

ORDINANCE

CONSENTING TO THE ASSIGNMENT OF THE CHAPTER 380 ECONOMIC DEVELOPMENT LOAN AGREEMENT FOR THE PEANUT FACTORY LOFTS PROJECT AT 939 S. FRIO STREET FROM 939 S. FRIO STREET, LLC TO SAN ANTONIO MULTIFAMILY 74 DST.

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WHEREAS, The City of San Antonio (“City”) and South Frio Development, LLC entered in that certain Chapter 380 Economic Development Loan Agreement of the City of San Antonio dated January 3, 2013, and later amended by that certain First Amendment to the Loan Agreement between the City and Developer (the “380 Agreement”, attached hereto as Exhibit A), for the development of the Peanut Factory Project (the “Project”).

WHEREAS, Developer was the General Partner of Peanut Factory Lofts, LTD, a Texas limited partnership (“PFL”). PFL was the original developer and a previous owner of the Project.

WHEREAS, PFL sold and conveyed the Project to Assignor by Special Warranty Deed dated effective as of December 15, 2016, duly recorded as Document No. 20160246898, in the Official Public Records of Bexar County, Texas.

WHEREAS, The City approved the assignment of the 380 Agreement from Developer to 939 S. Frio Street, LLC, a Texas limited liability company (“Assignor”) in that certain Assignment and Assumption of Certain Rights Under Chapter 380 Economic Development Loan Agreement of the City of San Antonio dated December 1, 2016 The City additionally passed Ordinance No 2016-12-01-0915 approving the assignment per requirements of the 380 Agreement.

WHEREAS, Assignor has entered into that certain Purchase and Sale Agreement with Assignee’s Predecessor-in-Interest, Cove Capital Investments, LLC, a California limited liability company, dated effective as of April 18 2024, as subsequently amended and restated (“PSA”), whereby Assignor intends to convey its ownership interest in the Project to SAN ANTONIO MULTIFAMILY 74 DST, A Delaware statutory trust (“Assignee”) as successor-in-interest to Cove Capital Investments, LLC.

WHEREAS, Pursuant to the PSA, the assignment of Assignor’s rights in the 380 Agreement is a condition precedent to Assignee’s obligation to purchase the Project.

WHEREAS, Section 22 of the 380 Agreement provides for such assignment with the written consent of the City and the passage of a City ordinance approving such assignment.

WHEREAS, The Assignor requests to assign the 380 Agreement to Assignee no later than the closing date in the PSA or another date agreed to by the Assignee under a post-closing agreement under the terms provided herein.

NOW THEREFORE:

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

SECTION 1. The City consents to the Assignment of the Chapter 380 Economic Development Loan Agreement for the Peanut Factory Lofts project at 939 S. Frio Street from 939 S. Frio Street, LLC to San Antonio Multifamily 74 DST.

SECTION 2. The City Manager or his designee is authorized to execute this Agreement, which has been incorporated into this Ordinance for all purposes.

SECTION 3. This Ordinance is effective immediately upon passage by eight affirmative votes; otherwise, it is effective on the tenth day after passage.

PASSED AND APPROVED this ____ day of August, 2024.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

Exhibit A

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