



midtown
H O U S T O N

**MIDTOWN REDEVELOPMENT AUTHORITY/
TIRZ#2
BOARD OF DIRECTORS MEETING
May 26, 2022**



**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 on **Thursday, May 26, 2022, at 12:30 P.M. at 410 Pierce Street, 1st Floor Conference Room (enter at the Pierce St. and Brazos St. door) Houston, Texas 77002.** The meeting location will be open to the public during open portions of the meeting. The public will be permitted to offer comments as provided on the agenda and as permitted by the presiding officer during the meeting.

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, approve and ratify 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 March 31, 2022.
4. Consent Agenda for the Authority:
 - a. Minutes for March 31, 2022;
 - b. Monthly financial reports for March & April, 2022;
 - c. Invoices from Trustee and Operating Accounts for April & May, 2022;
 - d. Ratify AHOC Office Lease with Change Happens!;
 - e. Agreements with One World Strategy Group, LLC;
 - f. Agreement with A.O. Phillips & Associates, LLC.
5. Administrative Procedure Manual and Employee Policy Manual.
6. Investment Policy with Dealer/Broker List.

7. Financial and Agreed Upon Procedures Engagement Letter.
8. FY21 Agreed Upon Procedures Audit.
9. Midtown Affordable Housing Program:
 - a. Affordable Housing Operations Campus;
 - i. Change Orders; Change Order;
 - ii. Interior Buildout (Level 2 & 5) - Construction Contract;
 - iii. Interior Design Services Work Order - Smith & Company Architects;
 - b. Grant Agreement with Houston Habitat for Humanity, Inc.;
 - c. Grant Agreement with William A. Lawson Institute for Peace and Prosperity;
 - d. Affordable Housing Operations Campus Parking Garage Management Agreement;
 - e. Parking Garage Operations Budget;
 - f. Affordable Housing Report.
10. Midtown Capital Improvements Program:
 - a. Baldwin Park - Walter P Moore / Design Workshop
 - i. Change Orders
 - ii. Construction Administration Additional Services Request - Walter P Moore
 - b. Caroline Street Reconstruction – ESPA Corp/KCI
 - i. Change Orders
 - c. Midtown Park – Walter P Moore / Design Workshop
 - i. Front 90 and Garage Improvements - Construction Contract
 - d. Brazos Street Bridge Landscape Improvements
 - i. City of Houston Interlocal Agreement
 - ii. Design Services Work Order – Design Workshop
11. With respect to the foregoing agenda items, the Authority may conduct an executive session with regards 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).

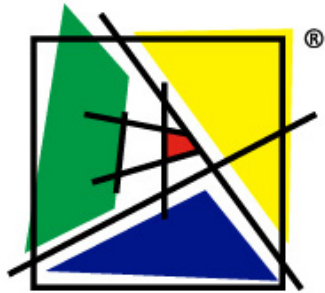
Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.

12. Adjourn.



Matt Thibodeaux

Executive Director MT/ks



midtown
HOUSTON

CONSENT AGENDA

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

March 31 2022

A regular meeting of the Board of Directors (the “Board”) of the Midtown Redevelopment Authority (the “Authority”) was held in person at the 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002, on Thursday, March 31, 2022, 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	Camille Foster	6	Abe Goren
2	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael Murphy	9	Zoe Middleton
5	Al Odom		

and all the above were present except Director Thomas.

In attendance were Midtown Staff members: Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Theresa Gilmore, Marlon Marshall, Jaime Giraldo, Mark Sullivan, Willie Larry, Amaris Salinas, Sally Adame, Jalisa Hurst Steve Smith and Cynthia Alvarado; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Algenita Davis and Linda Larry Mitchell of CCPPI; Jennifer Curley of the City of Houston; Jim Webb of The Goodman Corp.; Theola Petteway of OST/Almeda Redevelopment Authority; Jeri Brooks of One World Strategy Group; Sean Patterson of McKim & Creed; Zack Martin of MCMD; LeRon Wilson of TIRZ#25; Sarah Smith of Design WorkShop; John Ivery of Walter P. Moore; Interim Executive Director Sean Haley of CCPPI; Adolfo Celis of Goode & Company; Midtown residents Vladimir Mazuryan and Amanda Foster.

CONSENT AGENDA FOR THE MIDTOWN ZONE.

MINUTES FOR JANUARY 27, 2022.

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

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

ADJOURNMENT

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

Secretary

Date

5/24/2022

5

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

March 31, 2022

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Chairman Odom called the meeting to order.

PUBLIC COMMENTS:

No public comments were given at this meeting.

CONSENT AGENDA FOR THE AUTHORITY:

MINUTES FOR JANUARY 27, 2022;

MONTHLY FINANCIAL REPORTS FOR JANUARY 31, 2022;

**INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR JANUARY AND
FEBRUARY 2022;**

**RATIFICATION OF BROKER AGREEMENT FOR 402 & 410 PIERCE STREET
BUILDINGS.**

Executive Director Matt Thibodeaux presented the consent agenda. Director Fenz made a motion to approve the consent agenda as presented. The motion was seconded by Director Bond and carried by unanimous vote.

INVESTMENT REPORT FOR QUARTER ENDING DECEMBER 31, 2021

Mr. Thibodeaux presented the Investment Report for the Quarter ending December 31, 2021, He reported that all funds were invested in compliance with the Authority's Investment Policy and in accordance with the investment provisions of the Public Funds Investment Act. He stated that the funds had an average yield of .097967% with total earnings of \$6,409.74. Director Murphy made a motion to approve the Investment Report for the Quarter ending December 31, 2021. The motion was seconded by Director Bond and carried by unanimous vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM

AFFORDABLE HOUSING OPERATIONS CAMPUS;

CHANGE ORDERS;

Marlon Marshall, Director of Engineering and Construction, presented the following Charge Orders:

Change Order #30 in the amount of \$14,788.55 for an additional card reader for the main entrance to the parking garage. Director Fenz made a motion to approve Charge Order #30 in the amount of \$14,788.55 for an additional card reader for the main entrance to the parking garage. The motion was seconded by Director Murphy and carried by unanimous vote.

Change Order #31 in the amount of \$1,292.94 to install an additional garage fence panel to close a 3" gap in the east coiling grille. Director Murphy made a motion to approve Change Order #31 in the amount of \$1,292.94 to install an additional garage panel to close a 3" gap in the east coiling grille. The motion was seconded by Director Bond and carried by unanimous vote.

