a fair market appraisal at this time.]

- b. *The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return;*

[The applicant has provided a contractor's estimate for rehabilitation; however, the submitted estimate does not anticipate any specific use. The applicant has not provided additional bids, nor has the applicant provided a structural engineer's analysis of the current building condition and viability of reuse of the structure.]

- c. *The owner has failed to find a purchaser or tenant for the property during the previous two (2) years, despite having made substantial ongoing efforts during that period to do so. The evidence of unreasonable economic hardship introduced by the owner may, where applicable, include proof that the owner's affirmative obligations to maintain the structure or property make it impossible for the owner to realize a reasonable rate of return on the structure or property.*

[Per deed records, the current owner took possession of the property on March 28, 2019. The applicant has not provided information or proof that the property has been unsuccessfully marketed for a period of two (2) years.]

- g. Staff finds that the applicant has not fully satisfied the burden of proof requirements to demonstrate an unreasonable economic hardship, as the UDC requires all three criteria, noted above, to be met. Staff finds that the applicant should explore the rehabilitation of the historic structure, as the majority of the rehabilitative scopes of work would be eligible for administrative approval. Additionally, there is a local tax incentive available for the substantial rehabilitation of locally designated landmarks.

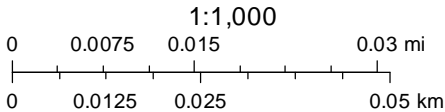
RECOMMENDATION:

Staff does not find that the applicant has satisfied the burden of proof requirements to demonstrate an unreasonable economic hardship and does not recommend approval of demolition. Staff recommends the applicant explore the rehabilitation of the property, the majority of which would be eligible for administrative approval. Additionally, there is a local tax incentive available for the substantial rehabilitation of locally designated landmarks.

City of San Antonio One Stop



May 31, 2024















EMSU

723

MAX. GROSS

30,000 KG
67,200 LB

TARE

2,220 KG
4,890 LB

MAX. CAP. GO

28,260 KG
62,310 LB

CU. CAP.

33.2 C.M.
1,170 CU.FT.





















Bryan Morales (OHP)

From: Stephen Luman [REDACTED]
Sent: Tuesday, April 30, 2024 12:59 PM
To: [REDACTED] Bryan Morales (OHP)
Subject: Re: [EXTERNAL] RE: 1516 Burnet St - Phone Call Notes

That's fine. I know that Mr. McFarland has made attempts to sell it prior to listing. I also believe we can show hardship by the inability to pay the property taxes over the past 3 years.

Stephen Luman
[REDACTED]

On Tuesday, April 30, 2024 at 12:55:39 PM CDT, Bryan Morales (OHP) <bryan.morales@sanantonio.gov> wrote:

Hi Stephen,

The HDRC will likely make comment that the property has only been listed for approximately 7-8 months at the time of the hearing. The 2-year economic hardship guideline is to show the HDRC that the property owner has attempted to sell the property for at least 2 consecutive years before pursuing demolition.

With that being said, we can still take the request forward with that information, but please note that the HDRC will likely comment on that aspect.

Best,

Bryan Morales, MA (he/him/his)

Historic Preservation Specialist, Design Review Team

City of San Antonio, Office of Historic Preservation

Desk: (210) 207-5464 | Office: (210) 207-0035

From: Stephen Luman [REDACTED]
Sent: Tuesday, April 30, 2024 12:21 PM
To: [REDACTED]; Bryan Morales (OHP) <Bryan.Morales@sanantonio.gov>
Subject: Re: [EXTERNAL] RE: 1516 Burnet St - Phone Call Notes

Yes, At the very bottom of the page. Is the contract date and it went 79 days. It has currently been on the market another 125 days. So we are getting close to 2 years

Stephen Luman

[REDACTED]

On Tuesday, April 30, 2024 at 09:29:19 AM CDT, Bryan Morales (OHP) <bryan.morales@sanantonio.gov> wrote:

Thank you, Stephen. On the listing data, is there a section that shows the duration of the listing? We are needing to see whether the property has been listed for sale for at least two years.

