

**NOTICE OF MEETING
CITY OF SOUTH PADRE ISLAND
PLANNING AND ZONING COMMISSION**

NOTE: One or more members of the City of South Padre Island City Council may attend this meeting; if so, this statement satisfies the requirements of the OPEN MEETINGS ACT.

NOTICE IS HEREBY GIVEN THAT THE PLANNING AND ZONING COMMISSION OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, WILL HOLD A REGULAR MEETING ON:

THURSDAY, JUNE 16, 2016
3:00 P.M. AT THE MUNICIPAL BUILDING,
CITY COUNCIL CHAMBERS, 2ND FLOOR
4601 PADRE BOULEVARD, SOUTH PADRE ISLAND, TEXAS

1. Call to Order.
2. Pledge of Allegiance.
3. **Public Comments and Announcements:** *This is an opportunity for citizens to speak to Commissioners relating to agenda or non-agenda items. Speakers are required to address Commissioners at the podium and give their name before addressing their concerns. [Note: State law will not permit the Planning and Zoning Commission to discuss debate or consider items that are not on the agenda. Citizen Comments may be referred to City Staff or may be placed on the agenda of a future Planning and Zoning Commission meeting]*
4. Approval of the May 19, 2016 regular meeting minutes.
5. Public Hearing regarding a Specific Use Permit as a 'Substance Abuse Treatment Facility' for 5508 Padre Boulevard (Lot 1, Block 179).
6. Discussion and action regarding a Specific Use Permit as a 'Substance Abuse Treatment Facility' for 5508 Padre Boulevard (Lot 1, Block 179).
7. Adjournment.

DATED THIS THE 10TH DAY OF JUNE 2016



Susan Hill, City Secretary

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFIED THAT THE ABOVE NOTICE OF MEETING OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF SOUTH PADRE ISLAND, TEXAS IS A TRUE AND CORRENT COPY OF SAID NOTICE AND THAT I POSTED A TRUE AND CORRECT COPY OF SAID NOTICE ON THE BULLETIN BOARD AT CITY HALL/MUNICIPAL BUILDING ON **JUNE 10, 2016** AT/OR BEFORE **3:00 P.M.** AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.





Susan Hill, City Secretary

THIS FACILITY IS WHEELCHAIR ACCESSIBLE, AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT BUILDING OFFICIAL, JAY MITCHIM: ADA DESIGNATED RESPONSIBLE PARTY AT (956)761-8103

**PLANNING AND ZONING COMMISSION
MEETING MINUTES
MAY 19, 2016**

1. Call to Order.

Patrick McNulty called the meeting to order at 3:00 p.m. in the City Council Chambers on the Second Floor of the Municipal Complex Building: 4601 Padre Boulevard and declared a quorum of members present. Commission members in attendance were: Patrick McNulty, Gary Olle, Chris Huffman, Art Teniente, and Kimberly Dollar. Members with an excused absence were Robert Bujanos and Beth Vance. Staff members present were Development Director, Sungman Kim and Marta Martinez. Also present was Mayor Patel.

2. Pledge of Allegiance.

Mr. McNulty led those present in the Pledge of Allegiance.

3. Public Comments and Announcements.

None.

4. Approval of the April 21, 2016 regular meeting minutes.

Mr. McNulty announced the item from the agenda and asked the Commission members if they had any corrections to the April 21, 2016 regular meeting minutes. Ms. Dollar made a motion to approve as submitted. Mr. Teniente seconded the motion. The motion carried unanimously.

5. Discussion and action regarding the proposed replat of "Lot 13 Block 195 Fiesta Isles Subdivision" to split the land into "Lots 13A & 13B".

Mr. McNulty announced the item from the agenda and asked for a staff report. Dr. Kim gave a brief summary regarding the proposed replat of Lot 13 Block 195.

Mr. McNulty then opened it up for discussion by the Commission. Mr. Olle made a motion to approve as submitted. Mr. Huffman seconded the motion. The motion carried unanimously.

6. Discussion and action regarding the proposed replat of "Lots 1-4 and 33-36, Block 128, Padre Beach Section IX Subdivision" to merge the lands into "Lot 1A".

Mr. McNulty announced the item from the agenda and asked for a staff report. Dr. Kim gave a brief summary regarding the proposed replat of Lots 1-4 and 33-36 Block 128.

Mr. McNulty then opened it up for discussion by the Commission. Mr. Olle made a motion to approve as submitted. Ms. Dollar seconded the motion. The motion carried unanimously.

7. Discussion and action regarding a Specific Use Permit as a 'Substance Abuse Treatment Facility' for 5508 Padre Boulevard (Lot 1 Block 179).

Planning and Zoning Commission Minutes
May 19, 2016
Page 2 of 2

Mr. excused himself from participating on this agenda item.

Mr. McNulty announced the item from the agenda and asked for a staff report. Dr. Kim gave a brief summary regarding a Specific Use Permit for a proposed 'Substance Abuse Treatment Facility' to be located at 5508 Padre Boulevard.

Mr. McNulty then asked if anyone from the public wish to speak in favor and/or in opposition regarding this agenda item. Jackie Chandra with Casa Bella Inn made a comment/statement, John & Cate Williams, Valentine & Yolanda Lopez, Janet Reece, Richard and Dolores Gehrman, all from Parklane, and Griffin Mangan, from 5505 Padre Blvd spoke in opposition of this agenda item.

Mr. McNulty then opened it up for discussion by the Commission. The Commissioners expressed their comments/concerns regarding this matter. After much discussion Mr. McNulty made a motion to table this agenda item until next regular meeting to allow applicants to submit further information to staff. Ms. Dollar seconded the motion. The motion carried unanimously.

8. Adjournment

Since the Commission had no further business to discuss, Mr. McNulty adjourned the meeting at 4:03 p.m.

Marta Martinez, Secretary

Patrick McNulty, Chairman

**PLANNING & ZONING COMMISSION
AGENDA REQUEST FORM**

MEETING DATE: June 16, 2016

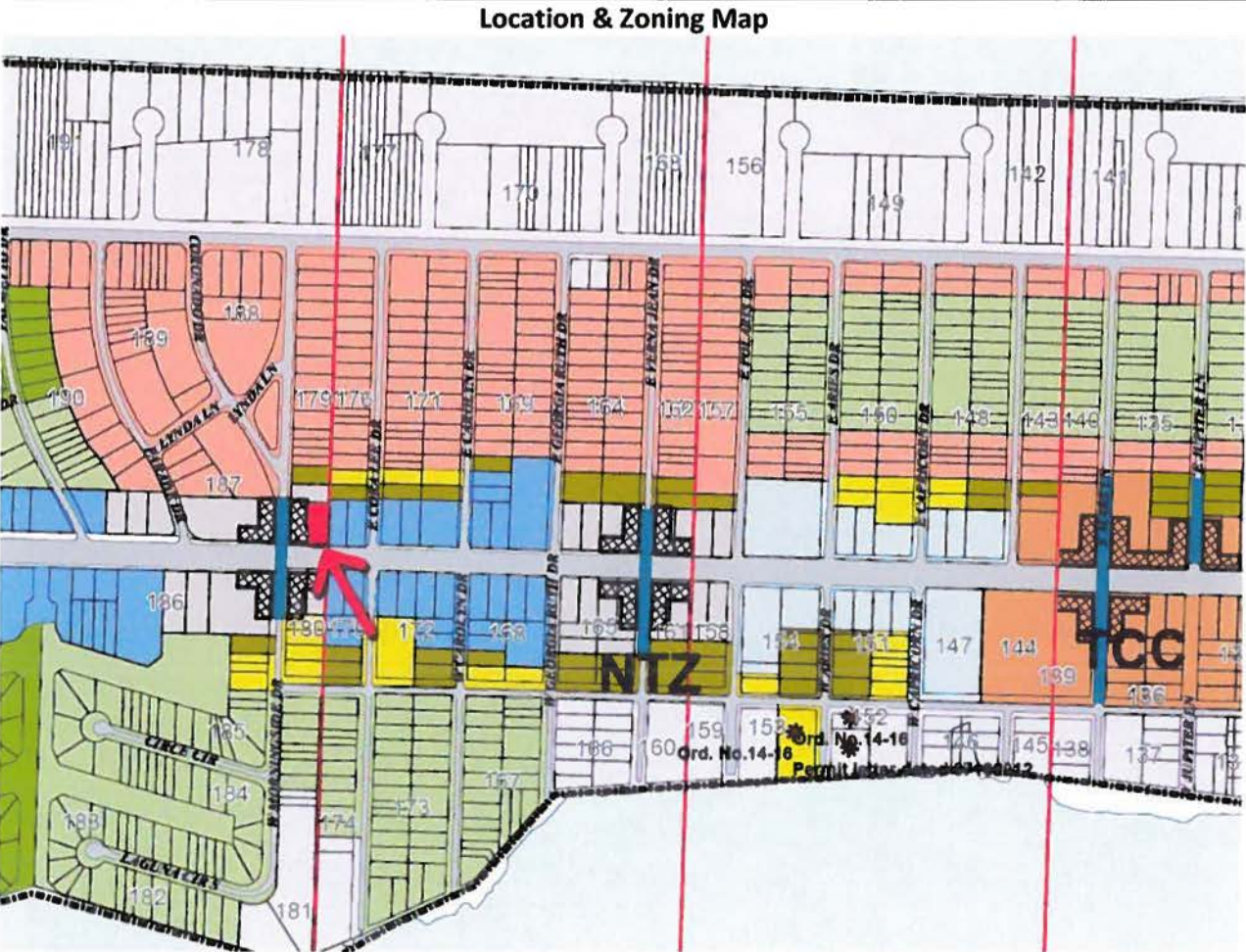
ITEM: 5+6

SPONSOR / ORIGINATOR: Outcomes Detox Center

ITEM DESCRIPTION:

Discussion and action regarding a Specific Use Permit as a 'Substance Abuse Treatment Facility' for 5508 Padre Boulevard (Lot 1, Block 179).