INTERIOR DESIGN SERVICES WORK ORDER - SMITH & COMPANY ARCHITECTS

Mr. Marshall reported that Smith & Company Architects are continuing to work on interior design with leases. He stated that he anticipates bringing the Work Order at next month's meeting for review and consideration.

RATIFY OPTION AGREEMENT WITH HOUSTON BUSINESS DEVELOPMENT INC. RELATING TO DEVELOPMENT OF MULTI-FAMILY AFFORDABLE HOUSING.

Peggy Foreman of Burney and Foreman reported that the MRA Board had previously approved an Option Agreement with Houston Business Development Inc. for the purchase of certain property to be developed for multi-family affordable housing project. She stated that the date to exercise the option to purchase the property expired during the Covid Pandemic, but that HBDI has asked for a new Option Agreement. She advised that Board that provided HBDI provided a written status report with supporting documentation for the project, a copy of which was included in the Board Packet. Ms. Foreman stated that HBDI represented that it has secured funding commitments for the development of the multi-family affordable housing project, completed its environmental assessment, purchased adjacent land, and was moving forward with engineering and design work for the project. She stated that the Executive Director executed a new Option Agreement on or about March 11, 2022, to allow HBDI to to meet a necessary deadline imposed by HUD. Following all discussion, Director Fenz made a motion to Ratify the Option Agreement with Houston Business Development Inc. relating to development of Multi-Family Affordable Housing. The motion was seconded by Director Murphy and carried by unanimous vote.

AFFORDABLE HOUSING DEVELOPMENT UPDATE.

Mr. Edwards reported that Mayberry Homes, Inc. was in the process of completing the sale to Qualified Homebuyers of four (4) of the fifteen single-family homes being constructed by Mayberry Homes, Inc. in the 3rd Ward area. He stated that the sales prices ranged from \$225,000 to \$242,000, with one home being sold for \$263,000. Additionally, he reported that Mayberry anticipates completing the sale of three (3) additional homes in the next 30 days. Mr. Edwards also reported that CCPPI is in the process of drafting an RFP to identify builders for development of approximately 50 additional homes in the 3rd Ward area and that more information would be forth coming on that project.

MIDTOWN CAPITAL IMPROVEMENT PROGRAM:

BALDWIN PARK - WALTER P MOORE / DESIGN WORKSHOP:

Marlon Marshall reported that demolition in the existing playground area in Baldwin Park is completed and that conduit for the new electric lighting is being installed. He stated that most areas of Baldwin Park are open and available for use by the public but that use of the playground area is restricted at this time.

CHANGE ORDERS:

There were no change orders presented at this meeting.

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI:

Mr. Marshall reported that the Contractor continues with work on the construction of sidewalks and intersection ramps along the Caroline Street corridors. He also reported that coordination with utility companies is continuing on the sidewalks and intersection ramps to resolve remaining conflicts with utility lines.

CHANGE ORDERS:

There were no change orders presented at this meeting.

MIDTOWN PARKS AND PUBLIC SPACES – LIONHEART PLACES:

MASTER PLAN WORK ORDER:

Mr. Marshall presented the Work Order for the Midtown Parks and Public Spaces Master Plan to be developed by by Lionheart Places in the amount of One Hundred Ninety-Nine Thousand Dollars (\$199,000.00). He reported that as part of its work, Lionheart Places will hold 5 virtual meetings with the public to assist in the development of a map to identify potential locations for additional park spaces, entry portals and streetscape improvements within the boundaries of the Authority and create a Master Plan for Midtown Parks and Public Spaces. Director Fenz made a motion to approve the Work Order for the Midtown Parks and Public Spaces Master Plan with Lionheart Places in the amount of One Hundred Ninety-Nine Thousand Dollars (\$199,000.00). The motion was seconded by Director Bond and carried by unanimous vote.

FTA GRANT MANAGEMENT – THE GOODMAN CORPORATION;

SAFE STREETS AND ROADS FOR ALL WORK ORDER.

Mr. Marshall presented a Work Order for The Goodman Corporation in the amount of One Hundred Thirty-Five Thousand Dollars (\$135,000.00) for to identify, develop, and document all of the necessary information for eligible projects for submission through this and many other federally-sourced grant programs for Safe Streets and Roads for All. Director Murphy made a motion to approve Work Order for The Goodman Corporation in the amount of One Hundred Thirty-Five Thousand Dollars (\$135,000.00) for to identify, develop, and document all of the necessary information for eligible projects for submission through this and many other federally-sourced grant programs for Safe Streets and Roads for All. The motion was seconded by Director Middleton and carried by unanimous vote.

