



**MIDTOWN REDEVELOPMENT AUTHORITY  
and**

**REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS  
(ALSO KNOWN AS THE MIDTOWN REINVESTMENT ZONE)**

**TO: THE BOARD OF DIRECTORS OF THE MIDTOWN REDEVELOPMENT AUTHORITY AND THE MIDTOWN REINVESTMENT ZONE AND TO ALL OTHER INTERESTED PERSONS:**

Notice is hereby given that the Board of Directors of the Midtown Redevelopment Authority (the "Authority") will hold a **joint regular meeting**, open to the public, with the Board of Directors of the Midtown Reinvestment Zone to be held on **Thursday, March 29, 2018 at 12:30 P.M. on the 3rd Floor of the Houston Technology Center Phase II, 410 Pierce Street, Suite 355, Houston, Texas.** The Board of Directors of each of the Authority and the Midtown Reinvestment Zone will (i) consider, present and discuss orders, resolutions or motions; (ii) adopt and approve such orders, resolutions or motions; and (iii) take other actions as may be necessary, convenient or desirable, with respect to the following matters:

**AGENDA**

1. Call to Order and Introduction of Guests.
2. Public Comment.
3. Consent Agenda for the Midtown Reinvestment Zone:
  - a. Minutes for February 22, 2018.
4. Consent Agenda for the Authority:
  - a. Minutes for February 22, 2018;
  - b. Monthly financial reports for February 2018;
  - c. Invoices from Trustee and Operating Accounts for March 2018;
5. Investment Report for Quarter ending December 31, 2017.
6. Midtown Affordable Housing Program.
  - a. Resolution;
  - b. Resolution Authorizing a Grant Agreement with Houston Business Development, Inc.
  - c. Resolution Authorizing a Development and Purchase Agreement with Cole Klein Builders, LLC.
  - d. Update.

7. Proposed Donation of Land Located at LaBranch and Rosalie Intersection for Use as Park.
8. Midtown Capital Improvements Program:
  - a. Parks and Greenspace - Walter P Moore / Design Workshop
    - i. Midtown Park
      1. Approve Garage Change Orders – Camden
      2. Approve Additional Services Request for Construction Management and Inspection (Garage) - TLC Engineering, Inc.
      3. Approve Park Change Orders – Millis
      4. Approve Additional Services Request for Design and Construction Administration (Park) - Walter P Moore
      5. Midtown Park event notice.
    - ii. Entry Portals
      1. Approve Change Orders – B&D Contractors
      2. Approve Additional Services Request for Design and Construction Administration - Walter P Moore
      3. Approve Additional Services Request for Construction Management and Inspection - TLC Engineering, Inc.
  - b. HCC Capital Projects - IDS Engineering
    - i. Holman Street Pedestrian Enhancements
      1. Approve Change Orders – SER
  - c. Main Street Enhancements - Walter P. Moore / Design Workshop
    - i. Approve Change Orders – SER
  - d. Caroline Street Reconstruction – ESPA Corp/KCI
  - e. FTA Grant Program - The Goodman Corporation
    - i. Greyhound Bus Station Presentation
9. With respect to the foregoing agenda items, the Authority may conduct an executive session with regard to the following, as appropriate and necessary:
  - a. Consultation with attorney (Section 551.071, Texas Government Code);
  - b. The purchase, exchange, lease or value of real property (Section 551.072, Texas Government Code);
  - c. Personnel matters (Section 551.074, Texas Government Code);
  - d. Security personnel or devices (Section 551.076, Texas Government Code); and
  - e. Economic development negotiations (Sections 551.087, Texas Government Code).

Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.

10. Adjourn.

  
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 Matt Thibodeaux  
 Executive Director



**MINUTES OF THE BOARD OF DIRECTORS OF  
REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS**

**February 22, 2018**

A regular meeting of the Board of Directors (the “Board”) of the Reinvestment Zone Number Two, City of Houston, Texas (the “Zone”), a non-profit corporation, was held at the Midtown Redevelopment Authority’s offices in the Houston Technology Center, 410 Pierce, Houston, Texas 77002, on Thursday, February 22, 2018, at 12:30 p.m. The meeting was open to the public. The roll was called of the duly appointed members of the Board, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Vacant	6	Abe Goren
2	Doug Erwing	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Pamela Ngo Castleman	9	Brandon Dudley
5	Al Odom		

and all of the above were present with the exception of Directors Castleman, Thomas and Dudley.

Also in attendance were Kandi Schramm, Marlon Marshall, Todd Edwards, David Thomas, Araceli Rodriguez, Cynthia Alvarado, Michelle Ashton, Mark Sullivan, Jalisa Hurst, Amaris Salinas, Mechelle Phillips and Jonathan Smith of Midtown; Peggy Foreman of Burney and Foreman; Clark Lord of Bracewell LLP; Lee Ann Dixon and Rachel Rae of Walter P. Moore; Alex Ramirez of Design Workshop; Tim Buscha and Carol Harrison of IDS Engineering; Donald Arbeau of The Goodman Corporation; Alyssa Hill of CRI; Algenita Davis of CCPPI; Jennifer Curley of the City of Houston; Sharron Washington of Temenos CDC; Zack Martin of MCMD; Grant Georgia of Navigant Consulting; Brian Van Tubergen of University Village Civic Club; Sean Murphy of 2002 Blodgett Street; Ed Pettitt of Emancipation Economic Development Council and Midtown resident Allen Douglas.

Vice Chairman Goren called the meeting to order.

**CONSENT AGENDA**

**MINUTES FOR JANUARY 25, 2018**

Matt Thibodeaux, Executive Director, presented the consent agenda to the Board.

Director Erwing made a motion to approve the consent agenda. The motion was seconded by Director Fenz and carried by unanimous vote.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned.

\_\_\_\_\_  
Pamela N. Castleman, Secretary

\_\_\_\_\_  
Date

DRAFT

DRAFT

**MINUTES OF THE BOARD OF DIRECTORS OF  
THE MIDTOWN REDEVELOPMENT AUTHORITY**

**February 22, 2018**

A regular meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held at the Authority’s offices in the Houston Technology Center, 410 Pierce, Houston, Texas 77002, on Thursday, February 22, 2018 at 12:30 p.m. The meeting was open to the public. The roll was called of the duly appointed members of the Board, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Vacant	6	Abe Goren
2	Doug Erwing	7	Caton M. Fenz
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5	Al Odom		

and all of the above were present with the exception of Directors Castleman, Thomas and Dudley.

Also in attendance were Kandi Schramm, Marlon Marshall, Todd Edwards, David Thomas, Araceli Rodriguez, Cynthia Alvarado, Michelle Ashton, Mark Sullivan, Jalisa Hurst, Amaris Salinas, Mechelle Phillips and Jonathan Smith of Midtown; Peggy Foreman of Burney and Foreman; Clark Lord of Bracewell LLP; Lee Ann Dixon and Rachel Rae of Walter P. Moore; Alex Ramirez of Design Workshop; Tim Buscha and Carol Harrison of IDS Engineering; Donald Arbeau of The Goodman Corporation; Alyssa Hill of CRI; Algenita Davis of CCPPI; Jennifer Curley of the City of Houston; Sharron Washington of Temenos CDC; Zack Martin of MCMD; Grant Georgia of Navigant Consulting; Brian Van Tubergen of University Village Civic Club; Sean Murphy of 2002 Blodgett Street; Ed Petitt of Emancipation Economic Development Council and Midtown resident Allen Douglas.

Vice Chairman Goren called the meeting to order and asked the guests to introduce themselves.

**PUBLIC COMMENTS**

Brian Van Tubergen and Ed Petitt made comments and asked questions regarding affordable housing, including how funds are spent, what type of housing is being considered and how the public can be consulted regarding the Authority’s Affordable Housing Program. Vice Chair Goren asked staff to visit with the speakers after the meeting to continue discussions and answer questions as appropriate.

**CONSENT AGENDA FOR THE AUTHORITY:**

- a. **MINUTES FOR JANUARY 25, 2018;**
- b. **MONTHLY FINANCIAL REPORTS FOR JANUARY 2018;**

- c. **INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR FEBRUARY 2018;**
- d. **RATIFY RESOLUTION FOR THE MIDTOWN REDEVELOPMENT AUTHORITY APPROVING THE MERGER OF THE MIDTOWN REDEVELOPMENT AUTHORITY 401(K) PROFIT SHARING PLAN AND TRUST INTO THE G & A PARTNERS, INC. MULTIPLE EMPLOYEE 401(K) PLAN.**

Executive Director Matt Thibodeaux presented the various items on the consent agenda. Director Erwing made a motion to approve the consent agenda as presented. The motion was seconded by Director Odom, which carried by unanimous vote.

**AGREED UPON PROCEDURES AUDIT FY 2017.**

Alyssa Hill with CRI presented the Agreed Upon Procedures Audit for Fiscal Year 2017. Ms. Hill stated that the Authority reported that it had entered into construction and related contracts totaling approximately \$73 million for FY 2017. Auditors examined supporting documents for amounts paid for each contract for compliance with terms and accuracy. She noted that a \$70,598 overpayment occurred in fiscal year 2017; however this has been corrected by receipt of a refund check for the overpayment. Director Fenz made a motion to approve the Agreed Upon Procedures Audit for Fiscal Year 2017. The motion was seconded by Director Erwing. Following all discussion, the motion carried by unanimous vote.

**MIDTOWN AFFORDABLE HOUSING PROGRAM**

- a. **RESOLUTION;**

Director Odom made a motion to approve the Resolution Authorizing the Authority to enter into various Real Estate Contracts for Acquisition of Certain Properties; Authorizing the Authority or its Agent to Take All Necessary Actions Regarding Same; Approving Various Findings and Other Matters Incidental to Such Contracts; and Authorizing and Committing Funds Related Thereto. The motion was seconded by Director Fenz, which carried by unanimous vote.

- b. **UPDATE**

Todd Edwards shared pictures of the townhomes being developed by HOU Homes, Inc. and invited the Board to tour the model home in the coming weeks. He reported on the status of construction by Epic Homes and Mayberry Homes. He also reported that he is working with HBDI and Cole Klein Builders for the development of 10 new single family homes. Mr. Edwards reported that a meeting was held with the City of Houston, Council Member Boykins, and the Emancipation Economic Development Council to discuss mixed use affordable housing in the area around Emancipation Park. Director Fenz reported that the Authority is continuing to work on a systematic plan for the construction of more single family homes and multifamily housing including housing for seniors.



Mr. Edwards notified the Board that the Temenos CDC had submitted a request for an affordable housing grant in the amount of \$300,000.00. The request is to assist with a 15 unit project for permanent supportive housing designed to serve the homeless population of Houston specifically those who are chronically homeless and experiencing chronic substance abuse issues. He asked Board members to review the request and stated that it would be placed on the agenda at a future meeting for Board review and consideration.

#### **CAYDON DEVELOPMENT AGREEMENT.**

Marlon Marshall reported to the Board that the staff and attorneys are continuing to work on the agreement with Caydon and that once the document has been reviewed by all parties, staff will bring it back to the Board for review and approval.

#### **PROPOSED DONATION OF LAND LOCATED AT LABRANCH AND ROSALIE INTERSECTION FOR USE AS PARK.**

Mr. Marshall reported that no formal agreement has been reached at this time. Staff and attorneys will continue to review and will bring this matter back to the Board for consideration at a future Board meeting.

#### **MIDTOWN CAPITAL IMPROVEMENT PROGRAM**

##### **a. PARKS AND GREENSPACE – WALTER P. MOORE/DESIGN WORKSHOP**

Marlon Marshall reported that the Midtown Park is officially open and is being enjoyed daily by the public.

##### **i. MIDTOWN PARK**

###### **1. APPROVE GARAGE CHANGE ORDERS – CAMDEN**

Mr. Marshall noted that there were no change orders at this time. Staff is currently working with construction management team on project closeout documentation.

###### **2. APPROVE ADDITIONAL SERVICES REQUEST FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES (GARAGE) – TLC ENGINEERING, INC.**

This item is being pulled from the agenda and will be placed on a future agenda for consideration.

###### **3. APPROVE PARK CHANGE ORDERS – MILLIS**

Mr. Marshall reported that there were no Change Orders at this time. He noted that park contractor is in the process of completing streetscape work along Travis Street. He advised the Board that Camden plans to open its leasing office and some of their units for occupancy soon and is currently working to obtain the

required Certificate of Occupancy. Mr. Marshall reported that the trim installation and surface preparation was completed for installation of the mosaic artwork on the berm wall in Midtown Park and that the artist and her team are currently installing the mosaic artwork.

**ii. ENTRY PORTALS**

Mr. Marshall reported that the team is currently waiting on CenterPoint connections at the Brazos location, revisions to the redesign at the Webster/Gray location and replacement light fixtures for those that malfunctioned during Hurricane Harvey at the St. Joseph Parkway location.

**1. APPROVE CHANGE ORDERS – B & D CONTRACTORS**

Director Erwing made a motion to approve Change Order #4 from B&D Contractors, Inc. for hardscape and landscape revisions for the Webster/Gary Entry Portal in the amount of \$5,441.55. The motion was seconded by Director Odom and carried by unanimous vote.

**b. HCC CAPITAL PROJECTS - IDS ENGINEERS**

**i. HOLMAN STREET PEDESTRIAN ENHANCEMENTS**

Mr. Marshall reported that the Holman Street project is officially complete but the Authority is still waiting for the City of Houston to give final approval for the traffic signals.

**1. APPROVE CHANGE ORDERS – SER**

No Change Orders at this time.

**c. MAIN STREET ENHANCEMENTS – WALTER P. MOORE /DESIGN WORKSHOP**

Mr. Marshall reported that the team is working with owners of Isabella Court, a historically designated property, to coordinate certain public right-of-way improvements adjacent to their property. The team is also working with METRO to explore the possibility of adding safety fencing along the esplanade. Mr. Marshall also reported that the iconic decorative lighting has been installed along a portion of Main Street.

**i. APPROVE CHANGE ORDERS – SER**

Marlon Marshall presented Change Order #10 in the amount of \$173,000.00 to add 14 additional lights on new poles and additional electrical meters and service. He explained that these 14 lights were included in the construction plan but were left out of the bid.

Director Erwing made a motion to approve Change Order #10 in the amount of \$173,000.00 to add 14 additional lights on new poles and additional electrical meters and service. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

**d. CAROLINE STREET RECONSTRUCTION – ESPA/KCI**

Mr. Marshall reported that the staff met with CenterPoint at the project site to discuss a potential 3 month delay which may be caused by the need to bracing or replace utility poles which are not aligned with underground utilities. He stated that the design team is reviewing the possibility of revising the waterline design to eliminate the utility conflicts discovered on site. The team will meet with City of Houston representatives to discuss the impact of proposed design changes and request an expedited review process. TXDOT has agreed to provide design assistance and has started work on the redesign of Traffic Control Plan to meet City of Houston design standards.

**e. BAGBY/PIERCE STREET TRAFFIC STUDY – WALTER P MOORE**

Lee Ann Dixon presented the Bagby/Pierce Street Traffic Study findings to the Board. Walter P. Moore and team will present these findings to the City of Houston and engage TxDOT to assist in determining the best solution to address safety concerns at the Bagby/Pierce intersection.

**f. FTA GRANT PROGRAM – THE GOODMAN CORPORATION**

Mr. Marshall reported that The Goodman Corporation has met with City of Houston representatives regarding needed improvements on Crawford and Tuam Streets and the potential for obtaining grant funds to pay a portion of the costs for such improvements. Mr. Marshall advised the Board that the City has a waterline project scheduled for these streets and that there may be an opportunity to work cooperatively with the City.

**WITH RESPECT TO THE FOREGOING AGENDA ITEMS, CONDUCT AN EXECUTIVE SESSION WITH REGARD TO THE FOLLOWING, AS APPROPRIATE AND NECESSARY:**

- a. **CONSULTATION WITH ATTORNEY (SECTION 551.071, TEXAS GOVERNMENT CODE);**
- b. **THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY (SECTION 551.072, TEXAS GOVERNMENT CODE);**
- c. **PERSONNEL MATTERS (SECTION 551.074, TEXAS GOVERNMENT CODE);**
- d. **SECURITY PERSONNEL OR DEVICES (SECTION 551.076, TEXAS GOVERNMENT CODE); AND ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTIONS 551.087, TEXAS GOVERNMENT CODE).**

The Board did not conduct an executive session at this meeting.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned.