DISCUSSION:



The Request: The Outcomes Detox Center would like to use the property as a Substance Abuse Treatment Facility.

Consistency with the Comprehensive Plan:

The Comprehensive Plan Chapter VI. Economic Development generally justifies expansion of local businesses.

Policy 1.1.4: The City shall become one of the most business-friendly cities in the United States.
Strategy 1.1.4.2: Tough restrictions on local business expansion should be removed.
Strategy 1.1.4.3: The City should establish programs encouraging and investing in local workforces

**PLANNING & ZONING COMMISSION
AGENDA REQUEST FORM**

On the other hand, the City needs to balance the supply of land uses and ways to control this trends shall be seek by refining Section 20 Zoning of the City’s Code of Ordinance.

Related Zoning Regulations:

The lot has been designated as “NC (Neighborhood Crossing)” District.

Table 5.1 Schedule of Uses (Land Use) of Padre Boulevard and Entertainment District Code specifies that “nursing, supervision, and other rehabilitation services including substance abuse clinics” may be authorized through the Specific Use Permit process that meets standards in Chapter 20-24 of the City Code of Ordinances.

Sec.20-24 Specific Use Permits, as follows:

(A) Purpose and Intent

- (1) The City Council of the City of South Padre Island, Texas, after a public hearing and proper notice to all parties affected and after recommendations by the Planning & Zoning Commission may authorize the issuance of Specific Use Permits.
- (2) The purpose and intent of a Specific Use Permit is to authorize and regulate a use not normally permitted in a district which could be of benefit in a particular case to the general welfare, provided adequate development standards and safeguards are established for such use during the review of a Specific Use Permit application.

(B) Procedure

- (1) The Planning & Zoning Commission in considering and determining its recommendations to the City Council on any request for a Specific Use Permit may require from the applicant plans, information, operating data, and expert evaluation concerning the location, function, and design characteristics of any building or use proposed.
- (2) The City Council may, in the interest of the public welfare and to insure compliance with this ordinance, establish conditions of operation, location, arrangement, and type and manner of construction of any use for which a permit is authorized. In authorizing the location of any of the uses listed as specific use permits, the City Council may impose such development standards and safeguards as the conditions and locations indicate important to the welfare and protection of adjacent property from noise, vibration, dust, dirt, smoke, fumes, gas, odor, explosion, glare, offensive view, traffic, or other undesirable or hazardous conditions.
- (3) All Specific Use Permit approved in accordance with the provisions of this ordinance in its original form or as hereafter amended shall be referenced on the Zoning Map.

Permit & Market Status:

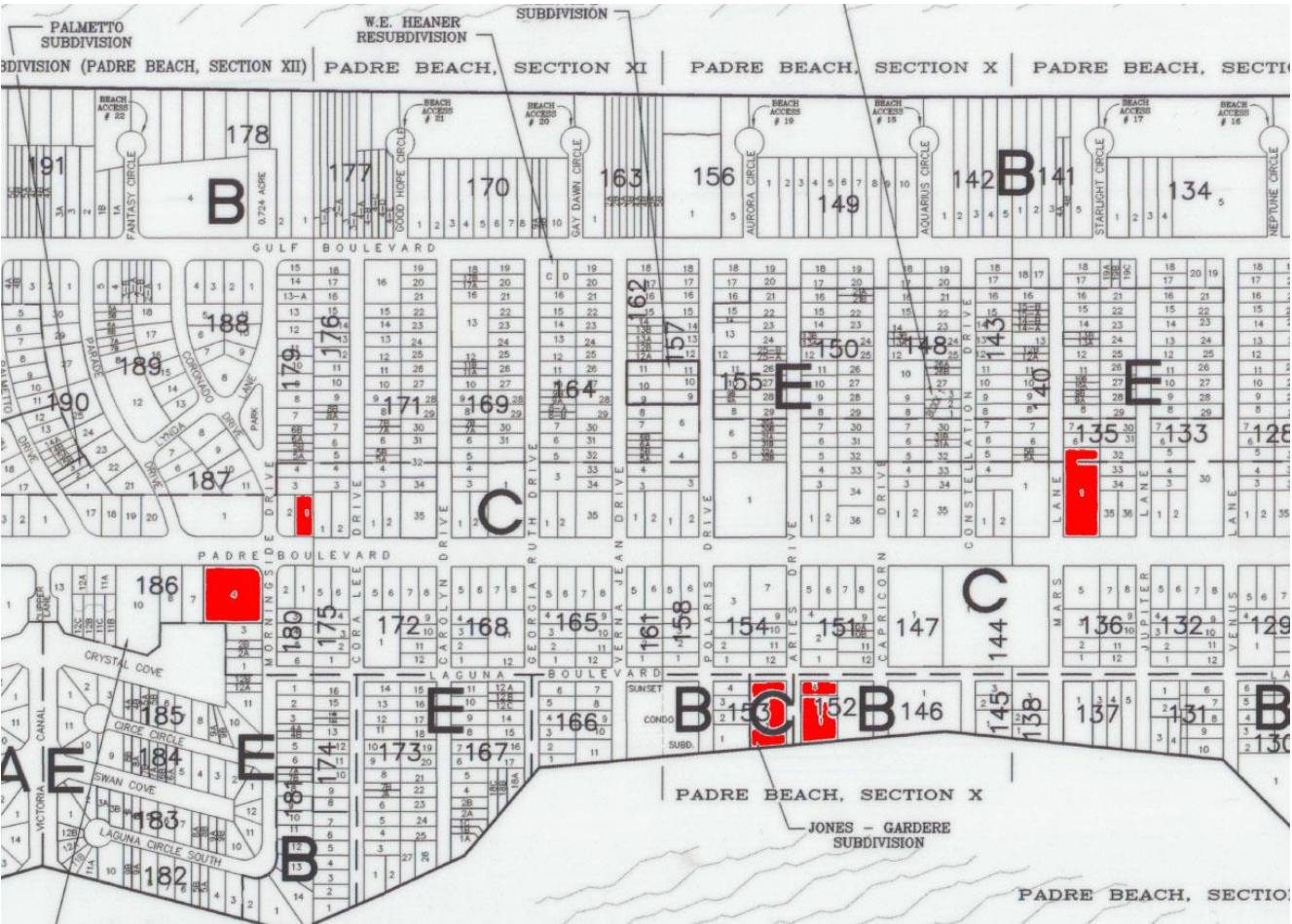
There is a building (Casa Bella Hotel) with the same permit (for a substance abuse treatment facility) just across the road and it is available for the business and yet not been utilized for. Also, the Origins demolished Scampi’s building and there has not been any construction work since then.

Staff questioned the applicant if he/she can work with Casa Bella Hotel rather than applying for a new specific use permit, and found that it did not work out for the applicant.

**PLANNING & ZONING COMMISSION
AGENDA REQUEST FORM**

The City’s specific use permit runs through the site specific (since it requires some conditions with site modifications) and does not expire. As Dr. Jorge R. Guevara commented on this letter dated May 10, 2016, the City may need to amend Sec.20-24(B)(3) to provide conditions for and dates of the permit expiration.

	Living Area	Lot Area	Beds	MISC
206 Aries	0.0	28,314.0	60	Vacant (to be 4-story bldg.)
207 Aries	3,630.0	21,113.5	40	The Origins for Women
201 Aries	2,644.0	6,250.9		Office
4610 Padre	12,070.0	38,315.4	40	The Origins for Men
5601 Padre	21,706.0	39,922.9		Casa Bella Hotel
5508 Padre	<u>1,982.03,964.0</u>	8,886.2	20	The Subject Site



It is noted that the building on the subject site provides the smallest living space for the use of a substance abuse treatment facility. The use of 201 Aries for the Origins has been for offices and operated in conjunction with the use of 207 Aries. The use of 206 Aries was to join the size with both 201 and 207 Aries.