EXECUTIVE SESSION

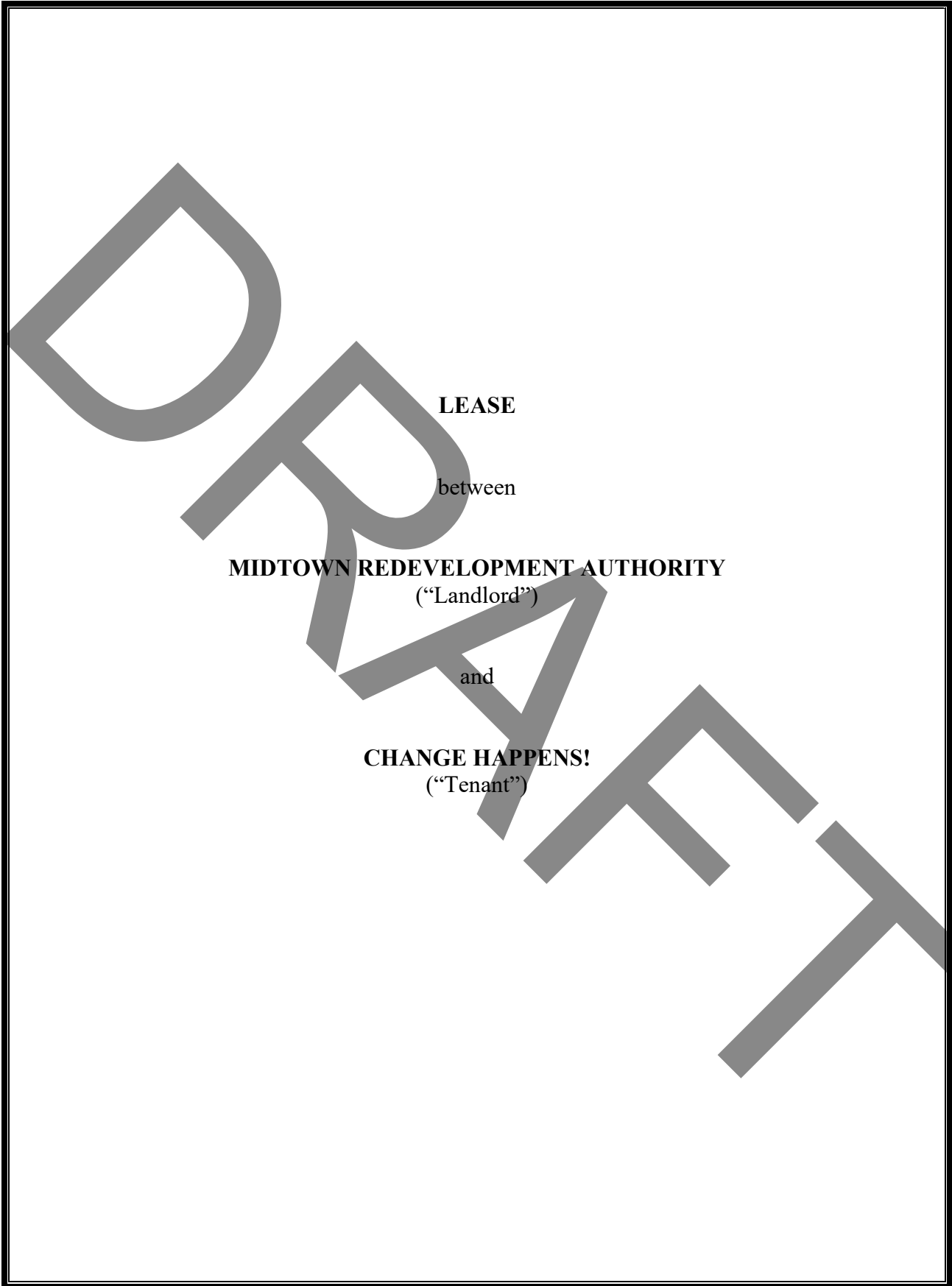
The Board entered into a closed executive session at 1:04 PM during this meeting to discuss the purchase, exchange, lease or value of real property under Section 551.072, of the Texas Government Code. No action was taken upon the return to open Session at 1:41PM.

ADJOURN

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

Caton Fenz, Assistant Secretary

Date



LEASE

between

MIDTOWN REDEVELOPMENT AUTHORITY
("Landlord")

and

CHANGE HAPPENS!
("Tenant")

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LEASE

THIS LEASE (the “Lease”) is made and entered by and between **MIDTOWN REDEVELOPMENT AUTHORITY**, a nonprofit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code (hereinafter called “Landlord”), and **CHANGE HAPPENS!**, a Texas nonprofit corporation (hereinafter called “Tenant”).

WITNESSETH:

**ARTICLE I
GRANT AND TERM**

Section 1.1 Leased Premises. For and in consideration of the rents, covenants and agreements hereinafter reserved and contained, Landlord demises and leases to Tenant and Tenant leases from Landlord 13,028 rentable square feet of space (11,329 usable square feet) on the fourth floor (“Premises”) as depicted in as Exhibit “A” (which exhibit may be supplemented on or before the Commencement Date (as defined in Section 1.2) to include the floor plan of the Premises), within the building commonly known as One Emancipation Center (“Building”), located on a tract of land in Harris County, Texas commonly known as 3131 Emancipation Avenue, Houston, Texas 77004 and being more particularly described in Exhibit “A-1” (“Land”). For and in consideration of the rents, covenants and agreements hereinafter reserved and contained, Tenant and Tenant’s agents, employees, licensees, servants and invitees shall also have the nonexclusive right, in common with others, to the use of such entrances, lobbies, restrooms, elevators, ramps, drives, stairs, and similar access ways and service ways and other Common Areas (as that term is defined in Section 3.3(b) hereof) of the Project (defined below), subject to the Building Rules and Regulations (as that term is defined in Section 6.1 hereof). The Building, together with the Land, all other improvements situated on the Land or directly benefiting the Building and all additional facilities directly benefiting the Building, including, without limitation the Common Areas, that now exist or may hereafter be constructed in subsequent years, shall collectively be referred to herein as the “Project.”

Section 1.2 Commencement of Term. The Lease shall become effective on the date on which Landlord receives from Tenant the Security Deposit (as further described in Section 15.1 hereof) and the Lease has been executed by both parties hereto (“Effective Date”). The term of the Lease (“Term”) shall commence upon the earlier of the following dates (“Commencement Date”): (i) the date of Substantial Completion (as such term is defined in the Work Letter Agreement attached as Exhibit “E”); or (ii) the date that Tenant commences business in the Premises. On and after the day that is forty-five (45) days prior to Substantial Completion, Tenant may enter onto the Premises at no cost to Tenant, subject to the terms and conditions of this Lease, for the purpose of installation of furniture, fixtures, and telecommunication and IT equipment. For avoidance of doubt, Tenant’s entry onto the Premises for the purposes permitted by the immediately preceding sentence shall not constitute commencing business in the Premises.

Section 1.3 Time of Rent Payments. All Rent (as that term is defined in Section 4.1 hereof) due under this Lease shall be payable in advance for any partial month of occupancy on a prorated basis and thereafter on the first day of each month in advance. Tenant shall pay all Rent that becomes payable by Tenant to Landlord under this Lease at the times and in the manner provided in this Lease without demand, set-off or counterclaim. All Rent owed by Tenant to Landlord under this Lease shall bear interest from the date due until paid at the lesser of (i) five percent (5%) above the per annum “prime rate” (or if the “prime rate” is discontinued, the rate announced as that being charged to the most creditworthy commercial borrowers for ninety (90) day unsecured loans) announced by JPMorgan Chase Bank, N.A. (or its successor), from time to time, or (ii) the maximum lawful contract rate per annum.

Section 1.4 Length of Term. The Term shall be for 130 months, commencing upon the Commencement Date and ending at 11:59 p.m. on the last day of the 130th full calendar month following the Commencement Date (“Expiration Date”), unless extended pursuant to Section 14.1 hereof.