\_\_\_\_\_  
Pamela N. Castleman, Secretary

\_\_\_\_\_  
Date

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Midtown Redevelopment Authority

Balance Sheet

As of February 28, 2018

Feb 28, 18

ASSETS

Current Assets

Checking/Savings

101001 · Wells Fargo Ope Acctg 64040	308,559.75
101002 · Infrastructure Projects 1731	948.47
101010 · WF Surplus Acct 63943	882.54
101020 · WF FTA Enhanced Path 63919	54.08
102200 · Logic Operating Account (Investment Account)	1,900,917.47
103200 · TexStar Operating Acct 1111	6,177.94
103600 · Wells Fargo Oper Inves 63901	727.80
103700 · WF Operating Saving 3215777180	45,291.13
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	506,108.17
104022 · WF Pilot Program 3935	342.78
104116 · TexStar Aff. Hsng MM 1800	1,930.28
104200 · Logic Affordable Housing (Investment Account)	3,018,170.38
Total 104000 · Affordable Housing Accounts	3,526,551.61
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	
105100 · Pledge Revenue Fund -422885	4,194.68
Total 105001 · Pledge Revenue Fund 422885	4,194.68
105002 · Debt Service Fund	
105200 · BNY-Debt Service Fund 422896	3,600,380.77
Total 105002 · Debt Service Fund	3,600,380.77
105003 · Reserve Fund 422897	
105302 · Reserve Fund Money Mkt 422897	0.02
105324 · TexStar Debt Res Fnd MM 1023 (Debt Reserve Fund)	7,954,985.68
Total 105003 · Reserve Fund 422897	7,954,985.70
105009 · Austin Park Maint. Fund 422919	
105901 · Austin Park Money Market Acct.	3,474.95
Total 105009 · Austin Park Maint. Fund 422919	3,474.95
107000 · BOND FUNDS	
107012 · BNY 443264 2011 Escrow	9.99
107017 · 937933 8400 2017 ESCROW	1,258,715.59
107018 · LOGIC 2017 PROJECT FUND (Trust Account 7487592004)	18,987,758.05
107019 · LOGIC 2017 AFFORDABLE HOUSING (Trust Account 7487592005)	5,641,840.46
Total 107000 · BOND FUNDS	25,888,324.09
Total 105000 · Trustee Investments	37,451,360.19
Total Checking/Savings	43,241,470.98
Accounts Receivable	
170000 · Accounts Receivable	
123001 · FTA Main Street	1,309,542.00
170008 · KIOS	-6,400.00
170010 · Midtown Management District	96,003.38
170011 · MIDCORP	140,124.16

# Midtown Redevelopment Authority

## Balance Sheet

As of February 28, 2018

Feb 28, 18

170020 · Houston Technology Center	23,394.17
170021 · HTC BUILTOUT	361,545.20
170030 · FTA INCOME	7,340.00
170060 · Fourth Ward Redevelopment Autho (Expense Reimbursement)	10.00
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Total 170000 · Accounts Receivable	1,931,558.91
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Total Accounts Receivable	1,931,558.91
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Total Current Assets	45,173,029.89
Fixed Assets	
150000 · Fixed Assets	
150010 · Office Furniture & Equipment	26,321.36
150011 · Accumulated Depreciation-Furn.	-26,321.36
150020 · Computer Equipment	32,057.11
150021 · Accumulated Depreciation-Comp.	-32,057.11
150040 · Land - JPI Park	736,911.00
150045 · Walgreens/Lui Park Land	141,000.00
150062 · Land - Houston Tech.Center I	798,053.89
150063 · Houston Tech Center I	2,667,192.62
150064 · Accm Deprec-Houston Tech Cntr I	-1,967,565.61
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,816,117.96
150067 · Accum.Deprec. HTC Phase I	-1,619,268.02
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-999,050.96
150075 · Midtown Park 2905 Travis St	3,506,306.26
150078 · Midtown Park Land-Tracts I & II	8,210,142.45
150078A · Midtown (Superblock) Garage	21,225,134.34
150078B · Midtown (Superblockj) Park	14,365,262.35
150080 · Land (Resale) (Land purchase for resale)	
150081 · Earnest Money	36,686.18
150082 · Option Fees	11,200.00
150803 · Affordable Housing Legal	109,050.45
150804 · Affordable Housing Misc	752,799.46
150805 · AFFORD HOUS GRANTS	126,750.28
150080 · Land (Resale) (Land purchase for resale) - Other	50,453,253.02
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Total 150080 · Land (Resale) (Land purchase for resale)	51,489,739.39
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00
150091 · Accum Depr HMAAC	-333,082.68
150100 · 2800 MAIN	317,069.93
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Total 150000 · Fixed Assets	107,948,270.90
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Total Fixed Assets	107,948,270.90
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<b>TOTAL ASSETS</b>	<b>153,121,300.79</b>
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<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	

Midtown Redevelopment Authority

Balance Sheet

As of February 28, 2018

Feb 28, 18

Current Liabilities	
Accounts Payable	
200000 · Accounts Payable	
202001 · Retainage Payable	2,378,099.71
200000 · Accounts Payable - Other	1,553,945.86
Total 200000 · Accounts Payable	<u>3,932,045.57</u>
Total Accounts Payable	3,932,045.57
Other Current Liabilities	
200001 · Current Liabilities	
201001 · MIDCORP Kios	20,954.84
202000 · Project Fund Liabilities	18,578.35
2021062 · Due MMD	-4,038.39
204000 · HMAAC NOTE - CURRENT	102,902.00
2103008 · CRI Current Camden	17,760,642.00
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	<u>17,912,838.80</u>
Total Other Current Liabilities	<u>17,912,838.80</u>
Total Current Liabilities	<u>21,844,884.37</u>
Long Term Liabilities	
210000 · Long Term Liabilities	
210044 · Bonds Payable Series 2011	16,775,000.00
210047 · Bonds Payable Series '13	23,325,000.00
210048 · Current Portion Bonds Payable	6,315,000.00
210049 · Bond Payable Series '15	11,280,000.00
210050 · Bond Payable Series 2017	37,060,000.00
210053 · Accrued Bond Int 2015 series	40,957.29
210055 · Accrued Bond Interest 13 Series	106,905.73
210056 · Accrued Bond Interest Series 11	77,536.46
210058 · Series 2013 BOND PREMIUM	1,179,157.55
210059 · Series 2015 Bond Prem	932,668.31
210061 · Series 2017 Bond Premium	4,129,148.35
210062 · Accrued Bond Interest Series 17	132,668.58
2103000 · LOANS	
2103003 · HMAAC LOAN REFINANCED	1,307,486.40
Total 2103000 · LOANS	<u>1,307,486.40</u>
Total 210000 · Long Term Liabilities	<u>102,661,528.67</u>
Total Long Term Liabilities	<u>102,661,528.67</u>
Total Liabilities	<u>124,506,413.04</u>
Equity	
1110 · Retained Earnings (Retained Earnings)	40,269,874.19
Net Income	-11,654,986.44
Total Equity	<u>28,614,887.75</u>
TOTAL LIABILITIES & EQUITY	<u><u>153,121,300.79</u></u>



# Midtown Redevelopment Authority

## Profit & Loss

July 2017 through February 2018

Jul '17 - Feb 18

Ordinary Income/Expense

Income

400000 · Revenue & Support	
400010 · HISD Tax Increment	1,220,816.00
400011 · Harris County Tax Increment	-1.00
400020 · Reimb Off Exp & Staff	503,744.88
400022 · HTC Performance Rent	23,259.53
400023 · HTC Build Out Reimbursement	9,514.38
400025 · Interest-Debt Service & Reserve	36,912.02
400026 · Interest-Other Bond Funds	209,672.29
400029 · Interest - Affordable Housing	41,356.05
400030 · Interest-Operating Funds	35,791.96
400031 · Interest Income	34.59
400032 · Other Revenue	36,641.48
400040 · Rental Income	1.00
400436 · FTA Main Street - Revenue	507,816.00
<b>Total 400000 · Revenue &amp; Support</b>	<b>2,625,559.18</b>
400400 · FTA Grants - Income	
4004036 · Main Street Project	1,131,063.05
<b>Total 400400 · FTA Grants - Income</b>	<b>1,131,063.05</b>
450000 · Gain from Sale of Land	
	156.98

**Total Income** **3,756,779.21**

**Gross Profit** **3,756,779.21**

Expense

500000 · BOND FUND EXPENSES	
500002 · T-0211 Holman St	18,549.80
500003 · T-0225 Mobility	16,423.57
500415 · T-0225 Mobility	26,295.00
504000 · Projects & Expenses	
500007 · T-0234 Parks and Open Space	143,428.64
500009 · T-0210 Main Street Improvements	3,396,662.38
500019 · T-0214 Caroline St near HCCS	35,266.50
500040 · CIP Admin & Gen Exp.	51,524.30
500048 · T-0235 Holman Ped Enhancement	14,890.04
<b>Total 504000 · Projects &amp; Expenses</b>	<b>3,641,771.86</b>
505000 · T-0220 Afford.Hous Lnd Bk Prg	
500022 · Affordable Housing Expenditures	1,950.00
<b>Total 505000 · T-0220 Afford.Hous Lnd Bk Prg</b>	<b>1,950.00</b>
<b>Total 500000 · BOND FUND EXPENSES</b>	
	<b>3,704,990.23</b>
510000 · INCREMENT PROJECTS/EXPENSE	
510002 · T-0214 Caroline St near HCCS	47,183.40
510003 · Holman Street St T-0211	
510532 · T-0211 - HCC Acad WK FTA	895.68
510003 · Holman Street St T-0211 - Other	8,159.10
<b>Total 510003 · Holman Street St T-0211</b>	<b>9,054.78</b>

# Midtown Redevelopment Authority

## Profit & Loss

July 2017 through February 2018

Jul '17 - Feb 18

510008 · T-0220 Afford Housing Land Bnk	
510009 · T-0220 Afford Housing Ins	11,550.00
510013 · T-0220 Affordable Housing Legal	54,684.62
510017 · T-0220 Drainage Fees	6,594.41
512001 · T-0220 Aff Hous Expense	2,041,052.97
510008 · T-0220 Afford Housing Land Bnk - Other	324.00
Total 510008 · T-0220 Afford Housing Land Bnk	<u>2,114,206.00</u>
510010 · T-0237 Baldwin Park Upgrades	2,239.97
510041 · CIP Program Expenses	110,445.20
510043 · T-0234 Parks & Open Space	4,007.26
510044 · T-0236 Bagby Park	-54.27
510045 · T-0224 HTC I - Bldg Maintenance	24,559.21
510046 · T-0221 Midtown Pk	1,873,640.79
510050 · T-0210 Main Street Enhancements	1,573,070.72
510053 · T-0233 Midtown Garage	-70,598.30
510055 · Peggy's Point Plaza Park	
510096 · T-0207 Opr of Zone Prj Faciliti	292,268.02
510102 · HMAAC Interest Expense	38,843.36
510534 · T-0225 Mobility & Pedest Imprv	256,721.68
510700 · Municipal Services Costs	71,804.07
511001 · T-0232 Public & Cultural Fac	100,000.00
511002 · T-0233 Midtown Park Garage	676,155.64
Total 510000 · INCREMENT PROJECTS/EXPENSE	<u>7,123,547.53</u>
550000 · General & Admin. Expense	
550002 · Contract Labor	46,897.79
550003 · Rent Expense (Additional office space)	34,265.00
550004 · Salaries	
550013 · Dental Coverage	3.48
550014 · Health Insruance	62,741.40
550015 · AFLAC	427.95
550018 · Life Insurance	47.60
550004 · Salaries - Other	901,440.19
Total 550004 · Salaries	<u>964,660.62</u>
5500047 · Overtime	1,453.14
550007 · Courier Service	1,722.63
550008 · Office Supply & Expense	17,072.81
550009 · Misc Exp	10,864.61
550010 · Telephone & Utilities	
550110 · Cellular Service	1,022.83
550113 · Drainage fee	2,999.30
550010 · Telephone & Utilities - Other	12,782.94
Total 550010 · Telephone & Utilities	<u>16,805.07</u>
550012 · Postage	519.40
550022 · Bank Charges & Fees	3,511.26
550023 · Trust Expenses	4,821.69

# Midtown Redevelopment Authority

## Profit & Loss

July 2017 through February 2018

	<u>Jul '17 - Feb 18</u>
550025 · Professional Services	111,880.89
550026 · Accounting Consultants	11,740.00
550027 · Financial Audit (Audit Services)	41,450.00
550028 · Legal Consultants	104,937.22
550030 · Planning Consultants	163.26
550032 · Engineering Consultants	90,535.13
550034 · Equip Rent & Lease Expense	4,742.40
550036 · Licenses & Fees	11,292.34
550037 · Workman's Comp Insurance	309.64
550038 · Insurance - Office	94,546.00
550039 · Computers & Repairs & Maint	20,830.89
550040 · Repair & Maintenance	42,360.55
550044 · Payroll Expense & PR Tax Exp	68,903.97
550045 · Payroll Fees	6,347.09
550050 · Depreciation Expense	282,132.61
550061 · Public Relations	60,000.00
550114 · Harris County Extension	3,533.10
550000 · General & Admin. Expense - Other	<u>500.00</u>
Total 550000 · General & Admin. Expense	2,058,799.11
600000 · Bond Related Expenses	
550055 · Amort Bond Prem	-249,110.97
560038 · 11 Bond Series Interest Expense	602,380.23
560039 · 2013 Bond Series Int Expense	798,840.11
560040 · 2015 Bond Int Expense	286,701.04
560041 · 2017 Bond Int Expense	<u>1,081,556.08</u>
Total 600000 · Bond Related Expenses	2,520,366.49
66900 · Reconciliation Discrepancies (Discrepancies betwe	-0.01
999999 · SUSPENSE (flow through account)	<u>4,062.30</u>
Total Expense	<u>15,411,765.65</u>
Net Ordinary Income	<u>-11,654,986.44</u>
Net Income	<u><u>-11,654,986.44</u></u>

# Midtown Redevelopment Authority

## Trial Balance

As of February 28, 2018

Feb 28, 18

	Debit	Credit
101001 · Wells Fargo Ope Acctg 64040	308,559.75	
101002 · Infrastructure Projects 1731	948.47	
101010 · WF Surplus Acct 63943	882.54	
101020 · WF FTA Enhanced Path 63919	54.08	
102200 · Logic Operating Account	1,900,917.47	
103200 · TexStar Operating Acct 1111	6,177.94	
103600 · Wells Fargo Oper Inves 63901	727.80	
103700 · WF Operating Saving 3215777180	45,291.13	
104021 · WF Afford Hous 3927	506,108.17	
104022 · WF Pilot Program 3935	342.78	
104116 · TexStar Aff. Hsng MM 1800	1,930.28	
104200 · Logic Affordable Housing	3,018,170.38	
105100 · Pledge Revenue Fund -422885	4,194.68	
105200 · BNY-Debt Service Fund 422896	3,600,380.77	
105302 · Reserve Fund Money Mkt 422897	0.02	
105324 · TexStar Debt Res Fnd MM 1023	7,954,985.68	
105901 · Austin Park Money Market Acct.	3,474.95	
107012 · BNY 443264 2011 Escrow	9.99	
107017 · 937933 8400 2017 ESCROW	1,258,715.59	
107018 · LOGIC 2017 PROJECT FUND	18,987,758.05	
107019 · LOGIC 2017 AFFORDABLE HOUSING	5,641,840.46	
123001 · FTA Main Street	1,309,542.00	
170008 · KIOS		6,400.00
170010 · Midtown Management District	96,003.38	
170011 · MIDCORP	140,124.16	
170020 · Houston Technology Center	23,394.17	
170021 · HTC BUILTOUT	361,545.20	
170030 · FTA INCOME	7,340.00	
170060 · Fourth Ward Redevelopment Autho	10.00	
150010 · Office Furniture & Equipment	26,321.36	
150011 · Accumluated Depreciation-Furn.		26,321.36
150020 · Computer Equipment	32,057.11	
150021 · Accumulated Depreciation-Comp.		32,057.11
150040 · Land - JPI Park	736,911.00	
150045 · Walgreens/Lui Park Land	141,000.00	
150062 · Land - Houston Tech.Center I	798,053.89	
150063 · Houston Tech Center I	2,667,192.62	
150064 · Accm Deprec-Houston Tech Cntr I		1,967,565.61
150065 · Land - HTC Phase II	697,219.00	
150066 · Houston Tech Center II	2,816,117.96	
150067 · Accum.Deprec. HTC Phase I		1,619,268.02
150069 · Land - Bagby Park	1,318,870.15	
150070 · BagbyPark	2,453,218.83	
150071 · Accum.Deprec. BagbyPark		999,050.96

Midtown Redevelopment Authority

Trial Balance

As of February 28, 2018

Feb 28, 18

	Debit	Credit
150075 · Midtown Park 2905 Travis St	3,506,306.26	
150078 · Midtown Park Land-Tracts I & II	8,210,142.45	
150078A · Midtown (Superblock) Garage	21,225,134.34	
150078B · Midtown (Superblockj) Park	14,365,262.35	
150080 · Land (Resale)	50,453,253.02	
150081 · Earnest Money	36,686.18	
150082 · Option Fees	11,200.00	
150803 · Affordable Housing Legal	109,050.45	
150804 · Affordable Housing Misc	752,799.46	
150805 · AFFORD HOUS GRANTS	126,750.28	
150089 · Land HMAAC (Land)	1,206,150.00	
150090 · HMAAC Property	918,850.00	
150091 · Accum Depr HMAAC		333,082.68
150100 · 2800 MAIN	317,069.93	
200000 · Accounts Payable		1,553,945.86
202001 · Retainage Payable		2,378,099.71
200001 · Current Liabilities		13,800.00
201001 · MIDCORP Kios		20,954.84
202000 · Project Fund Liabilities		18,578.35
2021062 · Due MMD	4,038.39	
204000 · HMAAC NOTE - CURRENT		102,902.00
2103008 · CRI Current Camden		17,760,642.00
210044 · Bonds Payable Series 2011		16,775,000.00
210047 · Bonds Payabe Series '13		23,325,000.00
210048 · Current Portion Bonds Payable		6,315,000.00
210049 · Bond Payable Series '15		11,280,000.00
210050 · Bond Payable Series 2017		37,060,000.00
210053 · Accrued Bond Int 2015 series		40,957.29
210055 · Accrued Bond Interest 13 Series		106,905.73
210056 · Accrued Bond Interest Series 11		77,536.46
210058 · Series 2013 BOND PREMIUM		1,179,157.55
210059 · Series 2015 Bond Prem		932,668.31
210061 · Series 2017 Bond Premium		4,129,148.35
210062 · Accrued Bond Interest Series 17		132,668.58
2103003 · HMAAC LOAN REFINANCED		1,307,486.40
1110 · Retained Earnings		40,269,874.19
400010 · HISD Tax Increment		1,220,816.00
400011 · Harris County Tax Increment	1.00	
400020 · Reimb Off Exp & Staff		503,744.88
400022 · HTC Performance Rent		23,259.53
400023 · HTC Build Out Reimbursement		9,514.38
400025 · Interest-Debt Service & Reserve		36,912.02
400026 · Interest-Other Bond Funds		209,672.29
400029 · Interest - Affordable Housing		41,356.05