PLANNING & ZONING COMMISSION AGENDA REQUEST FORM

On the other hand, it is also noted, according to the letter from Dr. Guevara dated May 10, 2016, that the building at 5508 Padre Blvd satisfies the DSHS (Texas Dept. of State Health Services) requirements to house a small, treatment center. At his letter dated May 31, 2016, Dr. Guevara clarified that the use will occupy both the 1st and 2nd floors, and the occupied living area for this application would be 3,964 square feet rather than 1,982 square feet previously understood.

Compatibility Analysis:

The site is small and surrounded by non-residential uses. Concerns are raised since the site is located between places that sales alcoholic beverages and firearms. However, residential buildings exist within 100 feet from the property lines and conflicts with them may exist. Therefore, safety assurance should be established to protect both the patients and current residents. (The City has, under Fair Housing Act, responsibilities to protect not only the patients but also the residents.)

Direction	Zone	Current Use
North	Neighborhood Crossing	Kelly’s Restaurant (<u>alcoholic beverage sales</u>)
East	Neighborhood Crossing	Laguna Madre Water Mgt. District
South	Padre Blvd. North	Treasure Trove Resale Shop (<u>firearm sales</u>)
West	Neighborhood Crossing	Vacant Lot

Impact Analysis:

1. Uses Proposed
Interior plans include a nursing office/treatment room, counselling area, living area, dining area, reception area, and client housing rooms (which will contain approximately 20 beds).
2. Parking
14 parking spaces will be provided, which is more than what 6.4.3 of PBEDC requires (min. 1 space / 500 sq. ft. for non-residential uses)
3. Noise
Noise issues may not be a problem since the site is surrounded by non-residential properties.
4. Kitchen Odors
There is no intent to build an industrial grade kitchen on site. All meals for the facility clients will be prepared off site and will be catered in.
5. Safety
For the use of substance abuse treatment facilities, neighbors particularly concern about safety issues. These issues, whether factual or not, need to be addressed. In the past, to minimize potential interactions with neighbors, staff recommended a campus-style development with fences.

STAFF RECOMMENDATIONS / COMMENTS:

**PLANNING & ZONING COMMISSION
AGENDA REQUEST FORM**

Staff recommends the Commission approve the Specific Use Permit for Outcomes Detox Center to utilize the subject properties for a Substance Abuse Treatment Facility with the following conditions. The conditions are formulated to be sure that the patients are those who protected by FHA and ADA:

1. The proposed intensity shall be kept and maintained as a 2-story building with maximum 20 beds licensed by Texas Department of State Health Services (TX DSHS);
2. The business shall not operate an outpatient methadone dispensary/clinic, or any variation thereof;
- ~~2.3.~~ All routine medical treatment shall be performed within the site or appropriate medical facilities only;
- ~~3.4.~~ The applicant shall operate a Substance Abuse Treatment Facility that only allows voluntary entry by persons, and such entry shall only be allowed after the applicant has used commercially reasonable efforts to administer their screening program to avoid entry by persons having a violent criminal history¹. It shall be a violation of this permit if the Substance Abuse Treatment Facility allows entry by any person (1) as part of a criminal justice program, such as pretrial diversion; and/or (2) pursuant to a Court order;
- ~~4.5.~~ While meeting TX DSHS staffing ratio requirements, 24 hour onsite client supervision shall be provided and the existing wall/fence shall be maintained for security purposes;
- ~~5.6.~~ The applicant agrees that it is an express condition of this Specific Use Permit that the applicant must maintain a Substance Abuse Treatment Facility License; and
- ~~6.7.~~ Both the lot (Lot 1, Block 179) and the operator (Outcomes Detox Center) shall be the necessary condition for this Specific Use Permit and this permit is not transferable.

If the above is approved the approved recommendation will be sent to the City Council for review at their ~~June 15~~ July 20th regular meeting.

COMMISSION ACTION:

MOTION: _____

BY: _____ SECOND BY: _____

McNulty	Huffman	Vance	Dollar	Bujanos	Teniente	Olle
Yes	Yes	Yes	Yes	Yes	Yes	Yes
No	No	No	No	No	No	No
Abstain	Abstain	Abstain	Abstain	Abstain	Abstain	Abstain

¹ Anyone who voluntarily join the program and can control oneself should be considered as a person with disability protected by the Fair Housing Act.

Marta Martinez

From: Dr. Sungman Kim
Sent: Thursday, May 12, 2016 4:01 PM
To: Marta Martinez
Subject: Fwd: Outcome Detox Center-Specific Use Request

For file.

Sent from my Verizon Wireless 4G LTE smartphone

Dr. Sungman Kim | Director of Development
PhD, MBA, MLA, AICP, ASLA/PLA, GISP, SPHR, SHRM-SCP
City of South Padre Island
4601 Padre Blvd. South Padre Island, Texas 78597
Office: 956-761-8113 | Cell: 956-407-2003 | Fax: 956-761-3898
E-mail: SKim@MySPI.org www.MySPI.org



The information transmitted, including attachments, is intended only for the person(s) or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and destroy any copies of this information.

----- Original message -----

From: Paula Weeks <paulabweeks@yahoo.com>
Date: 05/12/2016 1:21 PM (GMT-06:00)
To: "Dr. Sungman Kim" <SKim@MySPI.org>
Subject: Outcome Detox Center-Specific Use Request

Hello Mr. Kim,

My name is Paula Weeks and I own a condominium at Parklane 1 unit 201. I am respectfully requesting that the Outcome Detox Center not be allowed to open at the requested site. I feel that having this center across Kelly's PUB will only entice the occupants of this center to patronize and it will defeat the purpose for their rehabilitation. I believe that the occupants of this center will be more successful if they are in a place away from where so much drinking and partying takes place--like the Island. By placing them at close proximity to a bar not only will it be detrimental to their success, but put many of the owners at risk because these people may try to break into their units and steal so they can obtain money for more drugs. I ask that you deny this request.

Thank you,

Paula B. Weeks 😊

May 12, 2016

Peter A. Tabert
Noreen Tabert
111 East Morningside Dr. # 202
South Padre Island, TX 78597

Attn: Sungman Kim

Development Director

I object and request that the application for Specific Use Permit located at Lot 1 Block 179 , Fiesta Isles Subdivision, Section XII will denied to operate Substance Abuse Facility.

I live nearly next door to this location and my family vacations there. This facility would be changing the character and destination of this neighborhood. There are many other locations for Substance Abuse Facility purpose more fitting in the nature and design of the neighborhood.

Please do not allow family atmosphere be destroyed by inappropriate location of Substance Abuse Facility.

Thank you so much,



Peter Tabert

Owner



May 2, 2016

NOTICE OF "SPECIFIC USE REQUEST"

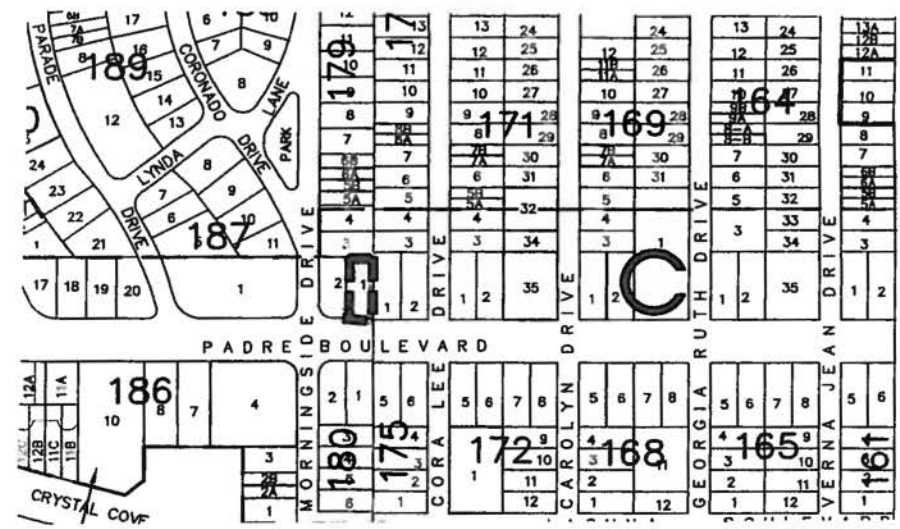
Dear Property Owner,

The City of South Padre Island received a request from Outcomes Detox Center for a proposed Specific Use Permit located at Lot 1 Block 179, Fiesta Isles Subdivision, Section XII to operate a Substance Abuse Facility. The subject property is located within the "NC" Neighborhood Crossing Character Zone.