ARTICLE II RENT

Section 2.1 Rent. (a) Upon determination of the Commencement Date, Landlord and Tenant agree to execute, acknowledge and deliver a Commencement Date Agreement, the form of which is attached hereto as Exhibit “B”, confirming the Commencement Date and Expiration Date of this Lease; provided, however, Landlord’s or Tenant’s failure to execute, acknowledge and deliver such instrument shall not affect in any manner whatsoever the validity of the Commencement Date or the parties’ obligations under this Lease. Rent (as that term is defined Section 4.1 hereof) shall accrue in accordance with the Lease but shall not be payable by Tenant to Landlord until the Commencement Date Agreement is signed by Landlord and Tenant.

(b) Tenant shall commence paying Rent upon the Commencement Date. The “Base Rent” during the Term shall be as follows:

Months of Term	Rent Per RSF	Monthly Installment of Base Rent
1-6	\$0.00	\$0.00
7-12	\$21.00	\$22,799.00
13	\$0.00	\$0.00
14-24	\$21.50	\$23,341.83
25	\$0.00	\$0.00
26-36	\$22.00	\$23,884.67
37	\$0.00	\$0.00
38-48	\$22.50	\$24,427.50
49	\$0.00	\$0.00
50-60	\$23.00	\$24,970.33
61-72	\$23.50	\$25,513.17
73-84	\$24.00	\$26,056.00

85-96	\$24.50	\$26,598.83
97-108	\$25.00	\$27,141.67
109-130	\$25.50	\$27,684.50

Section 2.2 Non-Waiver of Conditions. Extension of time for payment of Rent or change by Landlord of the mode or time of payment of Rent upon any occasion shall not be construed as a waiver of the provisions of this Article or as requiring a similar extension or change by Landlord on any subsequent occasion. All recurring Rent shall be due and payable to Landlord as provided in Section 1.3 hereof without any penalty to Tenant. Any non-recurring Rent that is due and payable to Landlord shall be due within forty-five (45) days of receipt of notice and invoice from Landlord.

ARTICLE III TAXES, UTILITIES, AND OPERATING COSTS; SERVICES

Section 3.1 Proportionate Share. As used herein and further described in Section 3.4, Tenant's proportionate share ("Tenant's Proportionate Share") shall equal 22.7%, calculated based on dividing the rentable square footage of the Premises [13,028 rentable square feet] by the rentable square footage of the Building [57,381 rentable square feet].

Section 3.2 Taxes. As further described in Section 3.4, Tenant shall pay as Additional Rent Tenant's Proportionate Share of Real Estate Taxes assessed against the Project. The term "Real Estate Taxes" shall mean the cost of all taxes, assessments, and governmental charges relating to the Project, whether directly paid by Landlord, whether federal, state, county, or municipal and whether imposed by taxing districts or authorities presently taxing the Project or by others subsequently created or otherwise, and any other taxes and assessments attributable to the Building or its operation.

Section 3.3 Utilities. As further described in Section 3.4, Tenant shall pay Tenant's Proportionate Share of costs for all utilities for the Project, including but not limited to the costs of heat, gas, water, sewer, electricity and other utilities ("Utilities") and services serving the Building ("Utility Expenses"). Landlord will be responsible for providing terminating utility trunk lines and service mains at the Premises, the cost of separately metering each utility (including installation of meter), and the cost of all impact fees and initial connection fees, excluding deposits, associated with Utilities to the Premises. Landlord shall provide, for the Term defined herein, and any extension thereof, all Utilities and services (including but not limited to electric, water and sewer) serving the Project and Premises reasonably sufficient for the operation of the Project and the Premises ("Building Standard Usage"). Provided, however, for above Building Standard Usage of electricity by Tenant, as reasonably determined by Landlord, Tenant shall pay to Landlord, monthly as billed, such charges as may be separately metered or as Landlord's property manager shall reasonably compute for such services in excess of Building Standard Usage, including the cost of installing, maintaining, repairing and replacing such meters if and to the extent necessary.

Section 3.4 Operating Expenses.

(a) Tenant shall pay as Additional Rent Tenant's Proportionate Share of the Project's operating costs, including Real Estate Taxes, Utility Expenses, and CAM Expenses, as hereinafter defined (collectively "Operating Expenses"). Operating Expenses are initially estimated to be Twelve and 93/100 Dollars (\$12.93) per rentable square foot per year as further detailed in Exhibit "C" attached hereto.

(b) The costs and expenses paid or incurred by or on behalf of Landlord relating to the repair, maintenance and operation of the Project, the Building and the Common Areas (defined below) for which Landlord shall have a repair or maintenance obligation ("CAM Expenses") shall be determined on an accrual basis in accordance with generally accepted accounting principles consistently applied. Without limiting the generality of the foregoing, CAM Expenses shall include the cost of: (i) normal and customary replacement and repairing of any facilities of the Building and Common Areas (excluding capital expenditures, except as provided in subsection (b)(ii) of this Section 3.4), (ii) amortization (together with reasonable financing charges) of the cost of capital expenditures that are installed primarily for the purpose of reducing Operating Expenses, promoting safety, maintaining the quality of the Project in accordance with the Building Standard (as that term is defined in Section 3.6 hereof), or complying with governmental requirements taking effect after the Effective Date, (iii) policing and protecting the Project, (iv) cleaning, painting, and landscaping of the Project, (v) premiums for worker's compensation and employer's liability insurance for on-site employees at the Project, and (vi) casualty and commercial general liability insurance that Landlord is obligated or reasonably deems necessary to carry covering the Project (including commercially reasonable deductibles paid by Landlord).

For purposes hereof, the term "Common Areas" as used herein shall mean areas and facilities of the Project for use in common by tenants of the Building, and shall include, without limitation the parking areas and facilities, sidewalks, stairways, service corridors, elevators, landscaped areas, and portions of the Building which are not reserved for the exclusive use of any Building tenants.