# Midtown Redevelopment Authority

## Trial Balance

As of February 28, 2018

Feb 28, 18

	Debit	Credit
400030 · Interest-Operating Funds		35,791.96
400031 · Interest Income		34.59
400032 · Other Revenue		36,641.48
400040 · Rental Income		1.00
400436 · FTA Main Street - Revenue		507,816.00
4004036 · Main Street Project		1,131,063.05
450000 · Gain from Sale of Land		156.98
500002 · T-0211 Holman St	18,549.80	
500003 · T-0225 Mobility	16,423.57	
500415 · T-0225 Mobility	26,295.00	
500007 · T-0234 Parks and Open Space	143,428.64	
500009 · T-0210 Main Street Improvements	3,396,662.38	
500019 · T-0214 Caroline St near HCCS	35,266.50	
500040 · CIP Admin & Gen Exp.	51,524.30	
500048 · T-0235 Holman Ped Enhancement	14,890.04	
500022 · Affordable Housing Expenditures	1,950.00	
510002 · T-0214 Caroline St near HCCS	47,183.40	
510003 · Holman Street St T-0211	8,159.10	
510532 · T-0211 - HCC Acad WK FTA	895.68	
510008 · T-0220 Afford Housing Land Bnk	324.00	
510009 · T-0220 Afford Housing Ins	11,550.00	
510013 · T-0220 Affordable Housing Legal	54,684.62	
510017 · T-0220 Drainage Fees	6,594.41	
512001 · T-0220 Aff Hous Expense	2,041,052.97	
510010 · T-0237 Baldwin Park Upgrades	2,239.97	
510041 · CIP Program Expenses	110,445.20	
510043 · T-0234 Parks & Open Space	4,007.26	
510044 · T-0236 Bagby Park		54.27
510045 · T-0224 HTC I - Bldg Maintenance	24,559.21	
510046 · T-0221 Midtown Pk	1,873,640.79	
510050 · T-0210 Main Street Enhancements	1,573,070.72	
510053 · T-0233 Midtown Garage		70,598.30
510096 · T-0207 Opr of Zone Prj Faciliti	292,268.02	
510102 · HMAAC Interest Expense	38,843.36	
510534 · T-0225 Mobility & Pedest Imprv	256,721.68	
510700 · Municipal Services Costs	71,804.07	
511001 · T-0232 Public & Cultural Fac	100,000.00	
511002 · T-0233 Midtown Park Garage	676,155.64	
550000 · General & Admin. Expense	500.00	
550002 · Contract Labor	46,897.79	
550003 · Rent Expense	34,265.00	
550004 · Salaries	901,440.19	
550013 · Dental Coverage	3.48	
550014 · Health Insruance	62,741.40	

Midtown Redevelopment Authority

Trial Balance

As of February 28, 2018

Feb 28, 18

	Debit	Credit
550015 · AFLAC	427.95	
550018 · Life Insurance	47.60	
5500047 · Overtime	1,453.14	
550007 · Courier Service	1,722.63	
550008 · Office Supply & Expense	17,072.81	
550009 · Misc Exp	10,864.61	
550010 · Telephone & Utilities	12,782.94	
550110 · Cellular Service	1,022.83	
550113 · Drainage fee	2,999.30	
550012 · Postage	519.40	
550022 · Bank Charges & Fees	3,511.26	
550023 · Trust Expenses	4,821.69	
550025 · Professional Services	111,880.89	
550026 · Accounting Consultants	11,740.00	
550027 · Financial Audit	41,450.00	
550028 · Legal Consultants	104,937.22	
550030 · Planning Consultants	163.26	
550032 · Engineering Consultants	90,535.13	
550034 · Equip Rent & Lease Expense	4,742.40	
550036 · Licenses & Fees	11,292.34	
550037 · Workman's Comp Insurance	309.64	
550038 · Insurance - Office	94,546.00	
550039 · Computers & Repairs & Maint	20,830.89	
550040 · Repair & Maintenance	42,360.55	
550044 · Payroll Expense & PR Tax Exp	68,903.97	
550045 · Payroll Fees	6,347.09	
550050 · Depreciation Expense	282,132.61	
550061 · Public Relations	60,000.00	
550114 · Harris County Extension	3,533.10	
550055 · Amort Bond Prem		249,110.97
560038 · 11 Bond Series Interest Expense	602,380.23	
560039 · 2013 Bond Series Int Expense	798,840.11	
560040 · 2015 Bond Int Expense	286,701.04	
560041 · 2017 Bond Int Expense	1,081,556.08	
66900 · Reconciliation Discrepancies		0.01
999999 · SUSPENSE	4,062.30	
TOTAL	<u>173,840,615.12</u>	<u>173,840,615.12</u>

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**Midtown Redevelopment Authority  
Operating Account**

Date	Num	Name	Memo	Debit
<b>MARCH 2018</b>				
101001 - Wells Fargo Ope Acctg 64040				
DATE	CHECK	NAME	MEMO	AMT
03/01/2018	8586	HX Houston Exponential	VOID: RENT AND PARKING	0.00
03/30/2018	8587	Midtown Parks Conservancy	Annual remittance	277,309.77
03/01/2018	8598	HX Houston Exponential	RENT AND PARKING	5,745.00
03/07/2018	8599	Gaylord Palms	IPI Convention	3,541.20
03/19/2018	8600	AFLAC	February 2018	2,597.08
03/20/2018	8601	Marlon Marshall	APA Conference - New Orleans, La IPI Conference Ori	987.92
03/23/2018	8602	Schramm, Kandi L.	Expense Reimbursement	150.15
03/29/2018	8603	Bee-Line Delivery Service	Courier Service	115.84
03/29/2018	8604	Bracewell LLP	Legal Services	4,915.00
03/29/2018	8605	CRI	Professional Services rendered - MRA FY201	9,600.00
03/29/2018	8606	FireTron, Inc.	Fire Inspections	2,025.60
03/29/2018	8607	IDS Engineering Group	Professional Consultants	107,413.92
03/29/2018	8608	Kwik Kopy	Posters and Mount Full color 32x42	120.00
03/29/2018	8609	marimon	Contract bas cost & copies	307.83
03/29/2018	8610	MBM Financial Corporation	CANON/IRAC5250	221.09
03/29/2018	8611	McConnell & Jones, LLP	Professional services	750.00
03/29/2018	8612	NOTonsite	IT Services	2,027.00
03/29/2018	8613	One World Strategy Group, LLC	Monthly retainer per contract FEBRUARY 2018	7,500.00
03/29/2018	8614	Pitney Bowes Global Financial Services LL	Lease Postage Meter	151.87
03/29/2018	8615	Staples Advantage	office supplies	1,643.98
03/29/2018	8616	THR Enterprises, Inc.	Dumpster	9,612.50
03/19/2018	8617	CHAMPION ENERGY SERVICES	2811 Travis St	2,582.00
03/29/2018	8618	ThyssenKrupp Elevator	Elevator Service	1,504.76
03/29/2018	8619	Walter P. Moore	Professional Consultants	2,693.99
03/29/2018	8620	AFLAC	March 2018	2,597.08
03/29/2018	8621	Bracewell LLP	Legal Services	1,845.00
03/27/2018	8622	Thibodeaux, Matt B	City of Dallas Parks & Recreation Dept	222.62
03/29/2018	8623	PHONOSCOPE SERVICES, INC.	APRIL 2018	144.75
03/29/2018	8624	A. O. Phillips & Associates	MWDBE SERVICES MARCH 2018	12,160.00
03/29/2018	8625	the breakfast klub	Board Lunch	470.80
03/29/2018	8626	NEVA Corporation	Preventative Maintenance Inspection for March 2018	1,000.00
03/29/2018	8627	Purchase Power	36512979 SEPT 2017	20.64
03/29/2018	8628	McDonald - Wessendorff Insurance	APIN 02-01-2018 TO 02-01-2019 Adding Midtown Park	18,672.00
				<b>480,649.39</b>

Midtown Redevelopment Authority  
Affordable Housing  
Checking Account

Date	Num	Name	Memo	Debit
<b>MARCH 2018</b>				
<b>WELLS FARGO</b>				
104000 · Affordable Housing Accounts				
DATE	CHECK	NAME	MEMO	AMT
03/29/2018	3194	CORTEZ LANDSCAPING, LLC	Affordable Housing Landscaping services and trash re	111,151.09
03/29/2018	3196	Hou Homes	Completion Reimbursement 2002,2004,2006,2008,20	66,000.00
03/29/2018	3197	KCK Demolition and Landscaping	0 Calhoun St 77021	11,900.00
03/29/2018	3198	POWER, LLC	Cutting and removal of 40 trees as requested	19,500.00
03/29/2018	3199	TransTeQ	FEBRUARY 2018 LAWN SERVICE	27,151.54
03/29/2018	3200	UNIVERSAL HOUSING SOLUTIONS	Consulting Services	26,232.00
03/29/2018	3201	Hou Homes	Completion Reimbursement 2014,2016,2018,202,202	66,000.00
				327,934.63

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Midtown Redevelopment Authority  
 Bond & Project Fund Expenses & Balances  
 Saturday, March 31, 2018

<b>Trustee Investments (Bond Funds)</b>		<b>Beginning Balance</b>	<b>Chase</b>	<b>BKNY MELLON</b>	<b>WELLS FARGO</b>	<b>TexSTAR/LOGIC</b>	<b>Ending Balance</b>
<b>422885 Pledge Reserve Funds 422896</b>		4,194.68		-2,703.00			1,491.68
<b>422896 Debt Service US Treasury Money Market Funds</b>		3,609,078.22					3,609,078.22
<b>422897 Reserve Fund US Treasury Money Market Funds</b>		0.02					0.02
<b>Texstar Debt Service Reserve</b>		7,946,288.23					7,946,288.23
<b>422919 Austin Park Maint.(2001 Series) US Treasury Money Market Funds</b>		3,474.95					3,474.95
<b>LOGIC 2017 Affordable Housing</b>		5,641,840.46				-114,817.00	5,527,023.46
<b>BNY-TICR AFF HSG 693802</b>		114,817.00					
REQ 137	Star Tex Title Agency LLC			57,461.00			
REQ 136	Star Tex Title Agency LLC			57,356.00			
				<u>114,817.00</u>			0.00
<b>LOGIC 2017 Project Funds</b>		18,987,758.05		-261,087.87			18,726,670.18
<b>2017 Project 937932</b>		261,087.87					0.00
REQ 060	Walter P. Moore			65,541.18			
REQ 061	Walter P. Moore			10,917.50			
REQ 062	Walter P. Moore			1,715.00			
REQ 063	Walter P. Moore			7,760.03			
REQ 064	IDS Engineering Group			6,086.40			
REQ 065	The Goodman Corporation			17,743.70			
REQ 066	TLC Engineering, Inc.			3,825.75			
REQ 067	SER Construction Partners, Ltd.			103,612.50			
REQ 068	Millis Development & Construction, Inc.			43,885.81			
				<u>261,087.87</u>			0.00
<b>443264 2011 Escrow 1998 2001</b>		9.99					9.99
<b>9379338400 2017 ESCROW</b>		1,258,715.59					1,258,715.59

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**midtown**  
HOUSTON

February 19, 2018

Board of Directors  
Matt Thibodeaux, Executive Director  
Midtown Redevelopment Authority  
410 Pierce Street, Suite 355  
Houston, Texas 77002

Re: Investment Report – Quarter Ending December 31, 2017

Dear Board of Directors:

I have prepared the Quarterly Investment Report in my capacity as Financial Accounts Manager for the Authority. This report is presented in accordance with generally accepted accounting principals and Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority and will be reviewed as part of the annual audit.

The average yield from TexStar Money Market Accounts for this quarter is 1.0980%

The average yield from Logic Money Market Accounts for this quarter is 1.3181%<sup>1</sup>

The average yield from Chase Accounts for this quarter is 0.0%

The average yields Bond Funds at Bank of New York Mellon is 0.0%.

Wells Fargo interest earning accounts have an average yield of 0.04000%.

The total amount of interest earned for this quarter is \$140,850.12

The total average yield on seventeen interest bearing accounts is 0.631869%

The report reflects the compliance of your investment portfolio with the Investment Policies of the Authority, and is in accordance with the Investment provisions of the Public Funds Investment Act.

This report is presented to the Board of Directors for review and approval.

Respectfully,

Theresa D. Gilmore  
Financial Accounts Manager

cc: Carr, Riggs & Ingram (CRI)



**midtown**  
H O U S T O N

February 19, 2018

Board of Directors  
Midtown Redevelopment Authority  
410 Pierce, Suite 355  
Houston, Texas 77002

Re: Investment Report – Quarter Ending December 31, 2017

Dear Board of Directors:

In my capacity as Investment Officer and in compliance with Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority, please find attached the 1<sup>st</sup> Quarter Fiscal Year 2017 Investment Report.

These reports reflect compliance of the Investment Policies of the Authority, and in accordance with the Investment provisions of the Public Funds Investment Act. The enclosed report is presented to the Board of Directors for review and approval.

Kindest regards,

Matt Thibodeaux  
Executive Director

cc: Carr, Riggs & Ingram (CRI)