The Planning and Zoning Commission for the City will conduct a meeting concerning this application on **Thursday, May 19, 2016 at 3:00 p.m.** in the City Council Chambers, on the Second Floor of the Municipal Complex Building located: **4601 Padre Boulevard**. Members of the public will be allowed to address this item at the meeting.

A copy of the proposed specific use is available for public review at the Development Department's Office, located at 4601 Padre Boulevard, South Padre Island, Texas 78597. Written comments can be sent to the South Padre Island Development Department's Office, 4601 Padre Boulevard, South Padre Island, Texas 78597, ATTN: Sungman Kim, Development Director or at Skim@MySPI.org. Written comments need to be received no later than 5:00 p.m. on May 18, 2016, for consideration by the Commission. All interested parties are invited to attend and be heard.

I protest the proposal



Development Department • 4601 Padre Boulevard • South Padre Island, Texas 78597

Office • 956.761.8113 • Fax 956.761.3898

Marta Martinez

From: Dr. Sungman Kim
Sent: Friday, June 03, 2016 8:41 AM
To: Marta Martinez
Subject: FW: condo owner at Padre Oasis

For file.

Dr. Sungman Kim | Director of Development
PhD, MBA, MLA, AICP, ASLA/PLA, GISP, SPHR, SHRM-SCP
City of South Padre Island
4601 Padre Blvd. South Padre Island, Texas 78597
Office: 956-761-8113 | Cell: 956-407-2003 | Fax: 956-761-3898
E-majl: SKim@MySPI.org www.MySPI.org



The information transmitted, including attachments, is intended only for the person(s) or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and destroy any copies of this information.

From: Chip Altholz [<mailto:getchip@interaccess.com>]
Sent: Friday, June 03, 2016 8:39 AM
To: Dr. Sungman Kim <SKim@MySPI.org>
Subject: condo owner at Padre Oasis

We would vote against having this facility in this location if we were given that opportunity.

MICHAEL J. CADDELL
Attorney at Law
5504 Padre Blvd.
South Padre Island, Texas 78597
Tel: 956-761-4557
Fax: 956-761-4560
Cell: 214-206-7720
June 4, 2016

City of South Padre Island
Development Department Office
ATTN: Sungman Kim
4601 Padre Blvd
South Padre Island, TX. 78597

Sir:

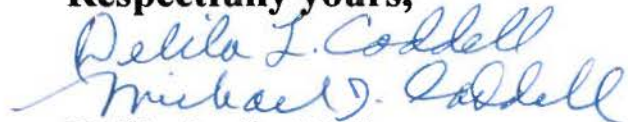
This is in response to the proposed zoning request of Outcomes Detox Center for a Substance Abuse Facility at Lot 1, Block 179, Fiesta Isles Subdivision, Section XII, otherwise known as the Polsky Boxing Gym, 5508 Padre Blvd, South Padre Island, Texas. As owners of the property south of and immediately adjacent to the proposed Detox Center, we are strongly opposed to the placement of this facility at this location. The reasons we are opposed to this facility are several:

- 1. There are at least three such facilities already in the City of South Padre Island, operated by "Origins Recovery of Texas, LLC" and there is absolutely no need for any additional such facilities here. For a city as small as South Padre Island, there could not possibly be any need for more than a single drug rehab/detox facility.**
- 2. The proposed facility is of a type that is completely outside the type of business currently operating in this neighborhood, those being retail stores, restaurants, taverns and residential rental properties.**

3. Our retail store (Treasure Trove Consignments), which would be next door to the proposed Outcomes facility, includes a Federally-licensed firearms sales business which obviously would be vulnerable to burglary and theft by drug addicts visiting and living at the Outcomes facility who are looking for quick cash to buy more drugs; guns being easy to sell for significant cash amounts.
4. There is no significant drug-abuse problem on South Padre Island and therefore absolutely no need for this facility here. Also, according to their website, Outcomes already has a facility in Brownsville, which should suffice to handle drug rehab cases from South Texas.
5. South Padre Island is primarily a resort/vacation/beach facility that advertises itself as "family-oriented". The addition of ANOTHER drug rehab/detox center to South Padre Island will be endangering that reputation and turning our Island City into a known major drug rehab center for South Texas, thereby destroying our family-oriented vacation status.
6. The real estate market on South Padre Island has been depressed for at least the last six years and seems destined to continue sliding downward. The addition of this type of business to our Island economy can do nothing to improve our reputation and will only add to the depression of real estate values on the Island.

For these reasons we are strongly opposed to this unneeded change in our zoning laws and this unwanted facility on South Padre Island.

Respectfully yours,



Delila L. Caddell

Michael J. Caddell

Owners, Treasure Trove Consignments
5504 Padre Blvd
South Padre Island, TX



May 31, 2016

City of South Padre Island
Dr. Sungman Kim/Director of Development
4601 Padre Blvd.
South Padre Island, TX 78597

Dear Dr. Kim –

This is in response to your latest requests for additional information. We received your second request on May 24, 2016. (Your original request for additional information was received on May 9, 2016 via email. We responded on May 10, 2016 via reply to your email.) Prior to our response to your second request, we received a third request for additional information on May 25, 2016.

It is important to understand as a preliminary matter, that Outcomes Detox Center adheres to the Texas Department of State Health Services Chapter 448 Substance Abuse Standards of Care Rules, as the governing authority under which it shall operate.

RESPONSE TO QUESTIONS FROM EMAIL DATED MAY 24:

The entire building (first and second floors) will be occupied and utilized by Outcomes Detox Center. A rough floor plan is attached. Please note, the purchase of this proposed facility has not yet been completed. Any final plan will comply with Chapter 448 and local building codes:.

- §448.1205 -
Sleeping areas shall have at least:
 - (1) 80 usable square feet per individual in single occupancy rooms;
 - (2) 60 usable square feet per individual in multiple occupancy rooms (or 50 square feet per individual if bunk beds are used

RESPONSE TO QUESTIONS FROM EMAIL DATED MAY 25:

Q 1: *Intake Procedures (including where patients will be recruited from)*

Prior to the client's arrival, an initial screening is performed to determine the suitability of the program for the client's needs. Upon arrival, and following a pre-determined workflow, a RN will perform the initial intake and nursing assessment, using standardized scoring tools such as CIWA-Ar and COWS to measure withdrawal symptoms. The RN will report findings to the MD and initiate orders, as instructed. The RN will initiate a nursing detox treatment plan to be followed up on and updated as needed.

Marketing strategy and plans are yet to be determined, but are proprietary in nature.

Q 2: *Assessment and Referral POA*



Outcomes Detox Center adheres to the statutory assessment practices outlined in §448.803. A counselor or counselor intern will conduct and document a comprehensive psychosocial assessment with the client admitted to the facility. The assessment will document information about the client's past and present status, resulting in a comprehensive diagnostic impression. The Texas Department of Insurance Admission Criteria is generally used as a guideline.

Q 3: Medical Assessment and Detox Procedures

Outcomes Detox Center adheres to statutory requirements where a comprehensive exam and health assessment will be performed by a physician, NP, or PA within 12 hours of admission. Standard protocols for admission and detoxification have been developed by the physician. However, the physician or designee will determine any needed deviations, based on the individual's needs.

Q 4: Generic Syllabus for Treatment Plan

Outcomes Detox Center adheres to the Treatment Planning, Implementation and Review guidelines as outlined in §448.804. The counselor and client work together to develop and implement an individualized, written treatment plan. The treatment plan includes goals, objectives, and strategies.

- (1) Goals are based on the client's problems/needs, strengths and preferences
- (2) Objectives are individualized, realistic, measurable, time specific, appropriate to the level of treatment, and clearly stated in behavioral terms
- (3) Strategies describe the type and frequency of the specific services and interventions needed to help the client achieve the identified goals and is appropriate to the level of intensity of the program

Q 5: Patient/Staff Ratio (for each shift)

Outcomes Detox Center adheres, at a minimum, to TX DSHS staffing ratio requirements as outlined in §448.901 Requirements Applicable to All Treatment Services, §448.902 Requirements Applicable to Detoxification Services, and §448.903 Requirements Applicable to Residential Services.

- Residential programs shall have at least one counselor on duty at least eight hours a day, six days a week
- Detoxification programs shall have a licensed vocational nurse or registered nurse on duty for at least eight hours every day and a physician or designee on call 24 hours a day
- Residential detoxification programs shall have a licensed vocational nurse or registered nurse on duty for at least eight hours every day and a physician or designee on call 24 hours a day
- In adult intensive residential programs, the direct care staff-to-client ratio shall be at least 1:16 when clients are awake and 1:32 during sleeping hours
- In intensive residential programs counselor caseloads shall not exceed ten clients for each counselor
- During day and evening hours, at least two staff shall be on duty for the first 12 clients, with one more staff on duty for each additional one to 16 clients.
- At night, at least one staff member with detoxification training shall be on duty for the first 12 clients with one more staff on duty for each additional one to 16 clients.