(c) Notwithstanding anything set forth above to the contrary, Operating Expenses (including, without limitation CAM Expenses) shall not include costs or expenses arising from capital expenditures, as determined in accordance with generally accepted accounting principles consistently applied, except as provided in subsection (b)(ii) of this Section 3.4. Additionally, Operating Expenses (including, without limitation CAM Expenses) shall not include the following:

(i) the cost of any work which Landlord performs solely for any other tenants and the costs of any services rendered or costs reimbursed to a tenant which are not generally rendered or reimbursed to other tenants;

(ii) the cost of repairs or maintenance costs necessitated by the negligence of Landlord, or its agents, contractors or employees;

(iii) legal and other fees, leasing commissions, advertising expenses and other costs incurred in connection with development or leasing in the Building;

(iv) expenses for repairs or other work which is caused by fire, windstorm, casualty or any other insurable occurrence for which Landlord is reimbursed by insurance (but not including deductibles included in Operating Expenses as provided in subsection (b)(vi) of this Section 3.4) or otherwise compensated, including direct reimbursement by any tenant, or, if Landlord failed to carry insurance required to be carried by Landlord under this Lease, an amount equal to the insurance proceeds that would have been available to Landlord had Landlord carried the required insurance;

(v) replacement or repairs covered by and reimbursed under construction contracts or contractor's warranties;

(vi) expenses relating to vacant or vacated space;

(vii) the costs or expenses of Utilities or other services separately metered or billed to specific tenants of the Building;

(viii) any bad debt or rental loss and any reserves or insurance for such losses;

(ix) the cost of Landlord's federal, state or local income taxes;

(x) interest or principal payments on any mortgage or deed of trust or any ground lease payments;

(xi) reserves for anticipated future expenses;

(xii) accounting and legal fees relating to the ownership, construction, leasing, sale of or relating to any litigation in any way involving the Project or the enforcement of the terms of any lease;

(xiii) the cost of correcting any applicable building or fire code violation or violations of any other applicable law relating to any portion of the Project in effect prior to the Effective Date or the cost of any penalty or fine incurred for noncompliance with the same, and any costs incurred to test, survey, cleanup, contain, abate or remove any environmental or hazardous materials or materials or to remedy any breach or violation of any environmental laws;

(xiv) Any interest or penalty incurred due to the late payment of any Operating Expenses;

(xv) any costs or expenses for sculpture, paintings, or other works of art, including, without limitation, costs incurred with respect to the purchase, ownership, leasing, repair, or maintenance of such works of art;

(xvi) the capital costs of constructing and installing any Project amenity or special facility such as a cafeteria or health club; and

(xvii) with respect to any personnel costs included by Landlord in Operating Expenses, if such personnel do not work exclusively for the Project, the portion of such

costs equivalent to the percentage of time spent by such personnel on matters other than the Project. Except for the management fee specified in Exhibit "C", no additional administration or management fees shall be charged.

(d) Notwithstanding anything to the contrary herein, increases to Controllable Operating Expenses shall be capped each year to 5% of the immediately prior year's expenses. For purposes hereof, "Controllable Operating Expenses" shall mean all Operating Expenses other than Real Estate Taxes, the cost of insurance Landlord is required to carry under Section 7.2 below, Utility Expenses, and snow/ice removal.

(e) Tenant agrees to pay one-twelfth (1/12th) of Landlord's estimate of Operating Expenses in advance upon the first day of each calendar month (each a "CAM Payment" and collectively, the "CAM Payments") at the same time as monthly Base Rent. Within ninety (90) days of the end of each calendar year, Landlord will submit to Tenant a reasonably detailed statement with support documents, including but not limited to, a general ledger of expenses, property tax invoices, and insurance invoices, showing CAM Expenses and other Operating Expenses for the preceding calendar year along with a reconciliation to Tenant's actual CAM Payment for such calendar year ("CAM Statement"). Within sixty (60) days after receipt of a CAM Statement, Tenant shall pay Landlord any additional amounts owed as shown on the CAM Statement. If Tenant's total CAM Payments paid to Landlord during the previous calendar year exceed Tenant's Proportionate Share of the actual Operating Expenses, then Landlord shall credit the difference to Tenant against the next-due Rent or refund such amount to Tenant if the Term has expired. Any CAM Payments shall be prorated for any partial calendar year. Tenant's obligation to pay any amounts due under this Section shall survive the Expiration Date or earlier termination of this Lease.

(f) Within one hundred eighty (180) days after Landlord furnishes Tenant the CAM Statement for any calendar year, Tenant has the right, at its expense, to audit Landlord's records for the Project, including, without limitation the Operating Expenses. Tenant's audit may be conducted by a qualified accounting or audit firm selected by Tenant. This paragraph shall not be construed to limit, suspend, or abate Tenant's obligation to pay Rent when due, including estimated Operating Expenses. Landlord shall credit any overpayment determined by the audit report against the next Rent due and owing by Tenant or, if no further Rent is due, refund such overpayment directly to Tenant within thirty (30) days of determination. Likewise, Tenant shall pay Landlord any underpayment determined by the audit report within thirty (30) days of determination. The foregoing obligations shall survive the Expiration Date or earlier termination of this Lease.

Section 3.5 Information Technology/Telecommunication Services. Landlord will be responsible for providing fiber optic connectivity to the Building. Tenant shall be required to use the third party provider with whom Landlord has contracted to provide internet services to the Building. Tenant shall electronically submit technology/telecommunications services provider's entry permission documents and/or plans for running transmission lines for the Premises ("IT Provider Plans") to Landlord for review and approval (which approval shall not be unreasonably withheld, conditioned or delayed), together with a written notice specifying that Landlord shall have fifteen (15) days from Tenant's submission within which to review and provide comments regarding the IT Provider Plans ("IT Provider Plans Review Period"), which notice shall specify the due date for Landlord's response. The IT Provider Plans Review Period may be extended for

a reasonable amount of time by Landlord's provision of written notice to Tenant prior to the expiration of the IT Provider Plans Period indicating that Landlord requires additional time to review the IT Provider Plans and specifying a new due date by which Landlord will provide its response to Tenant.

Section 3.6 Landlord Services. Landlord shall furnish, subject to Tenant's performance of its obligations hereunder, the following services:

- (a) central heat and air conditioning in season, subject to curtailment as required by governmental laws, rules, or regulations, in such amounts at such temperatures as are necessary for comfort as reasonably determined by Landlord ("HVAC Service") during Normal Building Operating Hours (hereafter defined);
- (b) the Utilities, including, without limitation hot and cold water at those points of supply provided for lavatory and drinking purposes in the Premises and the Common Areas, and electricity and proper facilities to furnish sufficient electrical power to the Premises and the Common Areas for normal office machines and other machines of low electrical consumption;
- (c) elevator access to and egress from the Premises;
- (d) janitorial service in and about the Building and the Premises five (5) days per week, and window washing in accordance with the Building Standard; and
- (e) replacement of fluorescent lamps and Building Standard light fixtures installed by Landlord in the Premises.