NAME OF FUND	DATE OF PURCHASE	M R A I T Y	BEGINNING BOOK VALUE	BEGINNING MARKET VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	INCOME RECEIVED TO DATE	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE	YIELD
					PURCHASES	SALES & REDEMPTIONS						
Chase Operatin g Account	VARIOUS	N/A	0.00	0.00					0.00	0.00		
WF 64040			309,158.24	309,158.24	3708602.88	3,634,656.04	82.02	827.36	235,293.42	235,293.42		0.0433%
Infrastructure Projects 1731			123,944.81	123,944.81	123,000.00		3.59	22.23	948.40	948.40		0.0433%
WF Surplus 63943			882.38	882.38			0.10	84.35	882.48	882.48		0.0433%
WF FTA 63919			51.82	51.82				2.88	51.82	51.82		0.0000%
LOGIC Operating			6,358,497.96	6,358,497.96	2,149,000.00		18,822.52	23,740.72	4,228,320.48	4,228,320.48		1.3181%
TextSTAR Operating Account			1,030,358.68	1,030,358.68	1,025,000.00		781.16	3,451.11	6,139.84	6,139.84		1.0980%
WF Investment Acct 63901			727.63	727.63	1,025,000.00		0.12	0.23	727.75	727.75		0.0300%
WF OPR SAV ACCT 77180			115,278.82	115,278.82	20,000.00		8.39	23.74	95,287.21	95,287.21		0.0300%
<b>TOTAL OPERATING FUNDS</b>			<b>7,938,900.34</b>	<b>7,938,900.34</b>	<b>8,050,602.88</b>	<b>4,659,656.04</b>	<b>19,697.90</b>	<b>28,152.62</b>	<b>4,567,651.40</b>	<b>4,567,651.40</b>		<b>0.00</b>
<b>ACCT. 36024024 AFFORDABLE HOUSING</b>												
Chase Affordable Housing Revenue Account			0.00	0.00					0.00	0.00		0.0500%
WF Affordable Housing 3927			1,329,897.37	1,329,897.37	635,593.84		135.92	590.30	723,132.04	723,132.04		0.0500%
WF Pilot Program 3935			342.72	342.72			0.03	0.09	342.75	342.75		0.0333%
WF AFF Pilot Pro Saving 0860			25.72	25.72				0.01	0.00	0.00		0.0000%
<b>TOTAL DDA</b>			<b>1,330,265.81</b>	<b>1,330,265.81</b>	<b>635,619.56</b>	<b>28,692.59</b>	<b>135.95</b>	<b>590.40</b>	<b>723,474.79</b>	<b>723,474.79</b>		<b>0.00</b>
TEXSTAR AFF HOUS			1,920.72	1,920.72			5.44	10.16	1,926.16	1,926.16		1.0980%
LOGIC AFF HOUS			3,004,278.94	3,004,278.94			9,994.02	11,897.24	3,014,272.96	3,014,272.96		1.3181%
<b>TOTAL AFFORDABLE HOUSING</b>			<b>4,336,465.47</b>	<b>4,336,465.47</b>	<b>635,619.56</b>	<b>28,692.59</b>	<b>10,135.41</b>	<b>12,497.80</b>	<b>3,739,673.91</b>	<b>3,739,673.91</b>		<b>0.00</b>
<b>422885 PLEDGE REVENUE</b>			<b>0.00</b>	<b>0.00</b>	<b>2,650.00</b>	<b>0.00</b>	<b>12.22</b>	<b>12.22</b>	<b>6,639.88</b>	<b>6,639.88</b>		<b>0.0000%</b>
677 FUND US TREASURY MM	VARIOUS	n/a	9,277.66	9,277.66	2,650.00		12.22	12.22	6,639.88	6,639.88		0.0000%
<b>TOTAL PLEDGE REVENUE</b>			<b>9,277.66</b>	<b>9,277.66</b>	<b>2,650.00</b>	<b>0.00</b>	<b>12.22</b>	<b>12.22</b>	<b>6,639.88</b>	<b>6,639.88</b>		<b>0.00</b>
<b>422896 DEBT SERVICE FUND</b>			<b>10,903,701.31</b>	<b>10,903,701.31</b>	<b>34,715.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,938,416.60</b>	<b>10,938,416.60</b>		<b>0.0000%</b>
Debt Service	VARIOUS		10,903,701.31	10,903,701.31					0.00	0.00		0.0000%
TextSTAR Debt Ser Money Market			7,944,832.78	7,944,832.78	20,822.44		21,976.69	42,352.65	7,945,987.03	7,945,987.03		1.0980%
<b>TOTAL RESERVE FUND</b>			<b>7,944,832.80</b>	<b>7,944,832.80</b>	<b>41,644.88</b>	<b>20,822.44</b>	<b>21,976.69</b>	<b>42,352.65</b>	<b>7,945,987.05</b>	<b>7,945,987.05</b>		<b>0.00</b>
<b>422897 RESERVE FUND</b>			<b>10,903,701.31</b>	<b>10,903,701.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,938,416.60</b>	<b>10,938,416.60</b>		<b>0.00</b>
Debt Service			0.02	0.02	20,822.44		20,822.44	0.00	0.02	0.02		0.0000%
TextSTAR Debt Ser Money Market			7,944,832.78	7,944,832.78	20,822.44		21,976.69	42,352.65	7,945,987.03	7,945,987.03		1.0980%
<b>ESCROW</b>			<b>1,312,428.94</b>	<b>1,312,428.94</b>	<b>9.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,312,438.93</b>	<b>1,312,438.93</b>		<b>0.0000%</b>
937933 8400 2017 ESCROW			1,312,428.94	1,312,428.94	9.99		0.00	0.00	1,312,438.93	1,312,438.93		0.0000%
443264 2011 Escrow 1998 2001			9.99	9.99			0.00	0.00	9.99	9.99		0.0000%
<b>422913 BKRV TIRZ-COI</b>			<b>1,312,438.93</b>	<b>1,312,438.93</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,312,438.93</b>	<b>1,312,438.93</b>		<b>0.00</b>
677 FUND US TREASURY MM	VARIOUS								U.UU	U.UU		U.UU00%
<b>TOTAL AUSTIN MAINT. FUND</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.0000%</b>
<b>422919 AUSTIN PARK</b>			<b>3,466.42</b>	<b>3,466.42</b>	<b>0.00</b>	<b>0.00</b>	<b>4.46</b>	<b>4.46</b>	<b>3,470.88</b>	<b>3,470.88</b>		<b>0.0000%</b>
677 FUND US TREASURY MM	VARIOUS		3,466.42	3,466.42	0.00		4.46	4.46	3,470.88	3,470.88		0.0000%
<b>TOTAL AUSTIN MAINT. FUND</b>			<b>3,466.42</b>	<b>3,466.42</b>	<b>0.00</b>	<b>0.00</b>	<b>4.46</b>	<b>4.46</b>	<b>3,470.88</b>	<b>3,470.88</b>		<b>0.0000%</b>
<b>AFFORD. HOUSING</b>												
693802 AFF HOUS FUND 2013	VARIOUS	NA			395,460.21				395,460.21			0.0000%
Logic Affordable Housing 2017	VARIOUS	N/A	7,284,985.58	7,284,985.58	395,460.21		23,971.42	48,881.10	6,913,496.79	6,913,496.79		1.3181%
<b>TOTAL AFFORD. HOUSING 2011</b>			<b>7,284,985.58</b>	<b>7,284,985.58</b>	<b>790,920.42</b>	<b>395,460.21</b>	<b>23,971.42</b>	<b>48,881.10</b>	<b>6,913,496.79</b>	<b>6,913,496.79</b>		<b>1.3181%</b>

October November December 2017

NAME OF FUND	DATE OF PURCHASE	Maturity	BEGINNING BOOK VALUE	BEGINNING MARKET VALUE	CHANGES		INCOME RECEIVED THIS PERIOD	INCOME RECEIVED TO DATE	ENDING BOOK VALUE	ENDING MARKET VALUE	MATURITY VALUE	YIELD
					PURCHASES	SALES & REDEMPTIONS						
<b>937932 PROJECT FUND</b>												
697932 PROJECT FUND 2017			0.00									0.0000%
LOGIC 2017 PROJECT	VARIOUS	N/A	19,624,681.98	19,624,681.98	421,659.94		65,052.02	129,292.28	19,268,074.06	19,268,074.06		1.3181%
<b>TOTAL PROJECT FUND</b>			19,624,681.98	19,624,681.98	421,659.94	0.00	65,052.02	129,292.28	19,268,074.06	19,268,074.06		0.00
<b>TOTAL INVESTMENTS</b>			59,358,750.49	59,358,750.49	9,943,097.68	5,104,631.28	140,850.12	261,193.13	54,695,849.50	54,695,849.50		

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CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS     §

§

COUNTY OF HARRIS     §

I, the undersigned officer of the Board of Directors of Midtown Redevelopment Authority (the “Board”) do hereby certify as follows:

1. The Board convened in regular session on the 29<sup>th</sup> day of March, 2018, at the regular meeting place thereof within said Midtown Zone; and the roll was called of the duly constituted officers and members of said Board, to-wit:

- |   |                     |            |
|---|---------------------|------------|
| 1 | Vacant              | Director   |
| 2 | Douglas Erwing      | Director   |
| 3 | Vacant              | Chair      |
| 4 | Pamela N. Castleman | Secretary  |
| 5 | H. Al Odom          | Director   |
| 6 | Abe S. Goren        | Vice Chair |
| 7 | Caton M. Fenz       | Director   |
| 8 | John Thomas         | Director   |
| 9 | Brandon Dudley      | Director   |

and all of said persons were present, except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

**RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY (THE “AUTHORITY”) OR ITS AGENT TO ENTER INTO A GRANT AGREEMENT WITH HOUSTON BUSINESS DEVELOPMENT, INC. PROVIDING FOR THE CONVEYANCE AND DEVELOPMENT OF CERTAIN PROPERTIES IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AND AUTHORIZING THE AUTHORITY OR ITS AGENT TO TAKE ALL NECESSARY ACTIONS REGARDING SAME**

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Vernon's Texas Codes Annotated, Chapter 551, Government Code.

SIGNED this \_\_\_\_\_, 2018.

\_\_\_\_\_  
Secretary, Midtown Redevelopment Authority

**RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY (THE “AUTHORITY”) OR ITS AGENT TO ENTER INTO A GRANT AGREEMENT WITH HOUSTON BUSINESS DEVELOPMENT, INC. PROVIDING FOR THE CONVEYANCE AND DEVELOPMENT OF CERTAIN PROPERTIES IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AND AUTHORIZING THE AUTHORITY OR ITS AGENT TO TAKE ALL NECESSARY ACTIONS REGARDING SAME**

WHEREAS, by Ordinance No. 94-1345, adopted on December 14, 1994, the City of Houston (the “City”) created Reinvestment Zone Number Two, City of Houston, Texas (the “Midtown Zone”) pursuant to Chapter 311, Texas Tax Code (the “Act”), and approved a preliminary project plan for the Midtown Zone and a preliminary reinvestment zone financing plan for the Midtown Zone; and

WHEREAS, by Resolution No. 95-96, adopted on June 28, 1995, the City authorized the creation of the Midtown Redevelopment Authority (the “Authority”) to aid, assist and act on behalf of the City in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Midtown and neighboring areas as described in Ordinance No. 94-1345; and

WHEREAS, the City, the Midtown Zone and the Authority have entered into that certain amended and restated Agreement dated July 18, 2000, and approved as Ordinance No. 2000-494 (the “Tri-Party Agreement”), pursuant to which the City delegated to the Authority the power and authority to administer the Midtown Zone including, but not limited to, the power to engage in activities relating to the acquisition and development of land, construction and improvement of infrastructure in the Midtown Zone, and provide affordable housing, in accordance with, and subject to the limitations set forth in, the Tri-Party Agreement and Project and Financing Plan; and

WHEREAS, the Authority’s Board of Directors (the “Board”) has determined that it is in the best interest of the Midtown Zone and the Authority to acquire tracts of land in certain nearby neighborhoods to be developed as affordable housing and to commit certain available tax increment or bond proceeds received for this purpose; and

WHEREAS, the Authority has previously acquired certain parcels of land in the Southeast area of the City for such purpose, and now desires to enter into a grant agreement (the “Grant Agreement”), between and among the Authority, the Zone and Houston Business Development, Inc. (the “Grantee”), substantially in the form attached hereto as **Exhibit A**, in order to convey certain of such parcels of land to the Grantee to be developed as affordable housing; and

WHEREAS, pursuant to the Grant Agreement, the Authority will grant and convey to the Grantee five (5) single family residence lots in the Southeast area of the City, as described in Exhibit A to the attached Grant Agreement (herein, the “Grant Properties”), at a consideration that is less than the fair market value of such lots, in order to provide decent, safe, sanitary and affordable housing for low and moderate income persons; and

WHEREAS, the Authority believes it is in the best interest of the Authority to enter into the Grant Agreement and to convey the Grant Properties to the Grantee for the purposes described herein and in the Grant Agreement, and the Board desires hereby to approve the Grant Agreement and such actions.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Midtown Redevelopment Authority:

1. That the Board adopts the findings and recitations set out in the preamble to this Resolution and finds them to be true and correct.
2. That the Board hereby approves the form, terms and provisions of the Grant Agreement attached hereto as **Exhibit A**, including the terms and provisions of the forms of Unimproved Property Contract and Special Warranty Deed attached to the Grant Agreement as Exhibits B and C, respectively, and hereby authorizes the execution by the officers of the Board, the Executive Director or his agent with delegated authority, of the Grant Agreement and any Unimproved Property Contracts and Special Warranty Deeds to be entered into by the Authority pursuant to the Grant Agreement, and authorizes and approves the conveyance of the Grant Properties for a consideration of \$10.00, which is less than the fair market value of such lots.
3. That the Board hereby further authorizes the officers of the Board, the Executive Director, and Authority staff and consultants to take the steps necessary to execute and carry out the terms of the Grant Agreement, including the payment of any associated costs and legal fees, and to execute any certificates, receipts, affidavits and necessary related agreements pertaining to the Grant Agreement and the conveyances described therein.

PASSED AND APPROVED this 29<sup>th</sup> day of March, 2018.

---

Abe S. Goren  
Vice-Chair, Midtown Redevelopment Authority

ATTEST:

---

Pamela N. Castleman  
Secretary, Midtown Redevelopment Authority

DRAFT

EXHIBIT A

**Grant Agreement**

(See Attached)

DRAFT

GRANT AGREEMENT

By and Among

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

MIDTOWN REDEVELOPMENT AUTHORITY

and

HOUSTON BUSINESS DEVELOPMENT, INC.

\_\_\_\_\_, 2018



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## GRANT AGREEMENT

This Grant Agreement (the “Agreement”), dated as of \_\_\_\_\_, 2018, is made by and between REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (the “Zone”), a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code; MIDTOWN REDEVELOPMENT AUTHORITY (the “Authority” or “Grantor”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and HOUSTON BUSINESS DEVELOPMENT, INC. (the “Grantee or Developer”), a non-profit corporation created and organized under the laws of the State of Texas (each a “Party” and collectively, the “Parties”).

### RECITALS

WHEREAS, by Ordinance No. 94-1345, the City Council of the City of Houston, Texas (the “City”) created the Zone in the City pursuant to the Chapter 311, Texas Tax Code, as amended (the “Act”), approved a preliminary project plan and preliminary financing plan, and appointed its Board of Directors.

WHEREAS, by Resolution No. 95-96, the City authorized the creation of the Grantor to aid, assist and act on behalf of the City in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of the Zone and neighboring areas.

WHEREAS, the City, the Zone and the Grantor have entered into that certain Amended Agreement dated July 18, 2000, and approved pursuant to Ordinance No. 2000-0494 (as amended, the “Midtown Agreement”), pursuant to which the City delegated to the Grantor the power to administer the Zone including, but not limited to, the power to use certain tax increment revenues dedicated to providing affordable housing pursuant to Section 3(H) thereof.

WHEREAS, Section 311.011(f) of the Act provides that the Zone’s project plan must provide that at least one-third of the tax increment of the Zone (the “Affordable Housing Tax Increment(s)”) be used to provide affordable housing during the term of the Zone, and pursuant to Section 3(H) of the Midtown Agreement shall be expended in a manner consistent with the City’s current affordable housing policy.

WHEREAS, the Grantee’s mission is to stimulate economic growth, support the expansion of small businesses, combat community deterioration and foster employment opportunities for low-moderate income citizens in the Houston metropolitan area and surrounding counties.

WHEREAS, the Grantor desires to stimulate the development of affordable housing, and the Grantee has requested that the Grantor grant five (5) residential lots to be used for the development of single family affordable housing dwellings in order to provide decent, safe, sanitary and affordable housing for very low, low and moderate income persons.

WHEREAS, the Grantor has determined that the Grant Project (as defined herein) is consistent with the City's then current affordable housing policy.

WHEREAS, the Zone, the Grantor and the Grantee desire to enter into this Grant Agreement to grant certain land previously acquired through the use of Affordable Housing Tax Increment to be used by the Grantee for the purposes described herein and subject to the terms and conditions hereof.

WHEREAS, in consideration of the mutual covenants, agreements and benefits to the City, the Zone, the Grantor and the Grantee, it is hereby agreed as follows:

## **ARTICLE I DEFINITIONS**

**Section 1.01. Defined Terms.** Unless a particular word or phrase is otherwise defined or the context otherwise requires, capitalized words and phrases used in this Agreement shall have the following meanings:

**"Affordable Housing"** is defined in the Special Warranty Deed attached hereto as **Exhibit C**.

**"Authority"** means Midtown Redevelopment Authority, a public not or profit local government corporation created and organized under provisions of Chapter 431, Texas Transportation Code.

**"Authority Representative"** means shall be the Executive Director of the Authority or any agent designated in writing by the Executive Director.

**"Conflict of Interest"** means any known instance in which a member of the Grantor or Grantee Board may receive a pecuniary benefit meeting the definition of a conflict of interest under the Grantor's conflict of interest policy.

**"Deed"** means any one of up to five (5) special warranty deeds to be executed by the Authority to convey the property to the Grantee with the restrictive covenants contained thereon, and which shall be substantially in the form attached as **Exhibit C** of this Agreement.

**"Grant"** means the grant of real property approved pursuant to this Agreement and evidenced by the execution of the Deed conveying the Property to the Grantor.

**"Grant Project" or "Project"** means the development of single family affordable housing on the Property by the Grantee.

**"HUD"** means the United States Department of Housing and Urban Development.

**"Person"** means a corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.

“**Property**” means the five (5) parcels of real property described in **Exhibit A**, which have been previously acquired by the Grantor and are being granted to the Grantee hereunder.

“**Qualifying Homebuyer(s)**” means those purchasers that meet the requirements for purchasing the single family residences developed under this Agreement, as more particularly defined in **Exhibit C**.

“**Single Family Residential Use**” means a detached structure designed for use as a dwelling unit for one and only one family, but expressly excluding manufactured homes and mobile homes.

“**Term**” shall be as defined in Section 8.14.

Section 1.02. Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definition of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

## **ARTICLE II GENERAL REPRESENTATIONS**

Section 2.01. Representations of the Zone. The Zone hereby represents to the Grantee that as of the date hereof:

(a) The Zone is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(b) The Zone has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, will not violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.

(c) This Agreement has been duly authorized, executed and delivered by the Zone and, constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms.

(d) The execution, delivery and performance of this Agreement by the Zone does not require the consent or approval of any person which has not been

Section 2.02. Representations of the Authority. The Authority hereby represents to the Grantee that as of the date hereof:

(a) The Authority is duly authorized, created and existing in good standing under the laws of the State and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(b) The Authority has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, will not violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

(c) This Agreement has been duly authorized, executed and delivered by the Authority and, constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms.

(d) The execution, delivery and performance of this Agreement by the Authority does not require the consent or approval of any person which has not been obtained.

Section 2.03. Representations of the Grantee. The Grantee hereby represents to the Grantor and Zone that as of the date hereof:

(a) The Grantee is duly authorized, created and existing in good standing under the laws of the State, is duly qualified to do business in the State or wherever necessary to carry on the operations contemplated by this Agreement.

(b) The Grantee has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement and the Deed, and the Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Grantee, enforceable in accordance with its terms.

(c) The Grantee has obtained or will obtain all necessary permits and approvals from the City and all other governmental officials and agencies having jurisdiction and will provide supervision of all phases of construction of the Project.

(d) The Grantee intends to use the Grant in a manner consistent with this Agreement and related Affordable Housing requirements.

(e) The Grantee shall complete the Project and shall pay all costs and expenses associated with the Project. The Grantee has sufficient capital to perform its obligation under this Agreement or will have sufficient capital to perform its obligations under this Agreement at the time it needs sufficient capital.

### **ARTICLE III THE PROJECT**

Section 3.01. General Purpose. (a) The Grantor has entered into this Agreement relating to the Grant Project in reliance upon the representations, warranties, covenants and agreements of the Grantee contained herein, and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the completion of the Project and upon the performance by the Grantee of its obligations hereunder, as of the date hereof and the date of completion.