Q 6: Family Therapy and Visitation Strategy

Outcomes Detox Center understands the importance of family involvement, and will allow clients visitation with family and friends in a safe and controlled environment. Visitation hours and rules will be determined. Specific details of family events are also yet to be determined.

Q 7: Discharge Criteria

The Medical Doctor in collaboration with the QCC, and the patient, will determine when the client is in suitable condition to be discharged, or transferred to another level of care. The treatment plan identifies discharge criteria and includes initial plans for discharge. The Texas Department of Insurance criteria is used as a general guideline for determining when clients are appropriate for transfer or discharge, but individualized criteria is specifically developed for each client.

Q 8: Aftercare Plan

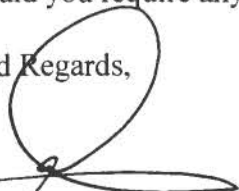
Outcomes Detox Center observes guidelines as set forth in §448.805 regarding discharge planning, coordination of aftercare, and following patient outcomes. Forms, policies and procedures are in place. A written discharge plan will be developed for each client to address their ongoing needs to sustain recovery, as well as addressing continuity of services. Additionally, with the client's consent, the facility shall contact each client no sooner than 60 days and no later than 90 days after discharge from the facility and will document the individual's current status or the reason the contact was unsuccessful.

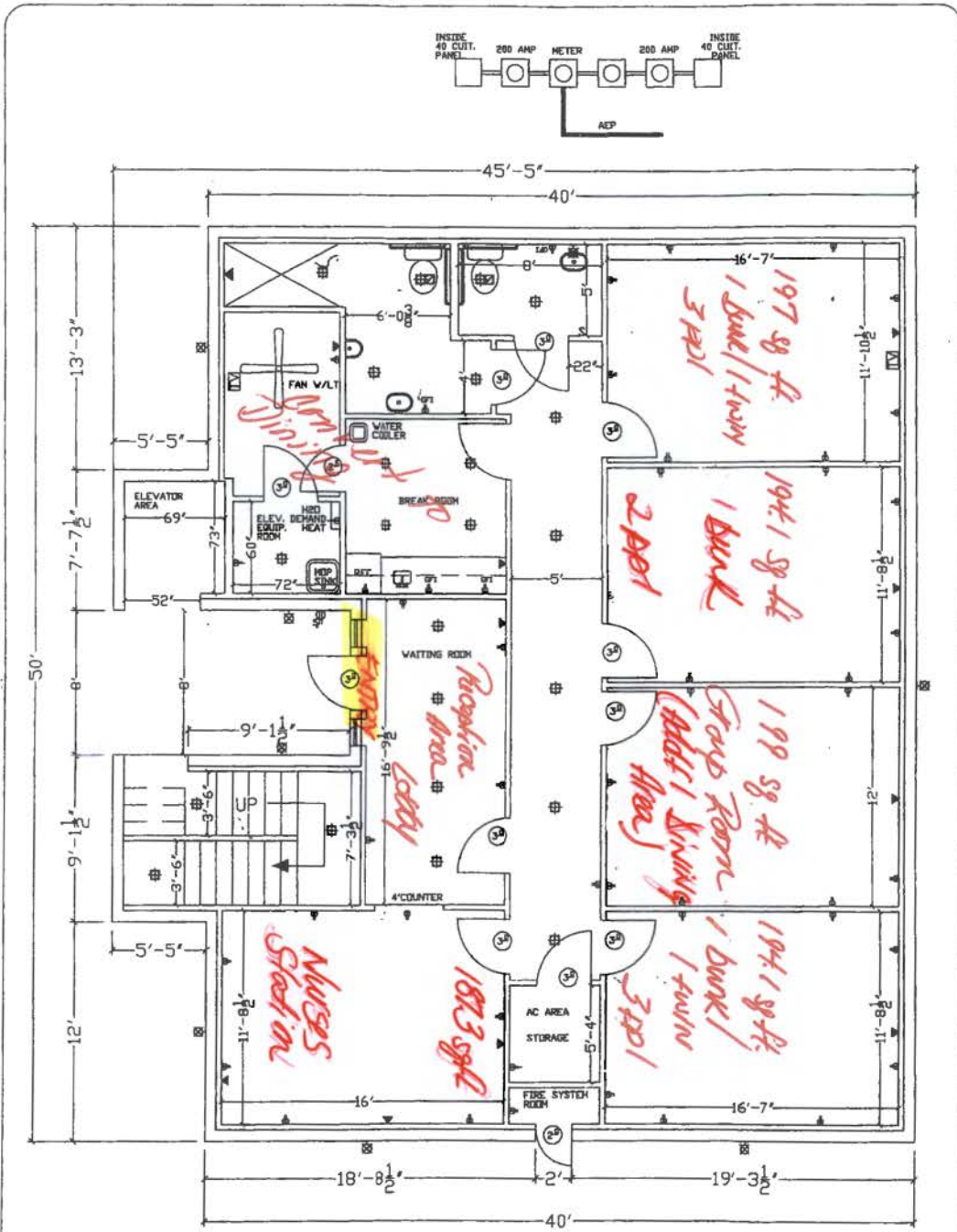
Q 9: Name of known staff, including but not limited to, Charge Nurses, Medical Director, Attending Physicians, etc.

At this early stage of the project, it is premature to hire staff. However, our facility adheres to the guidelines of SUBCHAPTER F. PERSONNEL PRACTICES AND DEVELOPMENT, which includes §448.601 Hiring Practices, and §448.603 Training. All licensed personnel's credentials will be verified with the credentialing authority to be in good standing and authorized to practice in the State of Texas. In addition, all staff will be required to complete the training requirements as specified in TAC §448.603, prior to assuming job duties, where required.

Should you require any additional information, feel free to contact me directly at (956) 466-1084.

Kind Regards,


Jorge R. Guevara, MD
Attachments
cc: Mundo Laguera



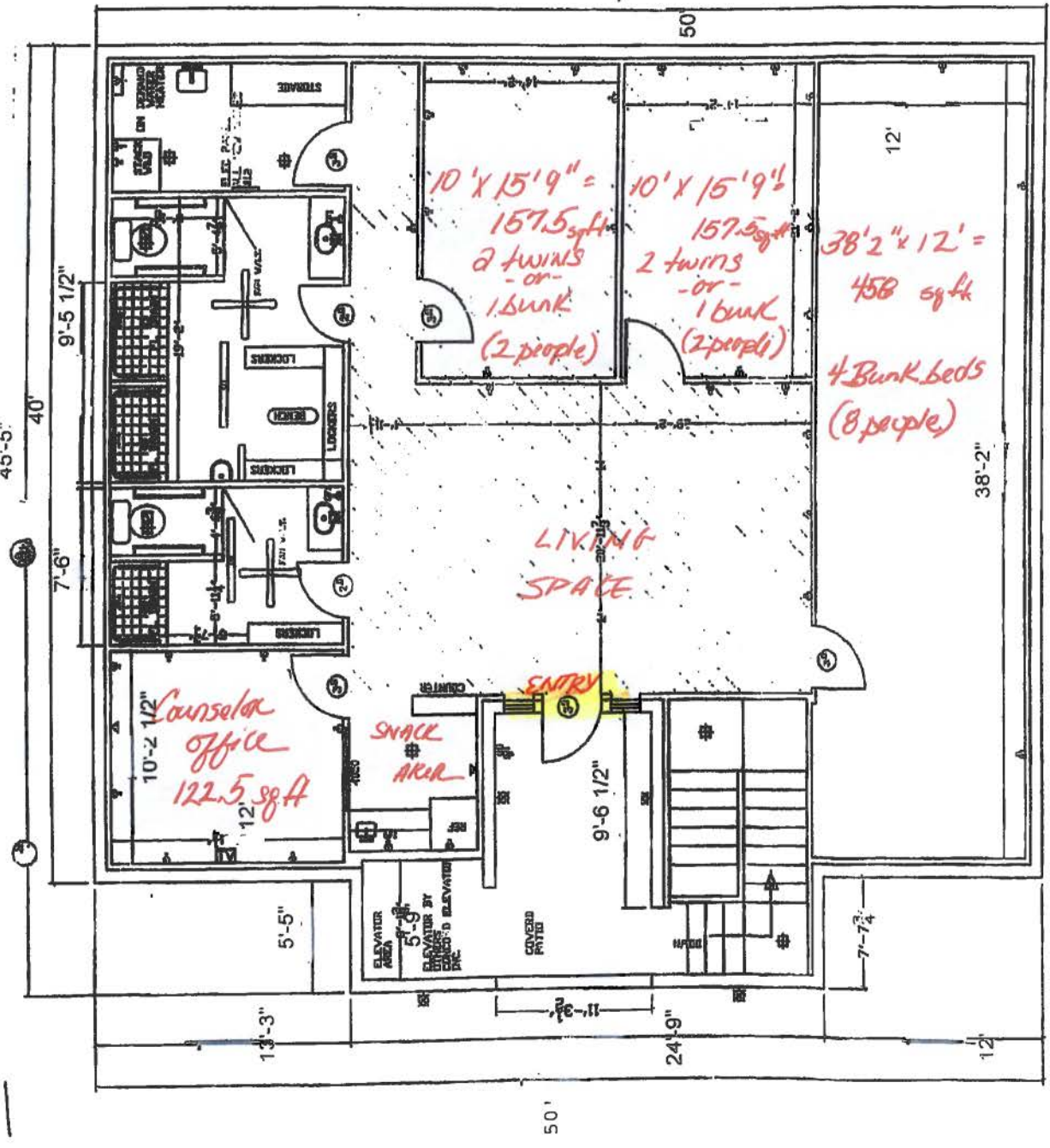
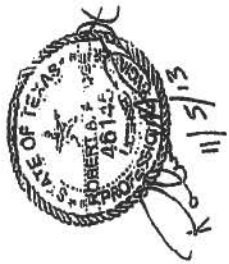
NOT DESIGN TO
 BE USED AS AN
 ENGINEER OR
 ARCHITECT
 DESIGN BY
 OWNER
 DATE:

LARRY POLSKY
 LOT 1 BLOCK 179 SECTION XII
 FIRST FLOOR

NO.	DESCRIPTION	DATE

SCALE: 1/4"=1'-0"
 SHEET 6
 2 OF 6

Second Floor Improvements
 Polsky Building
 5508 Padre Boulevard
 South Padre Island, Texas



Information from May 19, 2016 Meeting.



April 4, 2016

City of South Padre Island
Planning and Zoning Commission
4601 Padre Blvd
South Padre Island, TX 78597

RE: Request for Specific Use Permit

Members of the Zoning and Planning Commission:

This request is for a Specific Use Permit for the following property, zoned PBS XII:
5508 Padre Blvd
South Padre Island, TX 78597

The following items accompany this application:

- Specific Use Permit Application
- Check in the Amount of \$250.00
- Authorization Letter from the Property Owner (Larry Mark Polsky)
- Stamped/Sealed & Dated Survey
- SPI Zoning Map, Google Maps
- Commercial Contract Agreement between Mr. Polsky and JRG Real Estate

The intended use of this property is for a recovery/temporary housing facility.

The existing building at 5508 Padre Blvd, will require only minimal cosmetic changes to the exterior of the building. The plans for the interior consist of a simple build out with no structural modifications, resulting in no construction impact to surrounding residences and businesses.

All meals for the facility clients will be prepared off site and will be catered in. There is no intent to build an industrial grade kitchen on site. Interior plans include a nursing office/treatment room, counseling area, living area, dining area, reception area, and client housing rooms (which will contain approximately 20 beds). There is a restriction against personal vehicles for the facility clients. Parking will be used for staff, and visitors. The parking area can accommodate at least 14 vehicles, which is sufficient to our needs, with no impact to surrounding businesses or neighborhoods.



**CITY OF SOUTH PADRE ISLAND
ZONING APPLICATION**

\$1,000 Rezoning \$1,000 Planned Development District (PDD)
 \$250 Specific Use Permit (Sec. 20-24)

5508 Padre Blvd., South Padre Island, TX 78597
Property ID 108715
Geo ID: 67-1600-1790.00/0-00

SUBJECT PROPERTY: Lot(s) Lot 1
 Block(s) Block 179
 Section(s) / Subdivision Fiesta Isles Subdivision
 Intended Use of Property: Recovery Facility
 Zoning District(s): PBS XII

PROPERTY OWNER: Larry Mark Polsky ET AL

OWNER MAILING ADDRESS: 5508 Padre Blvd.

CITY, STATE, ZIP: South Padre Island, TX 78597

PHONE NUMBER: (956) 761-1529

FAX NUMBER: ()

EMAIL: _____

An authorization letter from the Property Owner will be required, if applicant is not the property owner.

APPLICANT (if different from Owner): Outcomes Detox Center

APPLICANT MAILING ADDRESS: 425 East Los Ebanos, Ste 100

CITY, STATE, ZIP: Brownsville, TX 78520

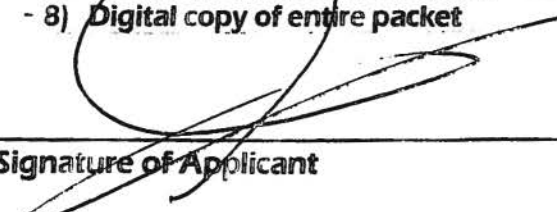
PHONE NUMBER: (956) 546-3116

FAX NUMBER: (956) 546-8793

EMAIL: spatton@madc.net

Include with this application:

- 1) Application fee
- 2) 10 copies of supporting document(s)
- 3) Stamped/sealed & dated survey
- 4) Proposed uses
- 5) Additional information (operating the time, functions, any expected impacts)
- 6) Location of any building proposed
- 7) Design (floor and section plan) of any building proposed (if available)
- 8) Digital copy of entire packet


Signature of Applicant

4/5/2016
Date



**LARRY MARK POLSKY, ESQ.
TRIAL LAWYER**

5508 Padre Blvd., Suite A • South Padre Island, TX 78597
Office: (956) 761-1LAW • Fax: (956) 761-1599
mossad1947@ibcglobal.net

LICENSED:
Texas
Florida
Hawaii
District of Columbia

April 6, 2016

Sent Via Fax (956) 761-3888

City of South Padre Island
4601 Padre Blvd.
SPI, TX 78597

Re: Special Use Permit

Dear Sirs:

At your April 21, 2016 meeting, I hereby authorize JRG Real Estate to apply for a special use permit for my property located at 5508 Padre Blvd. for use as a "substance abuse facility."

I remain as always,

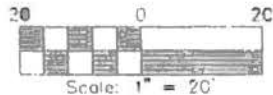
Respectfully yours,

A handwritten signature in blue ink that reads "Larry Mark Polsky".

Larry Mark Polsky, Esquire
Law Office of Larry Mark Polsky

LMP/tlr

Cc: Antun Domit (via email)



FLOOD ZONE

BY GRAPHIC PLOTTING ONLY, THIS PROPERTY LIES IN ZONE "AE (EL 8)", AS PER THE NATIONAL FLOOD INSURANCE PROGRAM OF COMMUNITY NO. 480115, PANEL NO. 0001, SUFFIX "D", REVISED MARCH 9, 1999

LEGEND

⊕	IRON ROD FOUND	⊕	POWER POLE
⊙	IRON ROD SET WITH CAP STAMPED "MOORE-6370"	⊖	GUY WIRE ANCHOR
⊞	TELEPHONE PEDESTAL	⊞	A/C UNIT
⊚	WATER METER	⊚	CLEANOUT
⊛	WATER VALVE	⊛	ELECTRIC JUNCTION BOX
		⊞	CABLE PEDESTAL

NOTES

1. BASIS OF BEARINGS AS PER FIESTA ISLES SUBDIVISION RECORDED IN VOLUME 17, PAGE 43, MAP RECORDS OF CAMERON COUNTY, TEXAS.
2. ADDRESS: 5502 PADRE BLVD. SOUTH PADRE ISLAND, TEXAS 78597
3. COMMITMENT FOR TITLE INSURANCE WITH POLY NO. 202084445, ISSUED APRIL 27, 2016 WAS USED TO PREPARE THIS SURVEY.

SURVEYOR CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT THIS SURVEY AS DESCRIBED HEREIN WAS MONUMENTED ON THE GROUND ON 04/28/2016, THAT THE ONLY VISIBLE IMPROVEMENTS ARE AS SHOWN; THAT THERE ARE NO VISIBLE ENCROACHMENTS, VISIBLE OVERLAPPIINGS, APPARENT CONFLICTS, OR VISIBLE EASEMENTS EXCEPT AS SHOWN HEREIN, THIS SURVEY CONFORMS TO THE MINIMUM STANDARDS OF PRACTICE PROMULGATED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING.