From: lumanstephen [REDACTED]
Sent: Monday, April 29, 2024 5:11 PM
To: Bryan Morales (OHP) <Bryan.Morales@sanantonio.gov> [REDACTED]
Subject: [EXTERNAL] RE: 1516 Burnet St - Phone Call Notes

I sent the listing data before. I will send it to you again. As far as what James plans to do with the lots after, I'm not sure

Sent via the Samsung Galaxy S23 5G, an AT&T 5G smartphone

----- Original message -----
From: "Bryan Morales (OHP)" <Bryan.Morales@sanantonio.gov>
Date: 4/29/24 3:30 PM (GMT-06:00)
To: [REDACTED]
Cc: Stephen Luman [REDACTED]
Subject: RE: 1516 Burnet St - Phone Call Notes

Hello James and Stephen,

I wanted to follow-up and see if there have been any updates regarding the requested information below.

Please let me know if you have any questions.

Best,

Bryan Morales, MA (he/him/his)

Historic Preservation Specialist, Design Review Team
City of San Antonio, Office of Historic Preservation
Desk: (210) 207-5464 | Office: (210) 207-0035

From: Bryan Morales (OHP)
Sent: Thursday, April 18, 2024 12:47 PM
To: [REDACTED]
Cc: Stephen Luman [REDACTED]
Subject: 1516 Burnet St - Phone Call Notes

Hello James,

Thank you for your call. As discussed, we are missing the following:

1. Documentation showing the property has been listed for sale for at least two years. The agent reports do not detail length of time (if this is not the case, please highlight or point me in the right direction).
2. Replacement plans.
 - a. If the replacement plan is an empty lot, the HDRC has traditionally not approved the removal of designated structures to allow vacant lots to exist.

Additionally, if the property is sold prior to June 5th, please let us know and we will remove this request from the hearing.

As always, please let us know if you have any questions.

Best,

Bryan Morales, MA (he/him/his)
Historic Preservation Specialist, Design Review Team
City of San Antonio, Office of Historic Preservation
Desk: (210) 207-5464 | Office: (210) 207-0035

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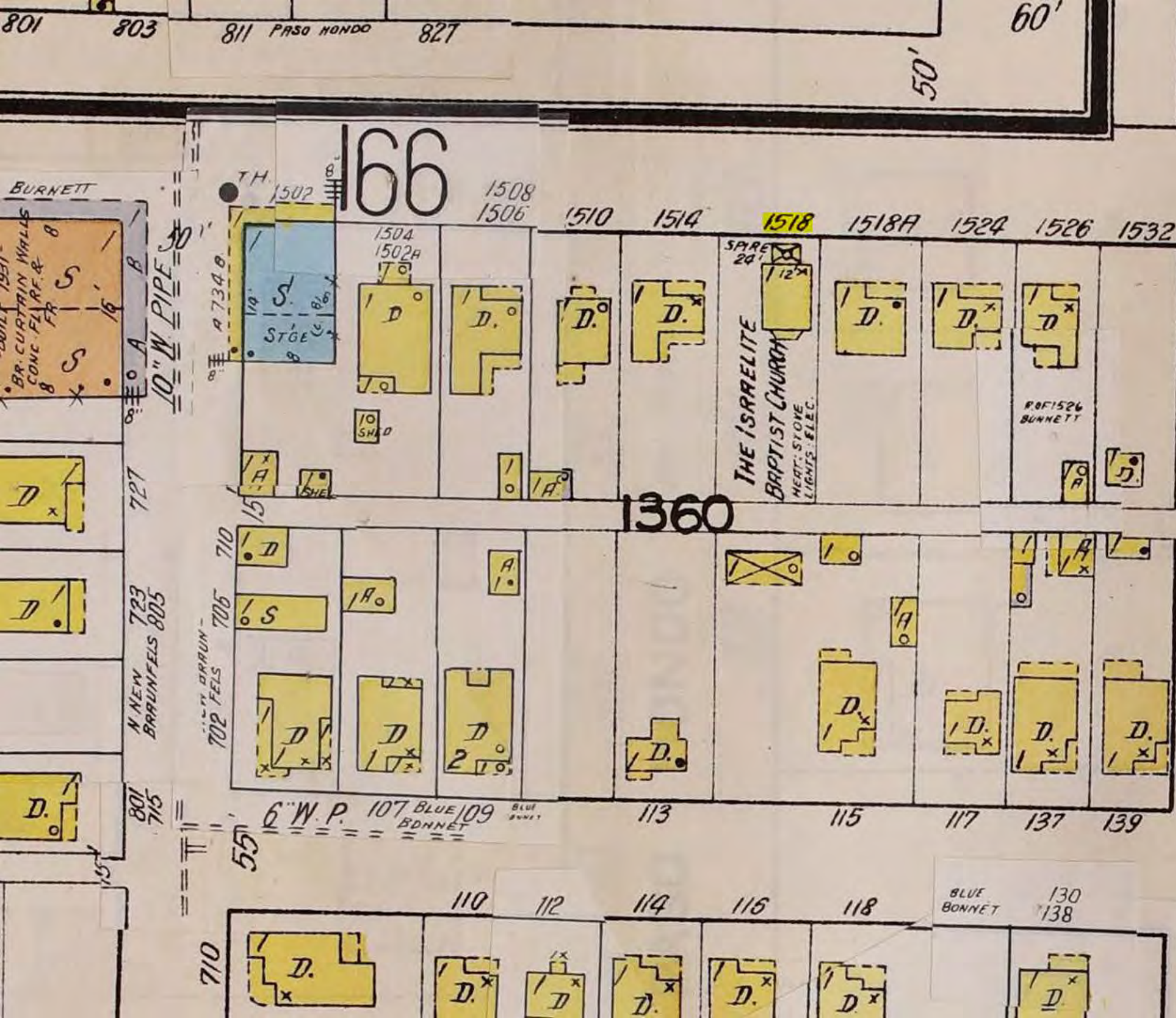
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State: Texas City: San Antonio Date: 1911-Mar. 1951 * Volume: vol. 2, 1912-Jan. 1951