(b) The Project shall consist of the design, construction, assembly, installation and implementation of no fewer than five (5) affordable single family residences, consistent with the approved specifications (the “Project Specifications”).

(c) Grantee shall prepare or cause to be prepared Project Specifications and submit them for approval to the Authority’s Representative. The Authority’s Representative shall promptly approve, reject, or make comments or queries to the Project Specifications. The Project Specifications approved by the Authority’s Representative shall be the Project Specifications and shall be attached to this Agreement as **Exhibit D** and incorporated as if fully set forth herein.

(d) Grantee covenants and agrees that:

(i) the Project shall be completed in substantial compliance with the Project Specifications, as modified from time to time in accordance with Section 3.02 herein;

(ii) the Property shall be used solely for Single Family Residential Use and shall consist of five (5) affordable single family residences or one single family residence, for each single family residence lot to be granted to the Grantee hereunder;

(iii) all residences developed on the Property shall qualify as Affordable Housing at all times for the entire Term of this Agreement;

(iv) the Grantee shall provide the Authority with sufficient financial and other information, as determined and requested by the Authority’s Executive Director, regarding the Project, and

(v) upon completion of construction of the single family residences contemplated hereunder, the Grantee shall cause 60% of such single family residences to be sold to Qualified Homebuyers for not more than \$160,000 each and 40% of such single family residences to be sold to Qualified Homebuyers for not more than \$180,000 each or such other amount as the Executive Director may designate in writing.

(e) The terms and conditions of this Section 3.01 shall be deemed “covenants running with the land” and shall bind Grantee as the owner of the Property, and its successors and assigns as the owner or owner(s) of any property contained within the Project, as further described in Section 4.01 herein and the Deed.

Section 3.02. Modification of the Grant Project. The Project and Project Specifications may be altered or amended by the Grantee upon written notice to the Grantor and subsequent approval by the Executive Director of the Grantor of the proposed alterations or amendments; provided, however, that such proposed alterations or amendments shall be consistent with the then current City policy for affordable housing, and approved in writing by the Grantor. Any

such alterations or amendments shall be incorporated herein and, in the case of Project Specifications, substituted and attached hereto as **Exhibit A**.

**Section 3.03. Completion of Grant Project.** The Project shall reach completion no later than the last day of the twenty-fourth month from the date of this Agreement (the “Project Completion Date”), provided however, that construction of each single family residence shall be completed within 240 days from the date of acquisition of each of the five (5) residential lots, respectively (the “Construction Completion Date”). The Construction Completion Date may be extended for an additional period up to 120 days by the Authority’s Executive Director, in his sole discretion, upon written request by the Grantee. The Executive Director shall provide written notice to Grantee approving an extension prior to the Construction Completion Date. The Project will not be deemed complete until the Authority has received all necessary documentation from the Grantee as described herein, and the Executive Director of the Grantor, or his designee, provides written confirmation that the Authority deems the Project completed.

#### **ARTICLE IV CONVEYANCE, FINANCING AND FUNDING**

**Section 4.01. Conveyance of the Property.** The Authority agrees to grant the Property to Grantee in order to facilitate the provision of decent, safe, sanitary and affordable housing for very low, low and moderate income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed, in the Harris County Clerk’s Records, subject to the terms and conditions set forth in an Unimproved Property Contract to be entered into by the Authority and the Grantee substantially in the form attached hereto as **Exhibit B**. The Parties agree that the Authority shall have the sole right to determine when to enter into an Unimproved Property Contract with Grantee for each of the single family residential lots to be conveyed hereunder, *provided however*, that the Authority shall initially enter into Unimproved Property Contracts for no fewer than two (2) single family residential lots.

**Section 4.02. Funding for the Project.** The Parties agree that Grantee shall be solely responsible for securing all funding and financing necessary to acquire the Property and complete construction of the Project in accordance with the terms of this Agreement. The Grantor shall have no obligation to provide any funds for any purpose in connection with the design and construction of the Project.

#### **ARTICLE V COVENANTS OF THE GRANTEE REGARDING GRANT PROJECT**

**Section 5.01. Conflict of Interest.** The Grantee has disclosed all Conflicts of Interest. The Grantor reserves the right to deny the grant of the Property due to a potential or existing Conflict of Interest disclosed at the execution of this Agreement or at any time throughout the Term of this Agreement.

**Section 5.02. Additional Covenants of Grantee.** The Grantee covenants to the Grantor that:



(a) Grantee shall provide the Grantor with all reports and other information reasonably requested by the Authority;

(b) any marketing, public awareness campaigns or signage related to the Project shall recognize the Grantor's contributions in a prominent manner and, in the case of written materials, the Grantor's name shall be in text no smaller than one-half (1/2) of the size of the Grantee's name and of an equal size as the City's name;

(c) any expenses related to the Grant Project shall be recorded and physically maintained separately and distinctly from the expenses related to the general operations of the Grantee;

(d) the Grant Project shall be completed and the Grantee shall pay all costs associated with the Grant Project; and

(e) the Property shall be maintained in a safe and sanitary condition. The covenant to maintain the Property includes the removal of debris, trash, illegal occupiers or squatters, and unsightly landscaping conditions.

## ARTICLE VI DEFAULT

Section 6.01. Events of Default. Each of the following shall constitute an event of default by the Grantee under this Agreement, if such events are not cured to the satisfaction of the Authority within 30 days after notice thereof shall have been given:

(a) Grantee fails to take title to the Property as contemplated under this Agreement within 60 days;

(b) Grantee fails to complete construction of the Grant Project within twenty-four months from the date of execution of this Agreement as required under Section 3.03;

(c) Grantee fails to complete construction of any one or more of the single family residences within the requirements of Section 3.03;

(d) Grantee fails to complete the Project in substantial compliance with the Project Specifications and any such deviation, alteration or amendment has not received written approval by the Authority pursuant to Section 3.02;

(e) Grantee is in default under any other agreement related to the Project, as default is defined in such agreement and the Grantee has not notified the Authority of the default within ten days of the default occurring;

(f) Grantee fails to comply with the covenants relating to the Single Family Residential Use and Affordable Housing further detailed in Section 3.01 and in the Deed;

(g) Grantee fails to comply with the covenants detailed throughout this Agreement;  
and

(h) Grantee becomes insolvent, is dissolved, or a voluntary or involuntary action in bankruptcy is filed by or against the Grantee.

Section 6.02. Remedies Upon Event of Default.

(a) Upon the occurrence of an Event of Default by the Grantee and if such default remains uncured for a period of 30 days after notice thereof shall have been given, in addition to the other rights given the Authority under this Agreement, the Authority may exercise the Reconveyance Right created in the Deed and incorporated herein or the Authority may enforce specific performance of this Agreement, seek, actual damages incurred for any such default, terminate this Agreement, and/or enforce any other remedies under the Deed. If the Authority elects to exercise its right to terminate this Agreement upon the occurrence of an Event of Default, it shall have no further obligation after the date of such termination to sell and convey any Property to the Grantee.

(b) If the Grantor does not perform its obligations hereunder in substantial compliance with this Agreement, and if such default remains uncured for a period of 30 days after notice thereof shall have been given, in addition to the other rights given the Grantee under this Agreement, the Grantee may enforce specific performance of this Agreement or seek actual damages incurred by the Grantee for any such default.

**ARTICLE VII  
INDEMNIFICATION AND RELEASE**

Section 7.01. Indemnification and Release. **TO THE EXTENT ALLOWED UNDER THE LAWS OF THE STATE OF TEXAS, THE GRANTEE SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, GRANTOR AND THE ZONE, THEIR AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY, THE "INDEMNIFIED PERSONS") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:**

(a) **THE GRANTEE'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY, "THE GRANTEE'S") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS; AND**

(b) **THE INDEMNIFIED PERSONS' AND THE GRANTEE'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER THE GRANTEE IS IMMUNE FROM LIABILITY OR NOT.**

**(c) THE INDEMNIFIED PERSONS' AND THE GRANTEE'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER THE GRANTEE IS IMMUNE FROM LIABILITY OR NOT.**

**Section 7.02. Indemnity to City Property. THE GRANTEE SHALL LIKEWISE INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PERSONS FOR ANY AND ALL INJURY OR DAMAGE TO CITY PROPERTY ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF THE GRANTEE, ITS OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, OR INVITEES.**

**THE GRANTEE SHALL DEFEND, INDEMNIFY, AND HOLD THE INDEMNIFIED PERSONS HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR TWO YEARS AFTER THIS AGREEMENT TERMINATES.**

Notwithstanding any other provisions of this Agreement, (1) the Grantee indemnification of all Indemnified Persons other than Zone directors is limited to \$1,000,000 per occurrence; and (2) the Grantee shall not be obligated to indemnify any Indemnified Person for the Indemnified Person's sole negligence; and (3) the Grantee shall not be obligated to indemnify any Indemnified Persons to the extent that any claims which might otherwise be subject to indemnification hereunder resulted, in whole or in part, from the gross negligence, recklessness or intentional act or omission of any Indemnified Person or Persons.

If an Indemnified Person or the Grantee receives notice of any claim or circumstance which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 10 days. The notice must include a description of the indemnification event in reasonable detail, the basis on which indemnification may be due, and the anticipated amount of the indemnified loss. This notice shall not estop or prevent an Indemnified Person from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If an Indemnified Person does not provide this notice within the 10 day period, it does not waive any right to indemnification except to the extent that the Grantee is prejudiced, suffers loss, or incurs expense because of the delay.

The Grantee shall assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the Indemnified Person. The Grantee shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, the Grantee shall advise the Indemnified Person as to whether or not it will defend the claim. If the Grantee does not assume the defense, the Indemnified Person shall assume and control the defense, and all defense expenses incurred by it shall constitute an indemnification loss.

If the Grantee elects to defend a claim, the Indemnified Person may retain separate counsel at the sole cost and expense of such Indemnified Person to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. The Grantee may settle the claim without the consent or agreement of the Indemnified Person, unless the settlement (i) would result in injunctive relief or other equitable remedies or otherwise require the Indemnified Person to comply with restrictions or limitations that adversely affect the

Indemnified Person, (ii) would require the Indemnified Person to pay amounts that The Grantee does not fund in full, or (iii) would not result in the Indemnified Person's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

**Section 7.03. Release. THE GRANTEE SHALL RELEASE EACH INDEMNIFIED PERSON FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE INDEMNIFIED PERSON'S CONCURRENT NEGLIGENCE AND/OR THE INDEMNIFIED PERSON'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, BUT NOT SUCH INDEMNIFIED PERSON'S SOLE NEGLIGENCE OR FROM ANY DAMAGE OR LOSS TO THE EXTENT RESULTING FROM THE GROSS NEGLIGENCE, RECKLESSNESS OR INTENTIONAL ACT OR OMISSION OF THE INDEMNIFIED PERSON.**

**TO THE EXTENT POSSIBLE, THE GRANTEE SHALL REQUIRE ALL CONTRACTORS ENGAGED BY IT TO CONSTRUCT THE PROJECT (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE INDEMNIFIED PERSONS TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE OF AND INDEMNITY TO THE INDEMNIFIED PERSONS HEREUNDER.**

**TO THE EXTENT POSSIBLE, THE GRANTEE SHALL ALSO REQUIRE THAT ALL GENERAL CONTRACTORS INDEMNIFY THE CITY, THE AUTHORITY, AND THE ZONE AND THEIR RESPECTIVE OFFICIALS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITIES ARISING OUT OF SUCH CONTRACTOR'S WORK AND ACTIVITY RELATED TO THE PROJECT.**

**Section 7.04. Insurance.** The Grantee shall name the Authority as an additional insured under any insurance policy related to the Property.

**Section 7.05. Other Indemnities.** Other provisions in this Agreement containing indemnities shall be deemed to be cumulative of and to operate independently of the indemnities provided above such that all indemnities provided in this Agreement shall be construed to grant indemnity to the Indemnified Parties to the fullest and broadest extent possible.

## **ARTICLE VIII GENERAL**

**Section 8.01. Inspections, Audits.** The Grantee agrees to use commercially reasonable efforts during the term of this Agreement to keep such operating records as may be required by the City, the Grantor, or by state and federal law or regulation. The Grantee shall allow the Grantor reasonable access to documents and records in the Grantee's possession, custody or

control relating to the Grant Project that the Grantor deems necessary to assist the Grantor in determining the Grantee's compliance with this Agreement. Grantee shall allow the Grantor reasonable access to the Project to conduct visual inspections of the Project. All inspections will be made only after giving the Grantee notice at least 48 hours in advance thereof. The Grantor shall use its reasonable efforts to keep such information confidential while still complying with any public information laws. The Grantor agrees to notify the Grantee of any requests to disclose information that is labeled by the Grantee as confidential, and to request an opinion from the Attorney General prior to releasing such information if the Grantee believes disclosure of such requested information would cause the Grantee substantial competitive harm or disclose trade secrets of the Grantee that are privileged or confidential.

Section 8.02. The Grantee Operations and Employees. All personnel supplied or used by the Grantee in the performance of this Agreement shall be deemed contractors or subcontractors of the Grantee and will not be considered employees, agents, contractors or subcontractors of the Authority for any purpose whatsoever. The Grantee shall be solely responsible for the compensation of all such contractors and subcontractors.

Section 8.03. Dispute Resolution.

(a) In the event of any claim, dispute or controversy arising out of or relating to this Agreement (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of torts, contracts, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, or seeks damages or any other relief) which the Parties have been unable to settle or agree upon within a period of thirty days after the dispute or disagreement arises, each Party shall nominate a senior officer of its management to meet at a mutually agreed time and place not later than forty-five days after the dispute or disagreement has arisen to attempt to resolve such dispute or disagreement. Should a resolution of such dispute or disagreement not be obtained within fifteen days after the meeting of senior officers for such purpose, either Party may then by written notice to the other submit the dispute to non-binding mediation in accordance with this Section.

(b) In the event that the Parties are unable to resolve any disputes in accordance with Section 8.03(a), either Party may, by written notice to the other submit the dispute to non-binding mediation before a mutually agreed-upon mediator. If the Parties are unable to agree upon a mediator within twenty days after the written notice of submission to mediation, the American Arbitration Association shall be empowered to appoint a qualified mediator. If the dispute is technical in nature, the mediator appointed by the American Arbitration Association shall be qualified by at least ten years' experience in construction, engineering, and/or architecture. The mediation shall be conducted within thirty days of the selection or appointment of the mediator, as applicable. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held at a mutually agreeable location in Houston, Texas. If the Parties are unable to agree upon a location, the mediation shall be held at the offices of the American Arbitration Association in Houston, Texas. Participation in non-binding mediation in accordance with this Section shall be a

condition precedent to Grantee having the right to file any legal or equitable action against the Authority.

(c) Subject to Grantee's obligation to comply with the requirements of the foregoing subsections as a condition precedent to Grantee having any right to file any legal or equitable action against the Authority, for purposes of all legal or equitable proceedings arising out of, relating to or connected with this Agreement, Grantee hereby agrees that this Agreement is performable in whole or in part in Houston, Harris County, Texas and hereby submits to the jurisdiction of the state courts within Harris County, and agrees that such jurisdiction shall be exclusive with respect to any such proceeding filed by Grantee. Grantee hereby irrevocably waives any claim which it may now or hereafter have that any such proceeding brought in any state court in Harris County has been brought in an inconvenient forum. With respect to any proceeding filed by the Authority, Grantee hereby expressly, clearly and unequivocally agrees that the Authority has the right to choose the forum in which any legal or equitable proceeding arising out of, relating to or connected with this Agreement shall be heard. Grantee hereby irrevocably waives its right to remove any such proceeding to any federal court should the Authority choose to bring any proceeding in any state court of Texas.

(d) Grantee shall, or shall cause a third party to, carry on the work on the Project in order to adhere to the requirement of Section 3.03 of this Agreement during all disputes or disagreements with the Authority. Work on the Project shall not be delayed or postponed pending resolution of any disputes or disagreements, except as the Authority and Grantee may otherwise agree in writing.

Section 8.04. Personal Liability of Public Officials. To the extent permitted by State law, no director, officer, employee or agent of the Authority or the City shall be personally responsible for any liability arising under or growing out of this Agreement.

Section 8.05. Notices. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the receiving party at the following addresses:

Grantee: Houston Business Development, Inc.  
5330 Griggs Road  
Houston, Texas 77021  
Attention: Marlon D. Mitchell, President/CEO

Authority: Midtown Redevelopment Authority  
410 Pierce Street, Suite 355  
Houston, Texas 77002-8722  
Attention: Executive Director

with a copy to:

Peggy Foreman  
Burney & Foreman  
5445 Almeda, Suite 400  
Houston, Texas 77004

and

Barron F. Wallace  
Bracewell LLP  
711 Louisiana, Suite 2300  
Houston, TX 77002

Each party may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this Section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when received for by, or actually received by the Zone, the Grantor or the Grantee, as the case may be.

Section 8.06. Amendments. This Agreement may be amended, supplemented and/or modified only in a writing signed by representatives of each Party and upon ratification thereof by the Board of Directors of the Grantee.

Section 8.07. Waivers. No waiver of any provision of this Agreement shall be of any force or effect unless such waiver is in writing, expressly stating to be a waiver of a specified provision of this Agreement and signed by the Party to be bound thereby. Either Party's waiver of any breach or failure to enforce any of the provisions of this Agreement, at any time, shall not in any way limit or waive that Party's right thereafter to enforce or compel strict compliance with this Agreement or any portion or provision or right under this Agreement.

Section 8.08. Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement.