Cody Moore
 CODY MICHAEL MOORE, P.L.S.
 REGISTERED PROFESSIONAL
 LAND SURVEYOR NO. 6370
 DATE 4/28/2016



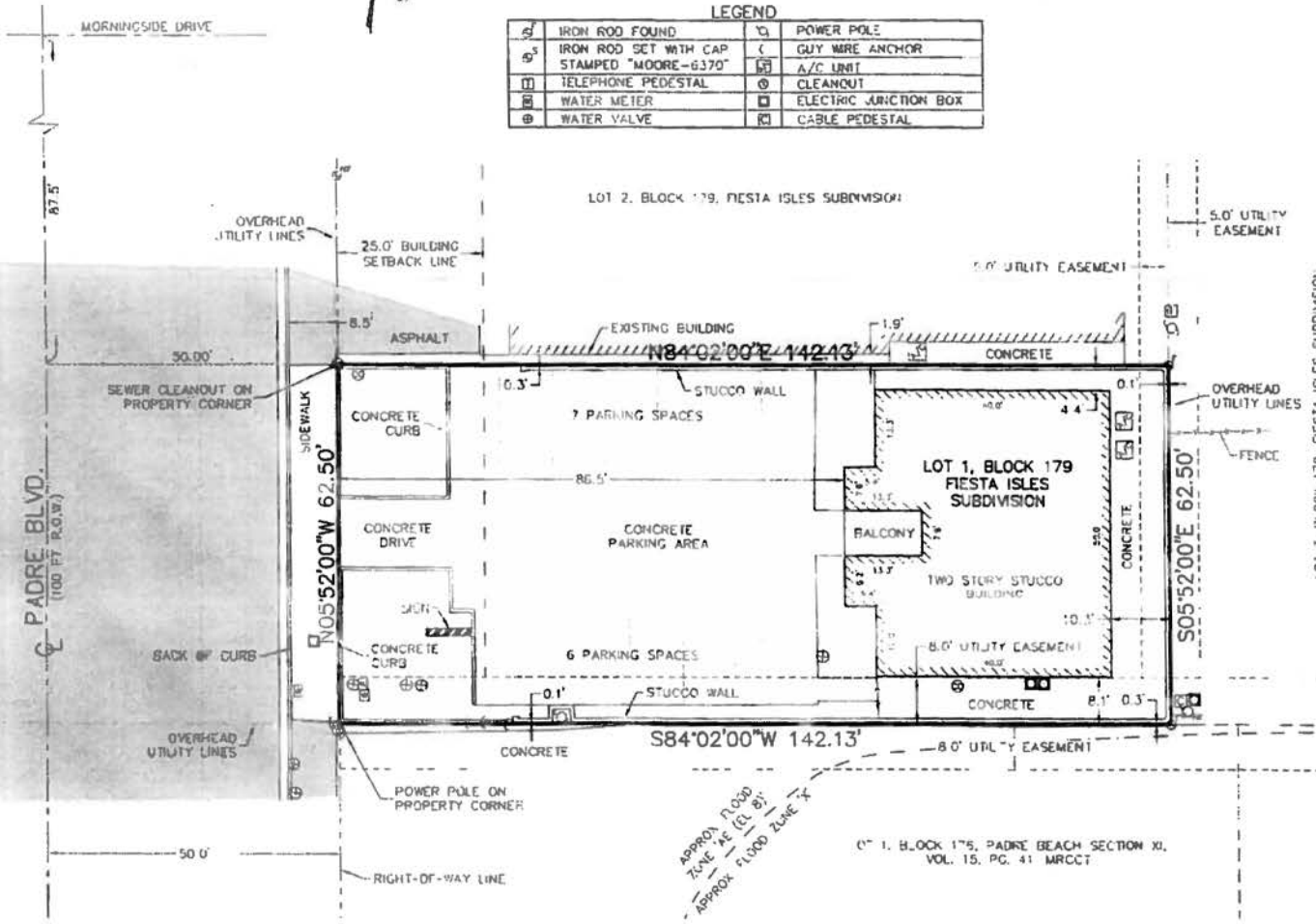
BOUNDARY SURVEY OF:

LOT NUMBER ONE (1), BLOCK NUMBER ONE HUNDRED SEVENTY-NINE (179), FIESTA ISLES SUBDIVISION, BEING PADRE BEACH, SECTION XII, A SUBDIVISION IN THE TOWN OF SOUTH PADRE ISLAND, CAMERON COUNTY, TEXAS, ACCORDING TO THE MAP RECORDED IN VOLUME 17, PAGE 43, MAP RECORDS OF CAMERON COUNTY, TEXAS.