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CITY OF SAN ANTONIO
OFFICE OF HISTORIC PRESERVATION

NOTICE

The Historic and Design Review Commission (HDRC) will consider a request for demolition of a building at 1516 Burnet St. This hearing is tentatively set for **June 5, 2024, at 3:00 PM**, and will be viewable at the following link: <https://www.sanantonio.gov/DSD/Boards/MeetingVideos>

You have received notification of this hearing because your property has been identified as falling within 200 feet of the subject property. You are encouraged to provide comments to OHP staff. Office of Historic Preservation (OHP) staff will accept written comments or voicemails until **June 5, 2024, at 12:00 PM**, via the return address on this postcard or by email at **info@sapreservation.com**, or voicemail at **210-206-4372**. If you have any questions, please contact OHP staff at 210-207-0035.

Se prefiere recibir esta información en español o tiene alguna inquietud, llame al 210-207-0035 o envíe un correo electrónico a info@sapreservation.com

Agent Report



Addr: 1516 Burnet St
Status: Cancelled (03/18/2024) **Class:** Commercial Improved Property
Area: 1200 **Grid:** 617C4 **List Price:** \$215,000
Int.St./Dir: IH-10 exit to Walters st left on Burnet
City: San Antonio **Zip:** 78202-2409 **AdSf:** 3296
County: Bexar **CAN#:** 013600010060
Lease Only: No **Avl. w/Lease:** No **\$:** \$0
Legal: NCB 1360 BLK 1 LOT 6
Building Name: PLEASANT GROVE MISSIONARY **Zoning:** MF-33
Buildings: 1 **# Stories:** 1
Units: 1 **# Rentals:** 0
Drive-In Doors: 1 **Ceiling Height:** 12
Total Parking: 18 **Type:** Multi-Use

Income/Expense	Values	Estimated SqFt	Utility Suppliers
Gross Income:		Apartment:	Gas:
Annual Tax:		Retail:	Electric:
Insurance:		Office:	Garbage:
Gas & Electric:		Warehouse/Ind:	Water:
Water/Sewer:		Other:	Sewer:
Waste Removal:		Net Leasable Area:	Other:
Maintenance:		Gross Building Area:	
Other Expense:		Office Price/SqFt:	
Net Operating Income:		Other Price/SqFt:	