Section 8.09. Successors and Assigns. All covenants and agreements contained by or on behalf of the Grantor and the Zone in this Agreement shall bind their successors and assigns and shall inure to the benefit of the Grantee and its successors and assigns. The Grantee, Grantor and the Zone may **not** assign their rights and obligations under this Agreement or any interest herein, without the prior written consent of the Grantee or Grantor, as necessary. Provided, however, any such purchaser or assignee must specifically assume all of the obligations of the Grantee hereunder. If such assignment of the obligations by the Grantee hereunder is effective, the Grantee shall be deemed released from such obligations. If any assignment of the obligations by the Grantee hereunder is deemed ineffective or invalid, the Grantee shall remain liable hereunder.

Section 8.10. Exhibits; Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the parties and shall not be construed to have any effect or meaning as to the agreement between the parties hereto. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

Section 8.11. Construction. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect.

Section 8.12. Waiver of Consequentials. Grantee waives any and all claims it may now or hereafter have against the Authority or the Zone for consequential, special, incidental or indirect losses or damages arising out of or relating to this Agreement or the Project, WHETHER ARISING UNDER THE LAW OF CONTRACTS, TORTS (INCLUDING WITHOUT LIMITATION, NEGLIGENCE OF EVERY KIND AND STRICT LIABILITY WITHOUT REGARD TO FAULT) OR PROPERTY OR AT COMMON LAW OR IN EQUITY, VIOLATION OF STATUTE (INCLUDING WITHOUT LIMITATION, THE TEXAS DECEPTIVE TRADE PRACTICES ACT OR SIMILAR STATUTE OR ANY OTHER JURISDICTION) OR OTHERWISE. Furthermore, this waiver includes, but is not limited to, damages incurred by Grantee for principal office expenses including without limitation the compensation of personnel stationed there, for losses of financing, business, reputation, and loss of profit. This waiver is applicable, without limitation, to all consequential, special, incidental or indirect losses or damages arising out of any termination pursuant to Article VI.

Section 8.13. Entire Agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 8.14. Term. This Agreement shall be in force and effect from the date of execution hereof for a term expiring the first day in which the Zone is no longer in existence.

Section 8.15. Memorandum of Agreement. The parties agree that they will, at the request of any party, promptly execute an instrument in recordable form constituting a memorandum of this Agreement, which shall be filed for record in the Office of the County Clerk of Harris County, Texas, solely to give record notice of the existence of this Agreement. No such memorandum shall in any way vary, modify or supersede this Agreement.

Section 8.16. Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the parties, the parties agree that such approval or consent shall not be unreasonably withheld or delayed.



Section 8.17. Survivability. Notwithstanding any termination or expiration of this Agreement, the obligations of the Grantee which are intended by their nature to survive such expiration or termination, including without limitation those set forth in ARTICLE VII (INDEMNIFICATION AND RELEASE); Section 8.07 (Waivers); Section 8.08 (Invalidity); Section 8.12 (Waiver of Consequentials); and this Section 8.17 of this Agreement, shall survive for the maximum duration of time allowed by law.

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the \_\_\_\_ day of \_\_\_\_\_, 2018.

**MIDTOWN REDEVELOPMENT  
AUTHORITY**

**REINVESTMENT ZONE NUMBER TWO,  
CITY OF HOUSTON, TEXAS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**HOUSTON BUSINESS DEVELOPMENT,  
INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DRAFT

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS     §

  §

COUNTY OF HARRIS     §

I, the undersigned officer of the Board of Directors of Midtown Redevelopment Authority (the “Board”) do hereby certify as follows:

1. The Board convened in regular session on the 29<sup>th</sup> day of March, 2018, at the regular meeting place thereof within said Midtown Zone; and the roll was called of the duly constituted officers and members of said Board, to-wit:

- |   |                     |            |
|---|---------------------|------------|
| 1 | Vacant              | Director   |
| 2 | Douglas Erwing      | Director   |
| 3 | Vacant              | Chair      |
| 4 | Pamela N. Castleman | Secretary  |
| 5 | H. Al Odom          | Director   |
| 6 | Abe S. Goren        | Vice Chair |
| 7 | Caton M. Fenz       | Director   |
| 8 | John Thomas         | Director   |
| 9 | Brandon Dudley      | Director   |

and all of said persons were present, except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

**RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY (THE “AUTHORITY”) OR ITS AGENT TO ENTER INTO A DEVELOPMENT AND PURCHASE AGREEMENT WITH COLE KLEIN BUILDERS, LLC AND PROVIDING FOR THE CONVEYANCE AND DEVELOPMENT OF CERTAIN PROPERTIES IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AND AUTHORIZING THE AUTHORITY OR ITS AGENT TO TAKE ALL NECESSARY ACTIONS REGARDING SAME**

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Vernon's Texas Codes Annotated, Chapter 551, Government Code.

SIGNED this \_\_\_\_\_, 2018.

\_\_\_\_\_  
Secretary, Midtown Redevelopment Authority

**RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY (THE “AUTHORITY”) OR ITS AGENT TO ENTER INTO A DEVELOPMENT AND PURCHASE AGREEMENT WITH COLE KLEIN BUILDERS, LLC AND PROVIDING FOR THE CONVEYANCE AND DEVELOPMENT OF CERTAIN PROPERTIES IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AND AUTHORIZING THE AUTHORITY OR ITS AGENT TO TAKE ALL NECESSARY ACTIONS REGARDING SAME**

WHEREAS, by Ordinance No. 94-1345, adopted on December 14, 1994, the City of Houston (the “City”) created Reinvestment Zone Number Two, City of Houston, Texas (the “Midtown Zone”) pursuant to Chapter 311, Texas Tax Code (the “Act”), and approved a preliminary project plan for the Midtown Zone and a preliminary reinvestment zone financing plan for the Midtown Zone; and

WHEREAS, by Resolution No. 95-96, adopted on June 28, 1995, the City authorized the creation of the Midtown Redevelopment Authority (the “Authority”) to aid, assist and act on behalf of the City in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Midtown and neighboring areas as described in Ordinance No. 94-1345; and

WHEREAS, the City, the Midtown Zone and the Authority have entered into that certain amended and restated Agreement dated July 18, 2000, and approved as Ordinance No. 2000-494 (the “Tri-Party Agreement”), pursuant to which the City delegated to the Authority the power and authority to administer the Midtown Zone including, but not limited to, the power to engage in activities relating to the acquisition and development of land, construction and improvement of infrastructure in the Midtown Zone, and provide affordable housing, in accordance with, and subject to the limitations set forth in, the Tri-Party Agreement and Project and Financing Plan; and

WHEREAS, the Authority’s Board of Directors (the “Board”) has determined that it is in the best interest of the Midtown Zone and the Authority to acquire tracts of land in certain nearby historic neighborhoods to be developed as affordable housing and to commit certain available tax increment or bond proceeds received for this purpose; and

WHEREAS, the Authority has previously acquired certain parcels of land in the Southeast area of the City for such purpose, and now desires to enter into a development and purchase agreement (the “Development and Purchase Agreement”), between and among the Authority, the Zone and Cole Klein Builders, LLC. (the “Developer”), substantially in the form attached hereto as **Exhibit A**, in order to convey certain of such parcels of land to the Developer to be developed as affordable housing; and

WHEREAS, pursuant to the Development and Purchase Agreement, the Authority will sell and convey to the Developer five (5) tracts of land in the Southeast area of the City, as described in Exhibit D to the attached Development and Purchase Agreement (herein, the “Property”), at a consideration that is less than the fair market value of such land, in order to provide decent, safe, sanitary and affordable housing for low and moderate income persons; and

WHEREAS, the Authority believes it is in the best interest of the Authority to enter into the Development and Purchase Agreement and to convey the Property to the Developer for the purposes described herein and in the Development and Purchase Agreement, and the Board desires hereby to approve the Development and Purchase Agreement and such actions.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Midtown Redevelopment Authority:

1. That the Board adopts the findings and recitations set out in the preamble to this Resolution and finds them to be true and correct.
2. That the Board hereby approves the form, terms and provisions of the Development and Purchase Agreement attached hereto as Exhibit A, including the terms and provisions of the forms of Unimproved Property Contract and Special Warranty Deed attached to the Development and Purchase Agreement as Exhibits B and C, respectively, and hereby authorizes the execution by the officers of the Board, the Executive Director or his agent with delegated authority, of the Development and Purchase Agreement and any Unimproved Property Contracts and Special Warranty Deeds to be entered into by the Authority pursuant to the Development and Purchase Agreement, and authorizes and approves the conveyance of the Property for a consideration of \$1.50 per square foot, which is less than the fair market value of such lots.
3. That the Board hereby further authorizes the officers of the Board, the Executive Director, and Authority staff and consultants to take the steps necessary to execute and carry out the terms of the Development and Purchase Agreement, including the payment of any associated costs and legal fees, and to execute any certificates, receipts, affidavits, notices and necessary related agreements pertaining to the Development and Purchase Agreement and the conveyances described therein.

PASSED AND APPROVED this 29<sup>th</sup> day of March, 2018.

---

Abe S. Goren  
Vice-Chair, Midtown Redevelopment Authority

ATTEST:

---

Pamela N. Castleman  
Secretary, Midtown Redevelopment Authority

DRAFT



EXHIBIT A

**Development and Purchase Agreement**

(See Attached)

DRAFT

DEVELOPMENT AND PURCHASE AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

COLE KLEIN BUILDERS, LLC

\_\_\_\_\_, 2018

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## DEVELOPMENT AND PURCHASE AGREEMENT

This Development and Purchase Agreement (the “Agreement”), dated as of January 12, 2017, is made by and among REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (the “Zone”), a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code, MIDTOWN REDEVELOPMENT AUTHORITY (the “Authority” or “Authority”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and COLE KLEIN BUILDERS, LLC (the “Developer”), a Texas limited liability company created and organized under the laws of the State of Texas (each a “Party” and collectively, the “Parties”).

### RECITALS

WHEREAS, by Ordinance No. 94-1345, the City Council of the City of Houston, Texas (the “City”) created the Zone in the City pursuant to Chapter 311, Texas Tax Code, as amended (the “Act”), approved a preliminary project plan and preliminary financing plan, and appointed its Board of Directors; and

WHEREAS, by Resolution No. 95-96, the City authorized the creation of the Authority to aid, assist and act on behalf of the City in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of the Zone and neighboring areas; and

WHEREAS, the City, the Zone and the Authority have entered into that certain Amended Agreement dated July 18, 2000, and approved pursuant to Ordinance No. 2000-0494 (as amended, the “Midtown Agreement”), pursuant to which the City delegated to the Authority the power to administer the Zone including, but not limited to, the power to use certain tax increment revenues dedicated to providing Affordable Housing pursuant to Section 3(H) thereof; and

WHEREAS, Section 311.011(f) of the Act provides that the Zone’s project plan must provide that at least one-third of the tax increment of the Zone (the “Affordable Housing Tax Increment(s)”) be used to provide affordable housing during the term of the Zone, and pursuant to Section 3(H) of the Midtown Agreement shall be expended in a manner consistent with the City’s then current affordable housing policy; and

WHEREAS, the Authority has assembled land for Affordable Housing; and

WHEREAS, the Authority seeks to facilitate the development of such land for Affordable Housing, by entering into this Agreement with Developer as part of a pilot project, and model for future projects, in developing Affordable Housing within the City of Houston; and

WHEREAS, to stimulate the development of affordable housing, the Developer has requested that the Authority sell up to five (5) single family residence lots within the City of Houston at a consideration that is less than the fair market value of such lots in order to provide decent, safe, sanitary and affordable housing for low and moderate income persons; and

WHEREAS, the Authority has determined that the Project (as defined herein) is consistent with the City's then current affordable housing policy; and

WHEREAS, the Authority and the Developer desire to enter into this Development and Purchase Agreement to sell certain land previously acquired through the use of Affordable Housing Tax Increment to be used by the Developer for the purposes described herein and subject to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and benefits to the City, the Zone, the Authority and the Developer, it is hereby agreed as follows:

## **ARTICLE I DEFINITIONS**

Section 1.01. Defined Terms. Unless a particular word or phrase is otherwise defined or the context otherwise requires, capitalized words and phrases used in this Agreement shall have the following meanings:

**"Affordable Housing"** is defined in the Special Warranty Deed attached hereto as Exhibit C.

**"Authority"** means Midtown Redevelopment Authority, a public not or profit local government corporation created and organized under provisions of Chapter 431, Texas Transportation Code.

**"Authority Representative"** shall be the Executive Director of the Authority or any agent designated in writing by the Executive Director.

**"Conflict of Interest"** means any known instance in which a member of the Authority or Zone Board may receive a pecuniary benefit meeting the definition of a conflict of interest under the Authority's conflict of interest policy.

**"Deed"** means any one of up to five (5) special warranty deeds executed by the Authority conveying the property to the Developer with the restricted covenants contained thereon, and which shall be substantially in the form attached as Exhibit C of this Agreement.

**"Project"** means the development of single family affordable housing on the Property by the Developer.

**"HUD"** means the United States Department of Housing and Urban Development.

**"Person"** means a corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.

**"Property"** means each of the parcel(s) of real property described in Exhibit D, which have been previously acquired by the Authority and are eligible to be sold to the Developer hereunder.

**“Qualified Homebuyers”** means those purchasers that meet the requirements for purchasing the single family residences developed under this Agreement, more particularly defined in Exhibit C.

**“Single Family Residential Use”** means a detached structure designed for use as a dwelling unit for one and only one family, but expressly excluding manufactured homes and mobile homes.

**“Term”** shall be as defined in Section 8.14.

Section 1.02. Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definition of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

## ARTICLE II GENERAL REPRESENTATIONS

Section 2.01. Representations of the Zone. The Zone hereby represents to the Developer that as of the date hereof:

(a) The Zone is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(b) The Zone has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, will not violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.

(c) This Agreement has been duly authorized, executed and delivered by the Zone and, constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms.

(d) The execution, delivery and performance of this Agreement by the Zone does not require the consent or approval of any person which has not been obtained.

Section 2.02. Representations of the Authority. The Authority hereby represents to the Developer that as of the date hereof:

(a) The Authority is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(b) The Authority has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly

authorized, will not violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

(c) This Agreement has been duly authorized, executed and delivered by the Authority and, constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms.

(d) The execution, delivery and performance of this Agreement by the Authority does not require the consent or approval of any person which has not been obtained.

Section 2.03. Representations of the Developer. The Developer hereby represents to the Authority and Zone that as of the date hereof:

(a) The Developer is duly authorized, created and existing in good standing under the laws of the State of Texas, is duly qualified to do business in the State or wherever necessary to carry on the operations contemplated by this Agreement.

(b) The Developer has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement and the Deed, and the Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

(c) The Developer has obtained or will obtain all necessary permits and approvals from the City and all other governmental officials and agencies having jurisdiction and will provide supervision of all phases of construction of the Project.

(d) The Developer intends to use the Property in a manner consistent with Affordable Housing requirements.

(e) The Developer shall complete the Project and shall pay all costs and expenses associated with the Project. The Developer has sufficient capital to perform its obligations under this Agreement or will have sufficient capital to perform its obligations under this Agreement at the time it needs such capital.

### **ARTICLE III THE PROJECT**

Section 3.01. General Purpose.

(a) The Authority has entered into this Agreement relating to the Project in reliance upon the representations, warranties, covenants and agreements of the Developer contained herein, and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the completion of the Project and upon the performance by the Developer of its obligations hereunder, as of the date hereof and the date of completion.



(b) The Project shall consist of the design, construction, assembly, installation and implementation of no fewer than five (5) affordable single family residences, consistent with the approved specifications (the “Project Specifications”).

(c) Developer shall prepare or cause to be prepared Project Specifications and submit them for approval to the Authority’s Representative. The Authority’s Representative shall promptly approve, reject, or make comments or queries to the Project Specifications. The Project Specifications approved by the Authority’s Representative shall be the Project Specifications and shall be attached to this Agreement as **Exhibit A** and incorporated as if fully set forth herein.

(d) Developer covenants and agrees that:

(i) the Project shall be completed in substantial compliance with the Project Specifications, as modified from time to time in accordance with Section 3.02 herein,

(ii) the Property shall be used solely for Single Family Residential Use and shall consist of five (5) single family residences or one single family residence, for each single family residence lot (constituting at least 5,000 square feet per lot) sold to the Developer hereunder,

(iii) all residences developed on the Property shall qualify as Affordable Housing at all times for the entire Term of this Agreement,

(iv) the Developer shall provide the Authority with sufficient financial and other information, as determined and requested by the Authority’s Executive Director, regarding the Project, and

(v) upon completion of construction of the single family residences contemplated hereunder, the Developer shall cause 60% of such single family residences to be sold to Qualified Homebuyers for not more than \$160,000 each and 40% of such single family residences to be sold to Qualified Homebuyers for not more than \$180,000 each or such other amount as the Executive Director may designate in writing.

(e) The terms and conditions of this Section 3.01 shall be deemed “covenants running with the land” and shall bind Developer as the owner of the Property, and its successors and assigns as the owner or owner(s) of any property contained within the Project, as further described in Section 4.01 herein and the Deed.

Section 3.02. Modification of the Project. The Project and Project Specifications may be altered or amended by the Developer upon written notice to the Authority and subsequent approval by the Executive Director of the Authority of the proposed alterations or amendments; provided, however, that such proposed alterations or amendments shall be consistent with the then current City policy for affordable housing, and approved in writing by the Authority. Any such alterations or amendments shall be incorporated herein and, in the case of Project Specifications, substituted and attached hereto as **Exhibit A**.