If any of the services described Sections 3.6(a) through (c), inclusive, above (the "Essential Services") are interrupted, Landlord shall use commercially reasonable efforts to restore the same promptly. Notwithstanding anything to the contrary herein, if there is an interruption of the Essential Services (a "Service Interruption") and such Service Interruption was not caused by the wrongful acts of Tenant, a governmental directive, or the failure of public utilities to furnish necessary services, then if as a result of such Service Interruption, the Premises or any portion thereof are rendered untenable and Tenant does not actually use the space which is subject to a Service Interruption, and such Service Interruption continues for a period in excess of five (5) consecutive business days following the date upon which Landlord receives written notice from Tenant describing such service interruption in sufficient detail (the "Service Interruption Notice"), then Rent shall equitably abate as to those portions of the Premises rendered untenable and which Tenant does not actually use from the sixth (6th) business day following the date upon which Landlord receives the Service Interruption Notice and shall continue until such service is restored to such space. Tenant shall give Landlord prompt notice of any Service Interruption.

For purposes of this Section 3.6 and Sections 3.7 and 3.8, "Building Standard" means the level of service or type of equipment standard in the Building or the type, brand and/or quality of materials Landlord reasonably designates from time to time to be the standard type, brand or quality to be used in the Building consistent with similar first-class buildings in same market area.

Section 3.7 Tenant Access; Normal Building Operating Hours. Notwithstanding anything to the contrary herein, Tenant shall have access to the Premises twenty-four (24) hours a

day, seven (7) days a week, 365 days a year; provided, however, Landlord shall not be obligated to provide HVAC Service outside of Normal Building Operating Hours. Tenant must notify Landlord and request such HVAC Services to be provided during times outside of Normal Building Operating Hours in accordance with the process set forth in the Building Rules and Regulations (as that term is defined in Section 6.1 hereof), in which case Tenant shall have to pay to Landlord the then-current Building Standard fee for such service, which fee is currently \$50.00 per hour, which charges shall be due to Landlord by Tenant within thirty (30) days upon Tenant's receipt of an invoice thereof. Landlord shall furnish Tenant with 95 cardkeys to access the Building at no charge and any additional cardkeys will be furnished at a charge by Landlord on an order signed by Tenant or Tenant's authorized representative. All such cardkeys shall remain the property of Landlord and Tenant shall surrender to Landlord all such cardkeys at the end of the Term.

For purposes hereof, as set forth in the Building Rules and Regulations, "Normal Building Operating Hours" shall be from 7:00 a.m. to 7:00 p.m. Monday through Friday, and 7:00 a.m. to 1:00 pm Saturday, exclusive of Sundays and "holidays". Essential Services on Sundays and holidays shall be provided only upon Tenant's request and agreement in advance to bear the reasonable cost of operations attributable to such additional services. For purposes hereof, "holidays" shall mean New Year's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day and the Friday following Thanksgiving Day and Christmas and any other holiday recognized and taken by tenants cumulatively occupying at least one-half of the net rentable area of office space of the Building.

Section 3.8 Use of Main Conference Room. Reference is made to that certain large conference room situated on the second floor of the Building and depicted on Exhibit A-2 attached hereto (the "Main Conference Room"), which conference room is part of the Common Area. During the Term, Tenant shall have the non-exclusive right to use the Main Conference Room to host meetings and educational programs, which meetings and programs may be open to the public ("Community Meetings") provided that: (a) any such Community Meeting must be scheduled with Landlord's designated property manager at least one (1) business day prior to the date of the subject Community Meeting, and at the time of such scheduling, Tenant shall notify Landlord's designated property manager of the number of unreserved parking spaces in the Parking Garage (as that term is defined in Section 4.5) to be designated for use by Community Meeting attendees for the subject Community Meeting; (b) Community Meetings may only occur at reasonable times outside of Normal Building Operating Hours as determined by Landlord, and must be concluded not later than 9:00 p.m.; (c) unless otherwise requested by Tenant and approved by Landlord (such approval not to be unreasonably withheld or denied), Community Meetings may occur not more than four (4) times in any twelve-month period; (d) an access fee in a reasonable amount to be determined by Landlord will be charged for any Community Meeting whose duration is more than two (2) hours, which charges shall be due to Landlord by Tenant within thirty (30) days upon Tenant's receipt of an invoice therefor; (e) Tenant shall be responsible for the additional costs to the Landlord associated with the Community Meeting for janitorial services, which fee is currently \$150 per Community Meeting, and for security services, which fee is currently \$25 per hour (provided that such rates may be subject to reasonable adjustment by the Landlord from time to time), which charges shall be due to Landlord by Tenant within thirty (30) days upon Tenant's receipt of an invoice therefor; and (f) if Tenant requests HVAC Service during Community Meetings, Tenant shall have to pay to Landlord the then-current Building Standard fee for such

service, which fee is currently \$50.00 per hour, which charges shall be due to Landlord by Tenant within thirty (30) days upon Tenant's receipt of an invoice therefor. Provided, further, that in the event that Tenant intends to serve alcoholic beverages at any Community Meeting, Tenant shall notify Landlord's designated property manager at the time that Tenant schedules the Community Meeting and shall comply with the reasonable rules and regulations promulgated by Landlord and Landlord's designated property manager related thereto, including the requirement that Tenant obtain the services of an off-duty uniformed police officer to be present at such Community Meeting, at Tenant's sole cost and expense. In the event that Tenant intends to provide food or alcohol service at a Community Meeting through a third-party service provider, Tenant shall provide to Landlord a certificate of insurance for such service provider in accordance with the requirements of Section 7.1(f) of the Lease in advance of the service provider's arrival to the Building for such Community Meeting.

During Community Meetings and for reasonable time not to exceed sixty (60) minutes, or such other reasonable period of time as Landlord may from time to time require, prior to and after such meetings, Landlord shall ensure that: (i) the main entry doors to the Building are unlocked and the Building's elevators are operating as reasonably necessary to allow meeting attendees to access to the Main Conference Room; and (ii) the entry gates to the Parking Garage are open to allow meeting attendees to use a certain number of unreserved parking spaces in the Parking Garage, on a first come, first serve basis at no cost to such attendees, provided that Tenant shall be responsible for payment of the costs of those parking spaces for Community Meetings at the standard rate per parking space established by Landlord, which rate is currently \$4.00 per parking space (provided that such rate may be subject to reasonable adjustment by the Landlord from time to time), which charges shall be due to Landlord by Tenant within thirty (30) days upon Tenant's receipt of an invoice therefor.