Base Taxes	Financials	Taxes
County: \$520.02	Preferred Title Co.: First American Title	Existing Exmpt/Abatements:
City: \$1,019.25	PrTerms: Sale Only, Cash, Conventional	
School: \$2,680.20		Lot Size: 0.124
Other: \$884.87		Lot Dimensions:
Total: \$5,104.34		
Owner: MCFARLAND	SC/\$: 0	BC/\$: 3%
List Agent: Yolanda Holmes, MRP	589571	(210) 487-7653
List Office: RE/MAX Corridor	RMCO00	(210) 659-6700
Ph to Show: 2102222227	Lockbox Type: SABOR	Showing Contact: ShowingTime
	Supra	Agency Rsv:

AgentRmrks: Please email all offers to yholmes@remax.net and chaunteldelzingaro@gmail.com with offers and preapproval letter Escrow officer Donetta Dobbs First American title. The property is on the Historical preservations list must apply with BEXAR county to have revaluated.

Remarks: Location.. Location... Location This is a unique development opportunity with endless possibilities, Commercial Mix-use zoning (MF-33) multi-Family with adjoining cleared vacant lot ready for your building project. Church has abundant open space with 2 offices, 2 bathrooms functioning water and electricity and Kitchen area. All sitting and appliances remain. Only a 4 minute drive into the heart of San Antonio Downtown district or a 10-minute bike ride. Located minutes from the pearl, new construction ... (text truncated for print)

Foundation:		Roof:	Composition
Heating:	Other	Rail Service:	No
Air Conditioning:	Window	Accessible/Adaptive:	No
Flood Plain:	None	Loading Facilities:	None
Construction:	Wood, Rock/Stone Veneer	Easements:	
Restrictions:	Historical	Lot Description:	
Docs Avail:		Other Structures:	
Amenities:			
Sale Includes:	Buildings, Land		
Utilities:	Electricity		

Contingent Info:		DOM/CDOM: 79 / 79	Sold Price:
Contract Date: 03/30/2023	Sale Trms:	Sell Points:	SQFT/Acre:
Closing Date:	Sell Concess: -		Price per SQFT: \$65.23
Sell Ofc:	Selling Agent:		Source SQFT Acre:

All measurements, taxes, age, financial & school data are approximate and provided by other sources. Buyer should independently verify same before relying thereon.***Copyright 2024 by SAN ANTONIO BOARD OF REALTORS***

Prepared By: Stephen Luman | Home Team of America | 04/04/2024 04:55 PM

Agent Report



Addr: 1516 Burnet St
Status: **Active** Class: Commercial Improved Property
Area: 1100 Grid: 617C4 List Price: \$230,000
Int.St./Dir: Take I35 to New Braunfels St. Turn S on New Braunfels. Turn left on Burnet St.
City: San Antonio Zip: 78202-2409 AdSf: 3296
County: Bexar CAN#: 013600010060
Lease Only: No Avl. w/Lease: No \$: \$0
Legal: NCB 1360 BLK 1 LOT 6
Building Name: MCFARLAND LOVE & HOPE Zoning: MF-33
Buildings: 1 # Stories: 1
Units: 0 # Rentals: 0
Drive-In Doors: 0 Ceiling Height: 0
Total Parking: 5 Type: Other - See Remarks
Down Payment Resource

Income/Expense	Values	Estimated SqFt	Utility Suppliers
Gross Income:	\$0	Apartment:	Gas:
Annual Tax:		Retail:	Electric: CPS
Insurance:	\$0	Office:	Garbage: City
Gas & Electric:	\$0	Warehouse/Ind:	Water: SAWS
Water/Sewer:		Other:	Sewer: City
Waste Removal:	\$0	Net Leasable Area:	Other:
Maintenance:		Gross Building Area:	
Other Expense:		Office Price/SqFt:	
Net Operating Income:		Other Price/SqFt:	

Base Taxes	Financials	Taxes	
County: \$742.31	Preferred Title Co.: Texas Heritage Title Company	Existing Exmpt/Abatements: No	
City: \$1,454.87	PrTerms: Sale Only, Cash, Conventional		
School: \$3,244.57		Lot Size: 0.124	
Other: \$1,254.65		Lot Dimensions:	
Total: \$6,696.40			
Owner: MCFARLANDS LOVE	SC/\$: 2%	BC/\$: 2%	Owner LREA/LREB: No
List Agent: Stephen Luman	524602	(210) 389-6467	Bonus:
List Office: Home Team of America	HOMT00	(210) 490-8000	
Ph to Show: 2102222227	Lockbox Type: Combo	Showing Contact: ShowingTime	Agency Rsv:

Schedule a Showing

AgentRmrks: Property is being sold with the lot next to it, 1514 Burnet St. NCB 1360 Blk 1 lot 5. Send all offers to lumanstephen@yahoo.com. Call agent with any questions and showing instructions.