Section 3.03. Completion of Project. The Project shall reach completion no later than 240 days (the "Completion Date") from the date of acquisition of each of the five (5) single family residential lots, respectively, as provided for in this Agreement. The Completion Date may be extended for an additional period up to 120 days by the Authority's Executive Director, in his sole discretion, upon written request by the Developer and written notice to Developer approving an extension prior to the Completion Date. The Project will not be deemed complete until the Authority has received all necessary documentation from the Developer as described herein, and the Executive Director of the Authority provides written confirmation that the Authority deems the Project completed.

#### **ARTICLE IV CONVEYANCE, FINANCING AND FUNDING**

Section 4.01. Conveyance of the Property. The Authority agrees to sell the Property to Developer for \$1.50 per square foot, which is less than the fair market value of such Property in order to facilitate the provision of decent, safe, sanitary and affordable housing for low and moderate income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed, in the Harris County Clerk's Records, subject to the terms and conditions set forth in an Unimproved Property Contract to be entered into by the Developer and the Authority substantially in the form attached hereto as **Exhibit B**. The Parties agree that the Executive Director, on behalf of the Authority, shall have the sole right to determine when to enter into an Unimproved Property Contract with Developer for each of the single family residential lots to be conveyed hereunder, *provided however*, that the Authority shall initially enter into Unimproved Property Contracts for no fewer than two (2) single family residential lots.

Section 4.02. Funding for the Project. The Parties agree that Developer shall be solely responsible for securing all funding and financing necessary to purchase the Property and complete construction of the Project in accordance with the terms of this Agreement. The Authority shall have no obligation to provide any funds for any purpose in connection with the design and construction of the Project.

#### **ARTICLE V COVENANTS OF THE DEVELOPER REGARDING THE PROJECT**

Section 5.01. Conflict of Interest. The Developer has disclosed all Conflicts of Interest. The Authority reserves the right to deny the sale of the Property to Developer due to a potential or existing Conflict of Interest disclosed at the execution of this Agreement or at any time throughout the Term of this Agreement.

Section 5.02. Additional Covenants of Developer. The Developer covenants to the Authority that:

- (a) the Developer shall provide the Authority with all reports reasonably requested by the Authority;

(b) any marketing, public awareness campaigns or signage related to the Project shall recognize the Authority's contributions in a prominent manner and, in the case of written materials, the Authority's name shall be in text no smaller than one-half (1/2) of the size of the Developer's name and of an equal size as that if any other Project participants being recognized;

(c) any expenses related to the Project shall be recorded and physically maintained separately and distinctly from the expenses related to the general operations of the Developer;

(d) the Project shall be completed and the Developer shall pay all costs associated with the Project; and

(e) the Property shall at all times be maintained in a safe and sanitary condition. The covenant to maintain the Property includes the removal of debris, trash, illegal occupiers or squatters, and unsightly landscaping conditions.

## **ARTICLE VI DEFAULT**

Section 6.01. Events of Default. Each of the following shall constitute an event of default by the Developer under this Agreement, if such events are not cured to the satisfaction of the Authority within 30 days of the event occurring:

- (a) Developer fails to purchase the Property as provided for in this Agreement;
- (b) Developer fails to complete construction of any one or more of the single family residences within the requirements of Section 3.03;
- (c) Developer fails to complete the Project in substantial compliance with the Project Specifications and any such deviation, alteration or amendment has not received written approval by the Authority pursuant to Section 3.02.
- (d) Developer is in default under any other agreement related to the Project, as default is defined such agreement and the Developer has not notified the Authority of the default within ten days of the default occurring;
- (e) Developer fails to comply with the covenants relating to Single Family Residential Use and Affordable Housing further detailed in Section 3.01 and in the Deed.
- (f) Developer fails to comply with the covenants detailed throughout this Agreement.
- (g) Developer becomes insolvent, is dissolved, or a voluntary or involuntary action in bankruptcy is filed by or against the Developer.

Section 6.02. Remedies Upon Event of Default.

(a) Upon the occurrence of an Event of Default by the Authority and if such default remains uncured for a period of 30 days after the first occurrence of the Event of Default, in

addition to the other rights given to the Developer under this Agreement, the Developer may terminate this Agreement or enforce specific performance.

(b) Upon the occurrence of an Event of Default by the Developer and if such default remains uncured for a period of 30 days after the first occurrence of the Event of Default, in addition to the other rights given the Authority under this Agreement, the Authority may exercise the Reconveyance Right created in the Deed and incorporated herein or the Authority may enforce specific performance of this Agreement, seek, actual damages incurred for any such default, terminate this Agreement, and/or enforce any other remedies under the Deed. If the Authority elects to exercise its right to terminate this Agreement upon the occurrence of an Event of Default, it shall have no further obligation after the date of such termination to sell and convey any Property to the Developer.

## ARTICLE VII INDEMNIFICATION AND RELEASE

### Section 7.01. Indemnification and Release.

(a) To the fullest extent permitted by law, Developer agrees to indemnify, defend, and hold harmless the Authority, the City, the Zone, and each of their respective directors, officers, agents, elected and appointed officials, employees, and representatives (collectively, the "*Indemnified Parties*") from and against any and all losses, damages, demands, claims, suits, causes of action, liabilities, costs, fines, settlements, judgments and expenses (including, without limitation, court costs, expert fees, interest expenses and attorney's fees) (collectively "*Losses*"), whether arising in equity, at common law, or by statute, including without limitation (i) the Texas Deceptive Trade Practices Act or similar statutes of other jurisdictions, (ii) the law of contracts, (iii) the law of torts (including without limitation negligence and strict liability without regard to fault) or (iv) the law of property, of every kind or character (including without limitation, losses for personal injury (including without limitation emotional distress), real or personal property damage (including without limitation City property), or economic loss) arising in favor of or brought by (i) any of Developer's employees, agents, subcontractors, sub-subcontractors, suppliers, materialmen or representatives, or by (ii) any Governmental Authority or by (iii) any other third party claimant, (collectively, "*Indemnitors*") based upon, in connection with, relating to or arising out of Developer's (or any of its contractors', sub-subcontractors', suppliers', materialmens', employees', or any other person directly or indirectly employed by any of them or for whose actions they may be liable) actions or inactions under this Agreement, the Work, any breach of warranty made herein by Developer, any failure to comply with any requirement of this Agreement, including without limitation any Indemnitor's failure to comply with any Applicable Law, any liens or encumbrances on the Work, the Project or the Authority's property arising out of the Work, or any infringement of any Intellectual Property arising out of the Work, and EVEN IF DUE IN PART TO ANY INDEMNIFIED PARTY'S NEGLIGENCE OR OTHER FAULT, BREACH OF CONTRACT OR WARRANTY, VIOLATION OF STATUTE, INCLUDING WITHOUT LIMITATION THE TEXAS DECEPTIVE TRADE PRACTICES ACT, OR STRICT LIABILITY WITHOUT REGARD TO FAULT.

(b) To the fullest extent permitted by law, in cases where a third party claimant's damages are caused in part by the negligence of one or more Indemnified Parties, Developer's indemnification obligations under this ARTICLE VII shall extend to the first \$500,000.00 per occurrence of such claimant's damages.

(c) For the purposes of this ARTICLE VII, "*third party claimants*" means all parties other than Developer or the Authority. For example, but not by way of limitation, "third party claimants" includes all Indemnitors (other than Developer) as well as the City and the Zone. Developer's indemnity obligations set forth in this ARTICLE VII shall survive the expiration or termination of this Agreement.

(d) Developer's obligations pursuant to this ARTICLE VII shall apply regardless of the amount of insurance coverage held by Developer, including without limitation any such coverage under any worker's compensation act, disability act, or other act or law which would limit the amount or type of damages, compensation, or benefits payable by or for Developer, and shall not be limited by any insurance carried or provided by Developer in accordance with this Agreement or otherwise. Developer's obligations under this ARTICLE VII shall not be construed to negate, abridge or reduce other rights or obligations of defense or indemnity that would otherwise exist as to a party or person described in this ARTICLE VII. Developer shall include provisions in its subcontract agreements which obligate each subcontractor to Developer to the same extent that Developer is obligated to the Indemnified Parties pursuant to this ARTICLE VII.

Section 7.02. Release. Developer hereby releases the Indemnified Parties, and shall cause its Contractors, subcontractors and sub-subcontractors to release the Indemnified Parties, from all liability for injury, death, damage, or loss to persons or property sustained in connection with or incidental to performance of the Work, and EVEN IF SUCH INJURY, DEATH, DAMAGE OR LOSS IS CAUSED BY, RESULTS FROM OR ARISES OUT OF ANY INDEMNIFIED PARTY'S SOLE OR CONCURRENT NEGLIGENCE OR OTHER FAULT, BREACH OF CONTRACT OR WARRANTY, VIOLATION OF STATUTE OR STRICT LIABILITY WITHOUT REGARD TO FAULT.

Section 7.03. Other Indemnities. Other provisions in this Agreement containing indemnities shall be deemed to be cumulative of and to operate independently of the indemnities provided above such that all indemnities provided in this Agreement shall be construed to grant indemnity to the Indemnified Parties to the fullest and broadest extent possible.

## ARTICLE VIII GENERAL

Section 8.01. Inspections, Audits. The Developer agrees to use commercially reasonable efforts during the term of this Agreement to keep such operating records as may be required by the City, the Authority, or by state and federal law or regulation. The Developer shall allow the Authority reasonable access to documents and records in the Developer's possession, custody or control relating to the Project that the Authority deems necessary to assist the Authority in determining the Developer's compliance with this Agreement. Developer shall allow the

Authority reasonable access to the Project to conduct visual inspections of the Project. All inspections will be made only after giving the Developer notice at least 24 hours in advance thereof.

Section 8.02. The Developer Operations and Employees. All personnel supplied or used by the Developer in the performance of this Agreement shall be deemed contractors or subcontractors of the Developer and will not be considered employees, agents, contractors or subcontractors of the Authority for any purpose whatsoever. The Developer shall be solely responsible for the compensation of all such contractors and subcontractors.

Section 8.03. Dispute Resolution.

(a) In the event of any claim, dispute or controversy arising out of or relating to this Agreement (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of torts, contracts, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, or seeks damages or any other relief) which the Parties have been unable to settle or agree upon within a period of thirty days after the dispute or disagreement arises, each Party shall nominate a senior officer of its management to meet at a mutually agreed time and place not later than forty-five days after the dispute or disagreement has arisen to attempt to resolve such dispute or disagreement. Should a resolution of such dispute or disagreement not be obtained within fifteen days after the meeting of senior officers for such purpose, either Party may then by written notice to the other submit the dispute to non-binding mediation in accordance with this Section.

(b) In the event that the Parties are unable to resolve any disputes in accordance with Section 8.03(a), either Party may, by written notice to the other submit the dispute to non-binding mediation before a mutually agreed-upon mediator. If the Parties are unable to agree upon a mediator within twenty days after the written notice of submission to mediation, the American Arbitration Association shall be empowered to appoint a qualified mediator. If the dispute is technical in nature, the mediator appointed by the American Arbitration Association shall be qualified by at least ten years' experience in construction, engineering, and/or architecture. The mediation shall be conducted within thirty days of the selection or appointment of the mediator, as applicable. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held at a mutually agreeable location in Houston, Texas. If the Parties are unable to agree upon a location, the mediation shall be held at the offices of the American Arbitration Association in Houston, Texas. Participation in non-binding mediation in accordance with this Section shall be a condition precedent to Developer having the right to file any legal or equitable action against the Authority.

(c) Subject to Developer's obligation to comply with the requirements of the foregoing subsections as a condition precedent to Developer having any right to file any legal or equitable action against the Authority, for purposes of all legal or equitable proceedings arising out of, relating to or connected with this Agreement, Developer hereby agrees that this Agreement is performable in whole or in part in Houston, Harris County,

Texas and hereby submits to the jurisdiction of the state courts within Harris County, and agrees that such jurisdiction shall be exclusive with respect to any such proceeding filed by Developer. Developer hereby irrevocably waives any claim which it may now or hereafter have that any such proceeding brought in any state court in Harris County has been brought in an inconvenient forum. With respect to any proceeding filed by the Authority, Developer hereby expressly, clearly and unequivocally agrees that the Authority has the right to choose the forum in which any legal or equitable proceeding arising out of, relating to or connected with this Agreement shall be heard. Developer hereby irrevocably waives its right to remove any such proceeding to any federal court should the Authority choose to bring any proceeding in any state court of Texas.

(d) Developer shall, or shall cause a third party to, carry on the work on the Project in order to adhere to the requirement of Section 3.03 of this Agreement during all disputes or disagreements with the Authority. Work on the Project shall not be delayed or postponed pending resolution of any disputes or disagreements, except as the Authority and Developer may otherwise agree in writing.

Section 8.04. Personal Liability of Public Officials. To the extent permitted by State law, no director, officer, employee or agent of the Authority or the City shall be personally responsible for any liability arising under or growing out of this Agreement.

Section 8.05. Notices. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the receiving party at the following addresses:

Developer: Cole Klein Builders, LLC  
2418 Richton  
Houston, Texas 77098  
Attention: Harry L. Klein, Manager

Authority: Midtown Redevelopment Authority  
410 Pierce Street, Suite 355  
Houston, Texas 77002-8722  
Attention: Executive Director

with a copy to:

Barron F. Wallace  
Bracewell LLP  
711 Louisiana, Suite 2300  
Houston, TX 77002

and

Peggy Foreman  
Burney & Foreman  
5445 Almeda, Suite 400  
Houston, Texas 77004

Each party may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this Section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when received for by, or actually received by the Zone, the Authority or the Developer, as the case may be.

Section 8.06. Amendments. This Agreement may be amended, supplemented and/or modified only in a writing signed by representatives of each Party and upon ratification thereof by the Board of Directors of the Authority.

Section 8.07. Waivers. No waiver of any provision of this Agreement shall be of any force or effect unless such waiver is in writing, expressly stating to be a waiver of a specified provision of this Agreement and signed by the Party to be bound thereby. Either Party's waiver of any breach or failure to enforce any of the provisions of this Agreement, at any time, shall not in any way limit or waive that Party's right thereafter to enforce or compel strict compliance with this Agreement or any portion or provision or right under this Agreement.

Section 8.08. Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement.

Section 8.09. Successors and Assigns. All covenants and agreements by or on behalf of the Authority and the Zone contained in this Agreement shall bind their successors and assigns and shall inure to the benefit of the Developer and its successors and assigns. The Developer, Authority and the Zone may **not** assign their rights and obligations under this Agreement or any interest herein, without the prior written consent of the Developer or Authority, as necessary. Provided, however, that if any rights and/or obligations are assigned, any such assignee must specifically assume all of the obligations of the Developer hereunder. If any assignment of the obligations by the Developer hereunder is deemed ineffective or invalid, the Developer shall remain liable hereunder.

Section 8.10. Exhibits; Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the parties and shall not be construed to have any effect or meaning as to the agreement between the parties hereto. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an



exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

Section 8.11. Construction/Governing Law. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect.

Section 8.12. Waiver of Consequentials. Developer waives any and all claims it may now or hereafter have against the Authority or the Zone for consequential, special, incidental or indirect losses or damages arising out of or relating to this Agreement or the Project, WHETHER ARISING UNDER THE LAW OF CONTRACTS, TORTS (INCLUDING WITHOUT LIMITATION, NEGLIGENCE OF EVERY KIND AND STRICT LIABILITY WITHOUT REGARD TO FAULT) OR PROPERTY OR AT COMMON LAW OR IN EQUITY, VIOLATION OF STATUTE (INCLUDING WITHOUT LIMITATION, THE TEXAS DECEPTIVE TRADE PRACTICES ACT OR SIMILAR STATUTE OR ANY OTHER JURISDICTION) OR OTHERWISE. Furthermore, this waiver includes, but is not limited to, damages incurred by Developer for principal office expenses including without limitation the compensation of personnel stationed there, for losses of financing, business, reputation, and loss of profit. This waiver is applicable, without limitation, to all consequential, special, incidental or indirect losses or damages arising out of any termination pursuant to Article VI.

Section 8.13. Entire Agreement. **THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

Section 8.14. Term. This Agreement shall be in force and effect from the date of execution hereof for a term expiring the first day in which the Zone is no longer in existence.

Section 8.15. Memorandum of Agreement. The parties agree that they will, at the request of any party, promptly execute an instrument in recordable form constituting a memorandum of this Agreement, which shall be filed for record in the Office of the County Clerk of Harris County, Texas, solely to give record notice of the existence of this Agreement. No such memorandum shall in any way vary, modify or supersede this Agreement.

Section 8.16. Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the parties, the parties agree that such approval or consent shall not be unreasonably withheld or delayed.

Section 8.17. Survivability. Notwithstanding any termination or expiration of this Agreement, the obligations of the Developer which are intended by their nature to survive such expiration or termination, including without limitation those set forth in ARTICLE VII (INDEMNIFICATION AND RELEASE); Section 8.07 (Waivers); Section 8.08 (Invalidity); Section 8.12 (Waiver of Consequentials); and this Section 8.17 of this Agreement, shall survive for the maximum duration of time allowed by law.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**MIDTOWN REDEVELOPMENT  
AUTHORITY**

**REINVESTMENT ZONE NUMBER TWO  
CITY OF HOUSTON, TEXAS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COLE KLEIN BUILDERS, LLC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



	Light Rail Line
	Completed Projects
	Projects in Design/Construction
	Planned Projects

0 0.25 Miles  
 CBS Parks released from the City of Houston, January 2015



# Proposed Capital Improvement Projects

Midtown Redevelopment Authority

June 2015  
 WALTER P MOORE

DRAFT

## Capital Improvements Program

### Parks and Greenspace

#### Midtown Park (SuperBlock)

#### Garage Construction

Staff currently working with construction management team on project closeout documentation.