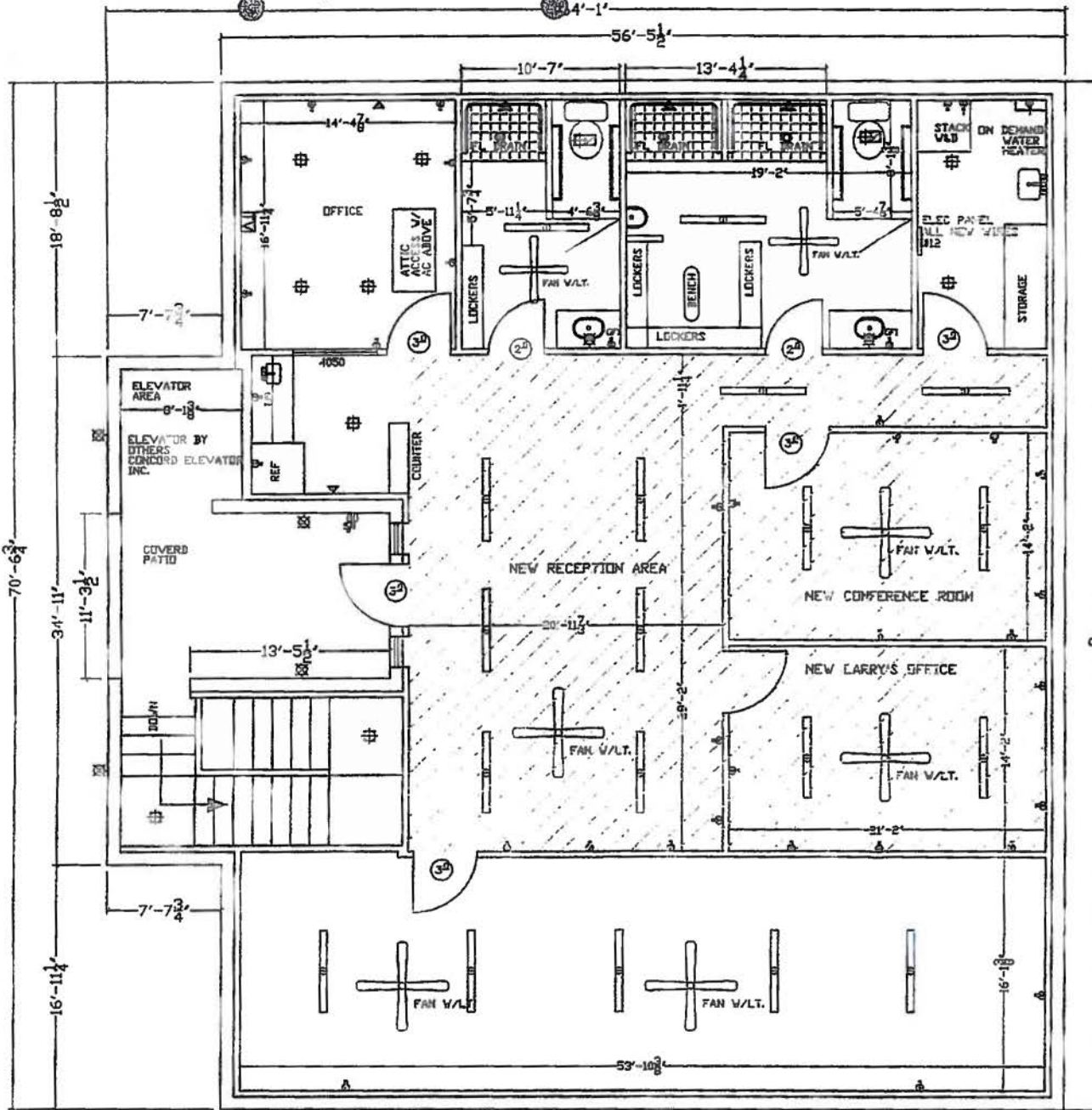
FOR: JRC REAL ESTATE ASSOCIATES
 DATE: 28 APRIL 2016 JOB NO: 20006

Moore Land Surveying, LLC

2109 Lakeshore Drive, Harlingen, TX 78552
 361-6245-0988 18PLS Firm No. 10194186



LATER RENOVATION



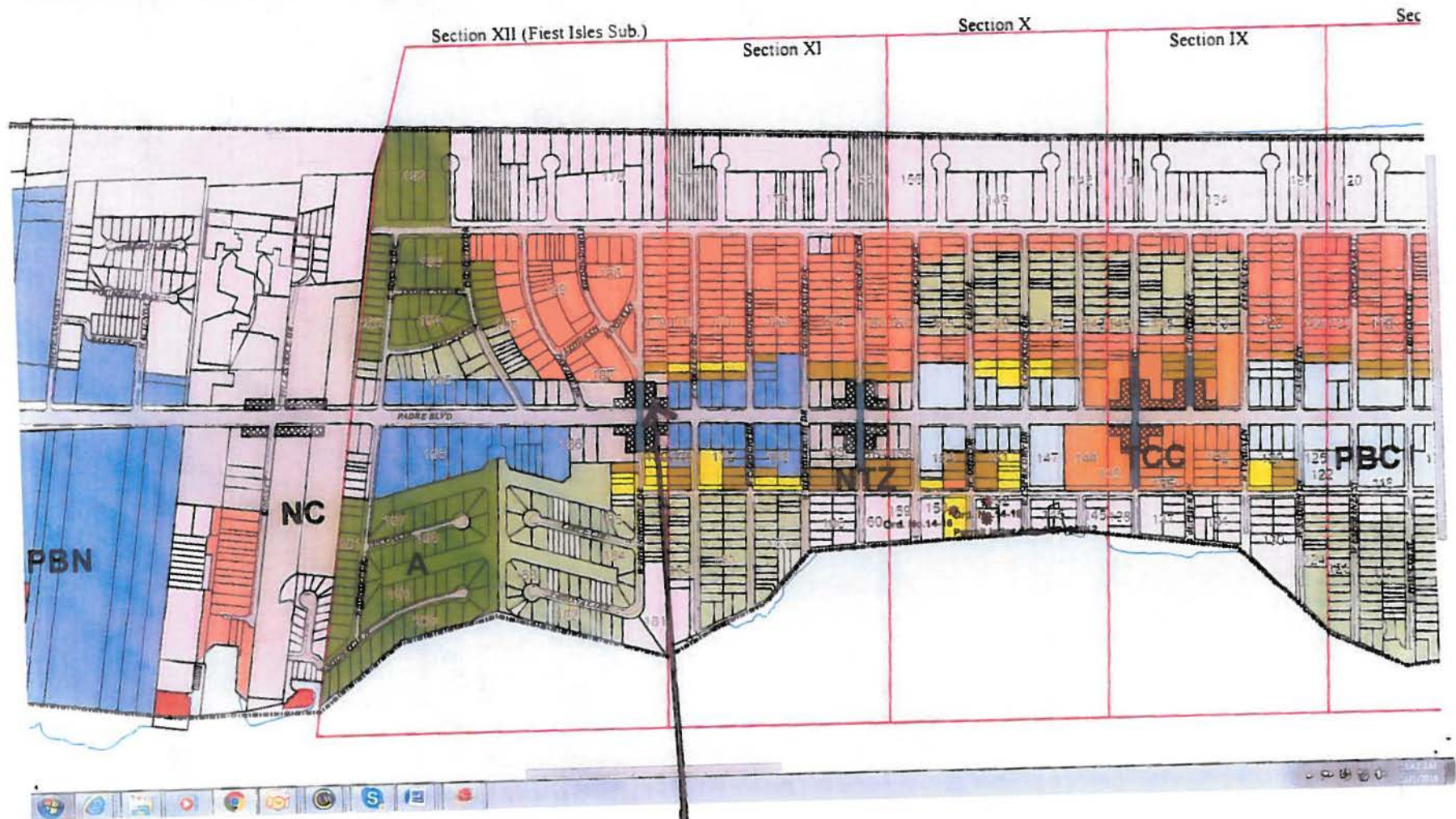
NOTE:
All new wiring to be #12 from electric panel to new fixtures and outlets.



NEW ADDITION

Second Floor Improvements
Polsky Building
5508 Padre Boulevard
South Padre Island, Texas





5508 Padre Blvd. SPI



Imagery ©2016 Google, Map data ©2016 Google, INEGI 50 ft

Google Maps

Building and Parking

Google Maps

Building and Parking



Imagery ©2016 Google, Map data ©2016 Google, INEGI 100 ft

Google Maps

Google Maps Padre Blvd



Image capture: Apr 2011 © 2016 Google

South Padre Island, Texas

Street View - Apr 2011



**TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY**

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
©Texas Association of REALTORS®, Inc. 2016

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: LARRY MARK POLSKY ET AL

Address: 5508 Padre Blvd, South Padre Island, TX 78597-7522
 Phone: (956) 761-1529 E-mail: _____
 Fax: _____ Other: _____

Buyer: JRG REAL ESTATE and/or ASSIGNS

Address: P.O. BOX 4650, Brownsville, Tx 78523
 Phone: _____ E-mail: _____
 Fax: _____ Other: _____

2. PROPERTY:

A. "Property" means that real property situated in Cameron County, Texas at 5508 Padre Blvd. So. Padre Island, Tx 78597 (address) and that is legally described on the attached Exhibit " A " or as follows: LOT 1 , BLK 179 FIESTA ISLES SUBDIVISION (PBS XII)

- 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: Personal Items, see 12.- Social Provisions.
- 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 (TAR-1930).)*

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 \$	<u>56,250.00</u>
B. Sum of all financing described in Paragraph 4 \$	<u>506,250.00</u>
C. Sales price (sum of 3A and 3B) \$	<u>562,500.00</u>

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 \$ 506,250.00 . 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 (TAR-1931).
- B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____ .
- C. **Seller Financing:** The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____ .

5. **EARNEST MONEY:**

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 2,000.00 as earnest money with Rio Grande Valley Abstract (title company) at 5800 Padre Blvd (address) _____ (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 \$ _____ 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) _____
- 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 10 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.

B. Survey: Within 7 days after the effective date:

- (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/ACSM 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 _____ (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/ACSM 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, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) Within 15 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 10 days after Buyer receives 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 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 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: _____

B. Feasibility Period: Buyer may terminate this contract for any reason within 25 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ _____ 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.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ 250.00 as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. 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.

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 7 days after the effective date, Seller will deliver to Buyer: (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 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, 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 guarantees 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;
- (n) real & personal property tax statements for the Property for the previous 2 calendar years; and
- (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; and
- (c) deliver 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 20 days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than February 15, 2016 by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR 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.

9. BROKERS:

A. The brokers to this sale are:
 Domit International Real Estate LLC / 9003911 and Co-Broker
 Principal Broker: NEXUS REAL ESTATE

Cooperating Broker: Paradise Realty Inc.

Antun I Domit license 633299
 Agent: Linda Lee Rodriguez
 Address: 185 Ruben Torres Blvd
Brownsville, Tx 78520

Agent: Edmondo Jaquera
 Address: 1700 Padre Blvd.
So. Padre Island, Tx 78597

Phone & Fax: (956) 504-2727 (956) 554-7384
 E-mail: LindaLee@nexusrxv.com

Phone & Fax: (956) 772-1216 (956) 761-4251
 E-mail: MundoL418@aol.com

License No.: 624899
 3805 Plantation Grove Blvd, Suite D, Mission TX 78572

License No.: 0433206

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:
 _____ % of the sales price.
 1% to Domit International Real Estate LLC
 1% to Nexus Real Estate Of the sale price

Cooperating Broker a total cash fee of:
 1% _____ % of the sales price.

The cash fees will be paid in Cameron 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.
[] May 20, 2016 (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.
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) maintenance, management, and other contracts; and
(c) warranties and guarantees;
(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 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.

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.)*

A.- No appliances, furniture, shed, hot tub, LAW office items, Gym items, wine shelving & rubber mats are conveying with the property.

B.- This contract is contingent upon Buyer obtaining a Specific Use Permit for the property no later than May 19th, 2016. If permit is secure closing of the property shall be as per the contract date.

Buyer will allow Seller to stay in the property free of rent till June 30th, 2016, as last day to vacate the property.

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.

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.

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 (TAR-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;
 - (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, or sent by 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.
- 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 (TAR-1930);
- (3) Commercial Contract Financing Addendum (TAR-1931);
- (4) Commercial Property Condition Statement (TAR-1408);
- (5) Commercial Contract Addendum for Special Provisions (TAR-1940);
- (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
- (7) Notice to Purchaser of Real Property in a Water District (MUD);
- (8) Addendum for Coastal Area Property (TAR-1915);
- (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- (10) Information About Brokerage Services (TAR-2501); and
- (11) _____

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

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 legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

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

- 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.
- 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.
- 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.
- J. 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."

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 April 15, 2016, 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: LARRY MARK POLSKY ET AL Buyer: JRG REAL ESTATE and/or

ASSIGNS

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

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

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

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

AGREEMENT BETWEEN BROKERS

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

Principal Broker agrees to pay Paradise Realty Inc (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- AD
- \$ _____, or
 - 2% 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: [Signature] Cooperating Broker: [Signature]
 By: ANTON T. DOMIT By: ROMANEO LABIAGA

ATTORNEYS

Seller's attorney: LARRY POLSKY Buyer's attorney: _____
 Address: 5508 Padre Blvd Address: _____
South Padre Island, Texas 78597
 Phone & Fax: 954-761-1599 (Fax) Phone & Fax: _____
 E-mail: mossad1947@sbcglobal.net 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 _____ (effective date);
 B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____ Address: _____
 By: _____ Phone & Fax: _____
 Assigned file number (GF#): _____ E-mail: _____