Remarks: Location.. Location... Location This is a unique development opportunity with endless possibilities, Commercial Mix-use zoning (MF-33) multi-Family with adjoining cleared vacant lot ready for your building project. Church has abundant open space with 2 offices, 2 bathrooms functioning water and electricity and Kitchen area. All sitting and appliances remain. Only a 4 minute drive into the heart of San Antonio Downtown district or a 10-minute bike ride. Located minutes from the pearl. This 1950 Church w... (text truncated for print)

Foundation:	Pier & Beam	Roof:	Composition
Heating:	Office Only	Rail Service:	No
Air Conditioning:	Office Only	Accessible/Adaptive:	No
Flood Plain:	None	Loading Facilities:	None
Construction:	Wood	Easements:	None
Restrictions:	None	Lot Description:	
Docs Avail:	Not Applicable	Other Structures:	
Amenities:	Security System, High Speed Internet		
Sale Includes:	Buildings, Land, Fixtures, Inventory		
Utilities:	Electricity, Water, Sewer		

Contingent Info:	DOM/CDOM: 20 / 99	Sold Price:
Contract Date:	Sale Trms:	SQFT/Acre:
Closing Date:	Sell Concess: -	Price per SQFT: \$69.78
Sell Ofc:	Selling Agent:	Source SQFT Acre:

All measurements, taxes, age, financial & school data are approximate and provided by other sources. Buyer should independently verify same before relying thereon.***Copyright 2024 by SAN ANTONIO BOARD OF REALTORS***

Prepared By: Stephen Luman | Home Team of America | 04/04/2024 04:56 PM



8207 Club Meadow Dr,
Converse, TX 78109
210.609.7959

Mcfarland9598@gmail.com

Estimate to Bring Building up to code.

Submitted To: McFarland's Love & Hope Center
Street Address: 1516 Burnet St
Person: Katina

Phone: (210)883-5458
City: San Antonio, TX 78202
Job Location: office

We hereby submit estimate for upgrades:

- | | |
|--|-------------|
| 1. Foundation | \$27,000.00 |
| • Leveling front structure, replace rotten beams, floor joists with new concrete pillars. | |
| 2. Plumbing | \$16,000.00 |
| • Run new water line and drainage to 3 restrooms and install water heater. | |
| 3. Interior Structure repairs and upgrades | \$22,500.00 |
| • Replace all damaged sheetrock, flooring, and ceiling grid. Upgrade kitchen and restrooms (to Code) | |
| 4. HVAC | \$16,000.00 |
| • Install 2 new 5-ton units w/ducking and vents in front building and replace a 2 ½ ton ac unit in back building with new ducking. | |
| 5. Exterior | \$8,500.00 |
| • Replace and repair damaged siding and paint. Add a skirt after leveling and plumbing have been completed. | |
| 6. Electrical | \$12,500.00 |
| • Upgrade electrical for new ac unit and interior and exterior lighting, plugs, and switches. | |

Estimated Total: \$102,500

Sincerely,
James R. McFarland
CEO/Owner



COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: **MCFARLANDS LOVE & HOPE CENTER, INC.**

Address: **1514 & 1516 Burnet St, San Antonio, TX 78202**

Phone: _____ E-mail: _____

Mobile: _____ Fax or Other: _____

Buyer: **CHR Development @ SA, LLC,**

Agent: Marco Ramirez

Address: **1014 N 12th Street, San Jose, CA 95112**

Phone: **(415)552-3504** E-mail: **marco@dhrqconcrete.com**

Mobile: _____ Fax or Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in **Bexar** County, Texas at **1514 Burnet St & 1516 Burnet St, San Antonio, TX 78202** (address) and that is legally described on the attached Exhibit _____ or as follows:
NCB 1360 BLK 1 LOT 5 and NCB 1360 BLK 1 LOT 6