For avoidance of doubt, Tenant retains the right to reserve the Main Conference Room (and any other conference rooms included in the Common Areas) for use during Normal Building Operating Hours from time to time for meetings other than Community Meetings subject to the rules and regulations of the Building established by Landlord for the reservation and use of Building conference rooms by Building tenants (which may include payment of reasonable fees or other costs associated with the reservation and use thereof).

ARTICLE IV TENANT'S COVENANTS

Section 4.1 Payment of Rent. Tenant shall pay to Landlord, its successors and assigns or to Landlord's agent, the specified Rent at the times and in the manner above provided. The term "Rent" as used in this Lease shall mean the Base Rent, Additional Rent, and any other monies due Landlord under the terms of this Lease.

Section 4.2 Landlord's Right of Entry. Landlord and persons authorized by Landlord shall at any and all reasonable times have the right to enter and inspect the Premises, to supply janitorial service or any other service to be provided by Landlord to Tenant hereunder or to show the Premises to current or prospective lenders, purchasers or tenants or to make repairs, improvements or alterations to the Premises, all without being deemed guilty of an eviction of Tenant and without abatement of Rent. During the pendency of any such entry, Landlord shall use

commercially reasonable efforts to minimize any interference with the conduct of Tenant's business. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises and any other loss occasioned thereby, except to the extent such damages are caused by gross negligence or willful misconduct of Landlord or any of its agents, employees or contractors.

Section 4.3 Use of Premises.

(a) Tenant shall have the right to use the Premises for office space and community education purposes, including, without limitation hosting meetings and educational programs open to the community, and ancillary and administrative operations therefor (the "Permitted Use"), so long as such use complies with lawful business and commercial purposes.

(b) Tenant shall comply with, and shall cause its agents, contractors, and employees to comply with, and shall use commercially reasonable efforts to cause its invitees, licensees, and servants to comply with, all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) relating to the use, condition, occupancy, maintenance or alteration of the Premises or the conduct of Tenant's business therein including, without limitation, the Americans With Disabilities Act of 1990 and the Texas Accessibility Standards (together, the "ADA" and collectively with all such laws, the "Laws") and shall cause the Premises to comply with all Laws coming into effect after the Commencement Date, all at Tenant's sole cost and expense. Landlord shall be responsible for maintaining the Building (other than the Premises) and Common Areas in compliance with the ADA and all other Laws.

(c) Tenant shall use and occupy the Premises only for the Permitted Use. Tenant may not use or permit the use of the Premises for the sale of food, the storage of any Hazardous Materials (as hereinafter defined) (other than *de minimis* quantities found in typical office and cleaning supplies and then only in compliance with all applicable laws and regulations and in a commercially reasonable manner) or any purpose which is illegal, or deemed to be hazardous on account of fire or other hazards, creates obnoxious odors (including tobacco smoke), noises or vibrations, is dangerous to persons or property, would reasonably be expected to increase Landlord's insurance costs, or which would reasonably be expected to unreasonably disturb any other tenants of the Building or interfere with the operation or maintenance of the Project or any work by Landlord or its contractors thereon. "Hazardous Materials" means any substance, material, or waste which is now or hereafter classified or considered to be hazardous, toxic, radioactive or dangerous under any law relating to pollution or the protection or regulation of human health, natural resources or the environment, or poses or threatens to pose a hazard to the health or safety of persons on the Premises or the Project, including but not limited to mold and asbestos-containing materials.

Section 4.4 Assignment and Subletting.

(a) Except for Permitted Transfers (as defined in Section 4.4(c) below), Tenant agrees not to assign, in whole or in part, this Lease or any estate or interest therein, and not to sublease the Premises or any part or parts thereof, except as set forth herein. If Tenant should desire to assign, in whole or in part, this Lease or any estate or interest therein, or to sublease the Premises

or any part or parts thereof, Tenant shall give Landlord written notice thereof at least 30 days in advance of the date on which Tenant desires to make such sublease or assignment (“Transfer Notice”). The Transfer Notice shall include the identity of the proposed assignee or subtenant, its nature of business and intended use of the Premises and shall specify any other financial terms of the proposed assignment or sublease (which may include rental, commissions, tenant build-out allowances and other inducements) and the term of the proposed assignment or sublease. Landlord shall then have a period of 20 days following receipt of such Transfer Notice within which to notify Tenant in writing that Landlord, in its reasonable discretion, elects to either permit the proposed assignment or sublease or reject the proposed assignment or sublease. If Landlord fails to notify Tenant in writing of its election within said 20-day period, Tenant may provide written notice to Landlord of Landlord’s failure to respond within such 20-day period (a “Transfer Demand Letter”), which Transfer Demand Letter shall state in bold capital letters: **“LANDLORD’S RESPONSE IS REQUIRED WITHIN 10 BUSINESS DAYS OR THE PROPOSED ASSIGNMENT OR SUBLEASE WILL BE DEEMED APPROVED.”** In the event that Landlord does not respond within five (5) business days after the receipt of the Transfer Demand Letter, then Landlord shall be deemed to have approved the proposed assignment or sublease described in the Transfer Notice.

(b) Any transfer, assignment or subletting in violation of this Section 4.4 shall be voidable. Consent by Landlord to one or more assignments of this Lease or to one or more subletting of the Premises shall not operate to exhaust Landlord’s rights under this Section 4.4. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease. The sale, issuance, or transfer of any voting capital stock of Tenant (if Tenant be a nonpublic corporation), which results in a change in the voting control of Tenant, shall be deemed to be an assignment of this Lease within the meaning of Section 4.4(a).

(c) Notwithstanding anything to the contrary contained in this Lease, and provided there is no change in the Permitted Use of the Premises, Tenant shall have the right, without the consent of Landlord (but with written notice given to Landlord at least five (5) business days prior to the effective date of such transfer, to be accompanied by true and complete copies of the documents that will evidence the transfer) to make the following “Permitted Transfers”: any assignment of this Lease, or any transfer of this Lease by operation of law, or any subletting of the entirety of the Premises (or any portion thereof) for the remaining Term, to any entity (each, a “Permitted Transferee”): (A) which controls Tenant (Tenant’s parent entity), or is controlled by Tenant (a subsidiary entity of Tenant), or is under common control with Tenant (Tenant’s “Affiliate”); (B) into or with which Tenant is merged or consolidated by merger, consolidation or other business reorganization; or (C) to which all or substantially all of Tenant’s assets, voting stock, partnership interests, membership interests or other equitable ownership interests are transferred. As used in this Section 4.4(c), “control” and all variations thereof used herein shall mean and require both the direct ownership, or indirect ownership through no more than one intermediary, of more than 50% of the voting stock or other beneficial ownership interest of the controlled entity and the ability to direct the day-to-day business operations of the controlled entity. All Permitted Transfers are otherwise subject to and upon all of the terms, provisions and covenants of this Lease, and shall not in any way relieve Tenant of liability as to any term or condition of this Lease without the express written approval of Landlord (which may be granted, withheld, delayed or conditioned in Landlord’s sole and absolute discretion) granted at the time of

and in connection with such Permitted Transfer. Notwithstanding any term or provision to the contrary contained herein, Tenant may not engage in a series of one or more Permitted Transfers under this Section 4.4(c) to “spin off” this Lease to an independent third party. As an example of the foregoing (but without limiting the foregoing), Tenant may not assign this Lease to a wholly owned subsidiary entity whose assets consist solely of this Lease and the rights granted under this Lease and thereafter sell the stock or other beneficial ownership interest of such entity to an independent third party.