#### Pay Applications from Camden

Pay Application	Amount	Date
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<b>TOTAL TO DATE</b>	<b>\$18,790,255.07</b>	

#### Change Orders

Change Order #	Amount	Days	Purpose	Notes	Action
1	\$0.00	0	Date changes to Schedule of Work	Approved by MRA Board	
2	\$12,810.00	2	Remove unforeseen concrete vault walls and floor, four 8' bell bottom foundations, and the pile of misc. uncovered brick and concrete; Pump out and dispose of 10,000 gallons of liquids in unmarked grease trap prior to CoH inspection.	Approved by MRA Board	
3	(\$222,692.43)	0	Deduct supply and installation of all Parking Control Equipment from scope of work	Approved by MRA Board	
4	\$0.00	0	Update Contractor's Vice President of Construction - change from C. David Joyce to Bobby Rivers.	Approved by MRA Board	
5	\$0.00	29	Time extension for delays due to weather. March 2015 through June 30, 2015	Approved by MRA Board	
6	\$17,682.00	0	Break out and remove unforeseen concrete and brick structures including a total of twelve 8' bell bottom foundations	Approved by MRA Board	

			and miscellaneous large brick and concrete structures; Replace waterstop for use at the bottom of footings and wall intersections.		
7	\$183,600.00	4	Net cost for hauling and disposing of 10,000 LCY of contaminated soils from excavation of project	Approved by MRA Board	
8	\$183,550.00	5	Net cost for hauling and disposing second quantity of 10,000 LCY of contaminated soils from excavation of project	Approved by MRA Board	
9	\$32,581.46	0	Electrical additions and modifications for park design per Owner/Architect	Approved by MRA Board	
10	\$145,510.00	5	Net cost for hauling and disposing final 8,000 LCY of contaminated soils from excavation of project	Approved by MRA Board	
11	\$64,212.13	13	Utility, elevator, and park feature modifications for park design per Owner/Architect	Approved by MRA Board	
12	\$285,144.26	32	Concrete, tunnel elevation and sump pump, and irrigation vault shoring for park design per Owner/Architect	Approved by MRA Board	
13	(\$7,626.15)	0	Credit for revised park areaway	Approved by MRA Board	
14	\$117,395.37	5	Concrete, steel, electrical, and waterproofing modifications for elevator shaft, irrigation vault, electrical room, and sprinkler room per Owner/Architect requested change	Approved by MRA Board	
15	(\$33,018.03)	54	Fire water line modifications per City of Houston; expansion	Approved by MRA Board	

			joint and waterproofing changes per Architect; credit for utilities, stair pavers, and irrigation vault changes		
16	\$50,410.20	28	Rain fountain floor sink and pavilion modifications; tunnel stair extensions and waterproofing; modifications to stair #5	Approved by MRA Board	
17	(\$29,223.60)	0	Delete downstream storm filter	Approved by MRA Board	
18	\$13,872.09	6	Addition of HVAC louver brace and steel pipe protection; relocation of two hose bibs	Approved by MRA Board	
19	\$9,510.24	4	Stair 1 and storefront modifications per Architect	Approved by MRA Board	
20	\$3,305.00	9	Floor drain addition at south ramp per Architect	Approved by MRA Board	
21	\$1,895.25	11	Privacy screen addition to fence at storage area	Approved by MRA Board	
22	\$45,823.98	22	Sump vents installations; lighting control panel installation; relocation of header wall to accommodate sprinkler system	Approved by MRA Board	
23	\$24,637.83	17	Light fixture installations; exit sign adjustments; screening and fencing installation at storage areas	Approved by MRA Board	
24	\$95,733.90	1	Installation of fencing, lighting, and overhead covers at exits for TCO per COH inspector	Approved by MRA Board	
25	\$10,120.27	0	Bollard, railing, signage, and lighting changes per Architect and COH inspector during substantial completion and TCO inspection	Approved by MRA Board	
26	\$798.00	0	Door handle adjustments at	Approved by MRA Board	

			storefront per Architect during substantial completion inspection		
27	\$40,608.75	0	Protection of in-place work during removal and replacement of pavilion deck concrete	Approved by MRA Board	
28	\$1,860.24	0	Temporary fence for TCO modification; concrete at sump pump modifications, panels at sprinkler pipes	Approved by MRA Board	
29	(\$5,202.00)	0	Storage for elevator #2; deduct labor for elevator #2 installation	Approved by MRA Board	
30	(\$194,208.38)	0	Remaining contingency/savings after project closeout	Approved by MRA Board	
<b>TOTAL</b>	<b>\$849,090.38</b>	<b>247</b>			

Budget

Original Contract Amount	Net Change Orders	Contract Sum to Date	Total Earned to Date	Retainage
\$17,941,164.69	\$849,090.38	\$18,790,255.07	\$18,790,255.07	\$0.00

Schedule

Original Contract Duration (substantial completion)	Days Added by Change Orders	Contract Total Days	Days Used	Days Remaining
365 days	247	612	599	13

Park Construction

Contractor continues work on Travis Street streetscape work required for Camden project certificate of occupancy. Work continues on punch list and post-event assessment items in south park and front 90 McGowen utility connections.

Pay Applications from Millis

Pay Application	Amount	Date
24	\$43,885.81	February 2018
<b>TOTAL TO DATE</b>	<b>\$13,656,688.97</b>	

Change Orders

Change Order #	Amount	Days	Purpose	Notes	Action
1	(3,589.54)	0	Value Engineering to park design including	Approved by MRA Board	



			buildings, water features, landscaping, lighting, and site materials to meet approved construction budget		
2	\$45,978.20	0	Owner request to add design alternates not included in initial construction contract (includes playground equipment and gate type change)	Approved by MRA Board	
3	\$46,657.50	4	Shifting of scope from garage contract to park contract (anchor bolts, backfill, manhole); Reduction in number of drilled piers	Approved by MRA Board	
4	179,099.36	0	Replacement of lighting fixtures previously removed during value engineering	Approved by MRA Board	
5	\$60,980.08	3	Garage lid waterproofing subcontractor change; Architect requested modifications to sub foundation for berm walls and spread footings to elevate curbs	Approved by MRA Board	
6	\$14,879.19	0	Addition of manhole to replace inactive manhole shown in plans; removal of short segment of garage lid to install utilities	Approved by MRA Board	
7	\$49,377.00	1	Installation of garage lid waterproofing curb detail and ADA ramp shifted from garage contract to park contract; required detailing for VE modifications to sidewalks and site amenities	Approved by MRA Board	
8	(\$44,987.11)	0	VE modifications to restroom roof and deletion of planters	Approved by MRA Board	
9	\$62,668.54	8	Structural piers modification at Travis;	Approved by MRA Board	

			addition of trench drain; job built culvert in bayou; additional foundation beams		
10	\$6,640.04	2	Granite curb and paving modifications; bollard revisions; tent anchors	Approved by MRA Board	
11	\$9,749.27	6	Landscape modifications, kiosks power and data, dog park curb modification	Approved by MRA Board	
12	\$13,592.09	3	Site drainage modifications, relocate electrical box, light fixture change and removal, pavilion millwork deletion, fence revisions	Approved by MRA Board	
13	\$110,084.45	2	Utility changes and waterproofing near berm wall, light fixture replacements, restroom wall modifications, electrical conduit adjustments, overtime allowance	Approved by MRA Board	
14	\$106,452.93	11	Rain fountain size modification; Travis Street temporary service driveway; Limestone block changed to granite; Electrical modifications for bird control system; Travis Street storm sewer unforeseen conditions; Front 90 pier drilling debris; Drainage modification at CIP wall 1 and west outcrop wall; Additional steel at pavilion roof	Approved by MRA Board	
15	\$129,243.70	0	Design modifications to landscaping, rain fountain layout, fountain link seals, McGowen St. utilities, dog park, and pavilion electrical plans	Approved by MRA Board	
16	\$111,456.51	9	Design modifications to pavilion,	Approved by MRA Board	

			stair/elevator enclosure, and drainage; A/V allowance; additional work for garage TCO and artwork		
17	\$121,177.35	12	Work items and activities related to Super Bowl opening (construction impact, maintenance, permits, and overtime work)	Approved by MRA Board	
18	\$58,189.66	12	Design modifications to bayou to relocate overflow drain inlet from irrigation vault	Approved by MRA Board	
19	\$79,698.23	5	Design modifications to bayou piers; additional backfill over garage lid; berm guardrail post modification; guard rail extension at elevator; calm pool reinforcement; bus stop modification	Approved by MRA Board	
20	\$53,377.82	10	Storm drainage modifications and concrete foundation installations for playground sculpture art work	Approved by MRA Board	
21	\$50,517.27	3	Additional bike racks; revised bollards at front 90; front 90 fountain delay; relocate fan at elevator lobby; paver protection during pavilion replacement; electrical for BCycle station; Bayou drainage modifications; delete wall cap at restroom; Camden pavilion sign	Approved by MRA Board	
22	\$0.00	0	Divide the overall project into 3 phases to better manage contractual mechanisms (substantial completion, warranties, maintenance periods, final completion and	Approved by MRA Board	

			retainage)		
23	\$12,093.85	0	Signage revisions; playground structures modifications; landscape additions adjacent to restroom; Front 90 utilities modifications; temporary fencing in garage	Approved by MRA Board	
24	\$27,163.18	0	Front 90 fountain modifications for future artwork	Approved by MRA Board	
25	\$120,341.16	0	J-trim and wall prep for mosaic art installation; lighting, stone veneer, and signage added to mosaic art		<b>*Board Approval Required</b>
<b>TOTAL</b>	<b>\$1,420,840.73</b>	<b>93</b>			

Budget

Original Contract Amount	Net Change Orders	Contract Sum to Date	Total Earned to Date	Retainage
\$16,491,724.35	\$1,420,840.73	\$17,912,565.08	\$13,656,688.97	\$1,517,409.89

Schedule

Original Contract Duration (substantial completion)	Days Added by Change Orders / Weather Days	Contract Total Days	Days Used	Days Remaining
365 days	93 / 58	514	526	-12

**Houston Community College Capital Projects**

Midtown has partnered with Houston Community College (HCC) to make improvements to streets near to the HCC campus. The HCC Capital Projects include improvements to Holman, Alabama, and Caroline Street. Staff is working closely with the HCC design team and consultants on the improvements.

The Holman Street project includes right-of-way enhancements from Main to Crawford. Improvements will include wider sidewalks, landscaping, street furniture, brick pavers, accessibility ramps, and other pedestrian-related infrastructure. The project will improve access for HCC students to the METRORail station and other transit services on Holman Street, and it will be partially funded through a Federal Transit Administration (FTA) grant.

The Alabama Street project includes complete street reconstruction from Main to Chenevert. Improvements will include concrete pavement, public utility upgrades (water, storm, sanitary), wider sidewalks, landscaping, street furniture, brick pavers, accessibility ramps, and other pedestrian-related infrastructure. The project will be partially funded through a FTA grant.

The Holman Street construction contract has been awarded to SER Construction Partners in the amount of \$5,421,219.50. Construction duration for this project is 15 months.

Holman Street Construction

Staff is working with consultants and contractor on project closeout. Outstanding items include City of Houston acceptance of utilities and traffic signal controller boxes.

Pay Applications from SER

Pay Application	Amount	Date
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<b>TOTAL TO DATE</b>	<b>\$5,090,380.96</b>	

Change Orders

Change Order #	Amount	Days	Purpose	Notes	Action
1	\$16,775.23	0	Seat block near MATCH; meter vault; fire hydrant relocation; addition of c-channels at electrical receptacles; deduct bike racks provided by owner	Approved by MRA Board	
2	\$33,566.00	0	Roadway replacement adjustment due to asphalt thickness field conditions	Approved by MRA Board	
3	\$21,453.42	0	Addition of concrete METRO Bus Stop Parking Pad	Approved by MRA Board	
4	\$6,593.60	0	rework at Chinese Consulate and bike racks installation	Approved by MRA Board	
5	\$22,494.40	0	Streetlight conduit and center arms for benches in HCC reach	Approved by MRA Board	
6	\$27,856.00	0	Add pavers at bus stops to match project pavers per architect	Approved by MRA Board	
7	--		(change deleted)		
8	\$29,750.00	0	Add traffic signal control cabinet at Fannin per requirement by COH	Approved by MRA Board	
9	\$10,036.40	0	Add electrical service for irrigation controller	Approved by MRA Board	
10	\$21,240.80	0	Add signage per standards of new COH Bike Plan		<b>*Board Approval Required</b>
<b>TOTAL</b>	<b>\$189,765.85</b>	<b>0</b>			

Budget

Original Contract Amount	Net Change Orders	Contract Sum to Date	Total Earned to Date	Retainage
\$5,421,219.50	\$189,765.85	\$5,610,985.35	\$5,090,380.96	\$267,914.79

Schedule

Original Contract Duration (substantial completion)	Days Added by Change Orders	Contract Total Days	Days Used	Days Remaining
460 days	0	460	446	14

**Main Street Enhancements**

The Main Street Enhancements Project will include capital improvements in the public right-of-way along Main Street from Pierce to Wheeler. Improvements to the rail transit corridor will include landscaping, street furniture, and other pedestrian-related infrastructure to encourage redevelopment and support existing developments along Main Street. The Main Street project will provide an enhanced rail transit corridor to increase comfort and safety in pedestrian environment and offer unique identity branding through Midtown.

Construction

Contractor continues work in back of curb areas south of Truxillo. Programming and testing of decorative lighting at intersections will begin next month. Coordination efforts continue for work adjacent to upcoming new developments and renovations on property between Alabama and Cleburne.

Pay Applications from SER

Pay Application	Amount	Date
20	\$103,612.50	February 2018
<b>TOTAL TO DATE</b>	<b>\$7,345,074.77</b>	

Change Orders

Change Order #	Amount	Days	Purpose	Notes	Action
1	(\$796,356.90)	0	Revised lighting types and quantities; Additional striping per METRO; Wayfinding signage	Approved by MRA Board	
2	(\$2,687.00)	0	Removal and replacement of concrete entryway; Removal of benches with replacement with seat blocks; Removal and relocation of existing fence in ROW; Additional wayfinding signage	Approved by MRA Board	

			not included in bid form		
3	\$119,899.18	12	Irrigation sleeve locates for median irrigation design; DMX controller, receivers/transmitters for iconic lights, DMX data conduit, and AC cabinet for DMX controller;	Approved by MRA Board	
4	(\$138,527.45)	0	Work associated with the DMX Controller that was completed by Millis within the Midtown Park Project; Installation of a concrete retaining wall adjacent to the B-Cycle Station at Main Street and Holman Street; Metal grates and frames; Seat blocks with lights; Iconic light modifications	Approved by MRA Board	
5	\$344,663.39	87	Proposed irrigation work in the median and additional irrigation work in the ROW to serve the median irrigation;	Approved by MRA Board	
6	\$252,815.49	3	Median railing; Mounting brackets for light modifications; Median work performed at night per METRO direction	Approved by MRA Board	
7 +	(\$5,884.22)	113	Deletion of paving and curb ramps, relocation of trash cans and lighting, adjustments to sidewalk width, and changes in planting quantities; Additional days due to METRO delay and weather	Approved by MRA Board	
8	\$696,586.94	85	Addition of improvements included in Alternate 1 of original bid (Truxillo to Wheeler)	Approved by MRA Board	
9	\$213,133.10	35	Improvements at Mid-Main per Developer	Approved by MRA Board	

			Agreement		
10	\$173,000.00	0	Additional 14 lights on new poles and additional electrical meter & service including assembly in Alternate 1; (items were included in the construction plan but left off of bid form)	Approved by MRA Board	
<b>TOTAL</b>	<b>\$856,642.53</b>	<b>335</b>			

Budget

Original Contract Amount	Net Change Orders	Contract Sum to Date	Total Earned to Date	Retainage
\$8,459,353.00	\$856,642.53	\$9,315,995.53	\$7,448,687.27	\$827,631.92

Schedule

Original Contract Duration (substantial completion)	Days Added by Change Orders	Contract Total Days	Days Used	Days Remaining
355 days	335	690	508	182

**Caroline Street Reconstruction**

The Caroline Street Reconstruction Project is the reconstruction of Caroline Street from Pierce to Elgin. The project will include concrete pavement, public utility upgrades (water, storm, sanitary), enhanced intersections, wider sidewalks, landscaping, street furniture, brick pavers, accessibility ramps, and other pedestrian-related infrastructure. The Caroline Street project will provide an enhanced pedestrian environment and an improved vehicular connection for southbound traffic through Midtown. The project has been awarded a \$4M TxDOT Grant.

Construction

Meetings continue with TxDOT and City of Houston to address traffic control plan (TCP) and utility conflicts. Staff and consultants met with COH to review proposed revisions to the waterline design to address conflicts with CenterPoint utility poles. COH has provided feedback to proceed with revisions to design documents for formal approval. Design team plans to submit updated drawings to City in two weeks.

TxDOT has agreed to complete the redesign of TCP to required COH standards. TxDOT is scheduled to submit the updated plans for City approval by mid-April.

Work continues with design and construction management teams to track and respond to submittals provided by contractor. Pending COH approval of waterline revisions and TCP, construction will likely begin in May.