- B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: **n/a**

Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

- | | | |
|--|----|-------------------|
| A. Cash portion payable by Buyer at closing | \$ | 198,500.00 |
| B. Sum of all financing described in Paragraph 4 | \$ | |
| C. Sales price (sum of 3A and 3B) | \$ | 198,500.00 |

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Commercial Contract - Improved Property concerning 1514 Burnet St & 1516 Burnet St, San Antonio, TX 78202**4. FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- ☐ A. **Third Party Financing:** One or more third party loans in the total amount of \$ n/a. This contract:
- ☐ (1) is not contingent upon Buyer obtaining third party financing.
- ☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).
- ☐ B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ n/a.
- ☐ C. **Seller Financing:** Buyer will deliver a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of \$ n/a.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$1,000.00 as earnest money with First American Title (title company) at 1001 Pat Booker Rd Ste 200, Universal City, TX, 78148 (address) Donetta Dobbs (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ zero with the title company to be made part of the earnest money on or before:
- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) n/a.
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:**A. Title Policy:**

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
- (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☒ (a) will not be amended or deleted from the title policy.
- ☐ (b) will be amended to read "shortages in areas" at the expense of ☐ Buyer ☐ Seller.
- (3) Within 15 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

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- ☒ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer zero (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, ☐ Seller ☐ Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 30 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 30 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party _____ (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- ☐ (1) Within _____ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- ☒ (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 3 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate

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this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

- A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: n/a

- B. Feasibility Period: Buyer may terminate this contract for any reason within 5 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

- ☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

- ☐ (b) Not later than 3 days after the effective date, Buyer must pay \$ zero as independent consideration for Buyer's right to terminate by tendering such amount to the title company. Buyer authorizes escrow agent to release and deliver the independent consideration to Seller at any time upon Seller's request without further notice to or consent from Buyer. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

- ☐ (2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single additional period of days by delivering \$zero to the title company as additional earnest money.

- (a) \$ zero of the additional earnest money will be retained by Seller as additional independent consideration for Buyer's unrestricted right to terminate, but will be credited to the sales price only upon closing of the sale. If Buyer terminates under this Paragraph 7B, the additional earnest money will be refunded to Buyer and Seller will retain the additional independent consideration.

- (b) Buyer authorizes escrow agent to release and deliver to Seller the following at any time upon Seller's request without further notice to or consent from Buyer:

(i) The additional independent consideration.

(ii) (Check no boxes or only one box.)

☐ all or ☐ \$ zero of the remaining portion of the additional earnest money, which will be refunded to Buyer if Buyer terminates under this Paragraph 7B or if Seller defaults under this contract.

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If no dollar amount is stated in this Paragraph 7B(2) as additional earnest money or as additional independent consideration, or if Buyer fails to timely deliver the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
- (2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.
- (3) Buyer must:
 - (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
- (4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 5 days after the effective date, Seller will deliver to Buyer the following to the extent in Seller's possession: *(Check all that apply.)*
 - ☐ (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
 - ☐ (b) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - ☒ (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
 - ☒ (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - ☒ (e) copies of all current service, utility, maintenance, and management agreements relating to the ownership and operation of the Property;
 - ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider;
 - ☐ (g) copies of all current warranties and guaranties relating to all or part of the Property;
 - ☐ (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
 - ☒ (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
 - ☐ (j) a copy of the "as-built" plans and specifications and plat of the Property;
 - ☐ (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
 - ☐ (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
 - ☐ (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;

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- ☐ (n) real and personal property tax statements for the Property for the previous 2 calendar years;
- ☐ (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- ☐ (p) _____

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- ☐ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☒ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- ☐ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any non-occupancy of the leased premises by a tenant;
- (4) any advance sums paid by a tenant under any lease;
- (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ n/a by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TXR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

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A. The brokers to this sale are:

Principal Broker: Re/Max CorridorCooperating Broker: Jadestone Real EstateAgent: Yolanda HolmesAgent: Laura CisnerosAddress: 17156 IH 35 NAddress: 179 Marlena DrSchertz, TX 78145San Antonio, TX 78213Phone & Fax: (210)659-6700Phone & Fax: (210)833-8029E-mail: yholmes@remax.netE-mail: lauracisneros.realestate@gmail.comLicense No.: 589571License No.: 721844

Principal Broker: (Check only one box)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- ☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

- ☒ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:

☒ 3 % of the sales price.

Cooperating Broker a total cash fee of:

☒ 3.000 % of the sales price.

The cash fees will be paid in Bexar or Guadalupe County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

- (1) ☐ _____ days after the expiration of the feasibility period.

☒ April 18, 2023 (specific date).

- (2) 7 days after objections made under Paragraph 6D have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

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- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ☒ general ☐ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
 - (3) an assignment of all leases to or on the Property;
 - (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) service, utility, maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
 - (5) a rent roll current on the day of the closing certified by Seller as true and correct;
 - (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
 - (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

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12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed and any bill of sale;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation fees of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee; and
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

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- C. **Rent and Security Deposits:** At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)

☐ enforce specific performance, or seek such other relief as may be provided by law.

- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

- A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

- B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

- 17. ATTORNEY'S FEES:** If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

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Commercial Contract - Improved Property concerning

1514 Burnet St & 1516 Burnet St, San Antonio, TX 78202**18. ESCROW:**

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☒ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).
- ☐ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;

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- (10) any material physical defects in the improvements on the Property; or
 (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, sent by a national or regional overnight delivery service that provides a delivery receipt, or sent by confirmed facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☐ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby. All individuals signing represent that they have the authority to sign on behalf of and bind the party for whom they are signing.

B. This contract contains the entire agreement of the parties and may not be changed except in writing.

C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: (Check all that apply.)

- ☐ (1) Property Description Exhibit identified in Paragraph 2;
☐ (2) Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946);
☐ (3) Commercial Contract Financing Addendum (TXR-1931);
☒ (4) Commercial Property Condition Statement (TXR-1408);
☐ (5) Commercial Contract Addendum for Special Provisions (TXR-1940);
☐ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906);
☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
☐ (8) Addendum for Coastal Area Property (TXR-1915);
☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
☒ (10) Information About Brokerage Services (TXR-2501);
☐ (11) Information About Mineral Clauses in Contract Forms (TXR-2509);
☐ (12) Notice of Obligation to Pay Improvement District Assessment (TXR-1955, PID);
☐ (13) _____

(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)

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and Buyer

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- E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or federal reserve bank holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or federal reserve bank holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TXR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract (*the Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906) may be used*).

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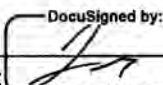
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- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- J. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, Seller is required by §5.014, Property Code to give Buyer a written notice concerning the obligation to pay assessments. The form of the required notice is available as a part of the Notice of Obligation to Pay Improvement District Assessment (TXR-1955).
- K. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: n/a

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on March 30, 2023, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: MCFARLANDS LOVE & HOPE CENTER, INC.Buyer: CHR Development @ SA, LLC.

By: 
 By (signature): James McFarland
 Printed Name: James McFarland
 Title: _____

Agent: Marco Ramirez

By: Marco Ramirez 03/30/2023
 By (signature): _____
 Printed Name: Marco Ramirez
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

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1514 Burnet St & 1516 Burnet St, San Antonio, TX 78202**AGREEMENT BETWEEN BROKERS**

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay Jadestone Real Estate (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or
☒ 3.000 % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____

Cooperating Broker: Jadestone Real Estate

By: _____

By: Laura Cisneros 03/30/2023
 Laura Cisneros, Realtor

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: none at this time

Address: _____

Address: _____

Phone & Fax: _____

Phone & Fax: _____

E-mail: _____

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☒ A. the contract on this day March 30, 2023 (effective date);
☒ B. earnest money in the amount of \$ 1,100.00 in the form of Co. check 863763
 on 3/31/2023.

Title company: First American Title

6032 FM 3009 Suite 100
 Address: ~~XXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXX~~ Schertz, TX 78154
 Phone & Fax: (210) 775-7800 (866) 412-8041

By: J. SkinnerE-mail: japate@firstam.com

Assigned file number (GF#): _____