(d) Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder and in the Building and all other property referred to herein, and in such event and upon such transfer (any such transferee to have the benefit of, and be subject to, the provisions of Sections 10.1 and Section 4.4(e)). Landlord shall be released from any further obligations hereunder that arise after the date of such transfer and no further liability or obligation shall thereafter accrue against Landlord hereunder, provided that Landlord’s transferee or assignee expressly assumes in writing Landlord’s liabilities and obligations hereunder arising from and after the date of such transfer.

(e) Tenant shall look solely to Landlord’s interest in the Project for the recovery of any judgment against Landlord, it being agreed that neither Landlord (and its members, partners, officers, directors and shareholders) nor any mortgagee shall ever be personally liable for any such judgment. In addition, Tenant also agrees that Tenant shall not be entitled to recover from Landlord nor any of its agents, employees, officers, members, partners, servants or shareholders any indirect, special or consequential damages Tenant may incur as a result of a default under this Lease or other action by Landlord, its agents, employees, officers, members, partners, servants or shareholders. In no event whatsoever shall recourse be had, or liability asserted against any of Landlord’s partners, members, shareholders, employees, agents, directors, officers or other owners of Landlord or their respective constituent members, partners, shareholders, employees, agents, directors, officers or other owners. Landlord’s direct and indirect shareholders, partners, members, beneficiaries and owners and their respective trustees, officers, directors, employees, agents and security holders, assume no personal liability for any obligations entered into on behalf of Landlord under this Lease.

Section 4.5 Parking. During Normal Building Operating Hours during the Term, Tenant, its employees and invitees, shall have the non-exclusive right to use all common area parking in the parking garage associated with the Building (“Parking Garage”). In addition to Tenant’s use rights provided in the immediately preceding sentence, Landlord agrees for the Term to provide Tenant the exclusive use during Normal Building Operating Hours (except on Saturdays, as further specified herein) of nine (9) parking spaces in the Parking Garage for reserved parking (“Reserved Spaces”) and the use (on a first come first serve basis) of thirty (30) parking spaces in the Parking Garage for unreserved parking (“Unreserved Spaces”), which shall not be subject to reduction or restriction by Landlord. During the Term, for the use of Reserved Spaces and Unreserved Spaces, Tenant shall pay Landlord \$50.00 per space per month for the Reserved Spaces and \$35.00 per space per month for Unreserved Spaces, provided, however, that (i) the monthly cost of five (5) of the Reserved Spaces shall be abated for the initial 65 months of the Term, and (ii) on Saturdays, Landlord is not required to provide Tenant the exclusive use of the number of Reserved Spaces and the use of the number of Unreserved Spaces specified herein, but

Tenant may use any cardkey provided to Tenant to access the Parking Garage and use any available parking space in the Parking Garage (on a first come first serve basis) at no additional charge.

ARTICLE V DELIVERY, CONSTRUCTION, ALTERATIONS AND LIENS

Section 5.1 Condition of Premises. On or prior to the Effective Date, Tenant has made a complete inspection of the Premises and agrees it will accept the Premises “as-is” and without recourse to Landlord; provided that the Tenant Improvements (as defined in the Work Letter Agreement) will be completed in accordance with Section 5.2 and the Work Letter Agreement. Tenant acknowledges that no representations as to the condition or repair of the Premises or the Building, nor promises to alter, remodel or improve the Premises or the Building, have been made by Landlord, except as are expressly set forth in the Work Letter Agreement and elsewhere in this Lease.

Section 5.2 Tenant Improvements. Landlord is responsible to complete the Tenant Work (as defined in the Work Letter Agreement). Landlord shall be responsible for the costs and expenses incurred in connection with the Tenant Work, including, without limitation, the costs and expenses associated with the preparation of the Tenant Improvement Plans (as defined in the Work Letter Agreement), in an amount equal to Forty-Five Dollars (\$45.00) multiplied by the number of rentable square feet contained in the Premises (“Tenant Allowance”), which amount is stipulated to be \$586,260. Provided, however, that if the total cost of the Tenant Work exceeds the amount of the Tenant Allowance, such excess costs shall be at Tenant’s responsibility in accordance with the Work Letter Agreement.

Section 5.3 Construction and Alterations. Except for Cosmetic Alterations (defined below), Tenant shall not make or allow to be made (except as otherwise provided in this Lease) any alterations or physical additions (including fixtures) in or to the Premises or place or move any exceptionally heavy equipment (including safes, vaults, filing cabinets, libraries or furniture) exceeding a live load of 150 pounds per square foot within the Premises without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary herein, Tenant shall be entitled to make Cosmetic Alterations from time to time without Landlord’s consent, provided that Tenant shall provide to Landlord five (5) days’ prior written notice before commencing Cosmetic Alterations in the Premises.

For purposes hereof, “Cosmetic Alterations” means alterations or additions in or to the interior of the Premises made by Tenant that: (i) do not affect the Building’s mechanical, electrical or plumbing systems or the structural components of the Building, including, without limitation repainting, replacing carpeting, tile or other flooring, or replacing cabinetry; (ii) do not require any permits to be obtained from the City or other governmental entities or agencies; and (iii) do not exceed \$50,000.00 in aggregate cost during any 12-month period.

So long as Tenant is not in default of this Lease beyond any applicable cure period, from the first day of the 84th month of the Term through the date that is the last calendar day of the 130th month of the Term (“Sunset Date”), at Tenant’s request, Landlord shall provide Tenant with a refurbishment allowance in an amount equal to Three Dollars (\$3.00) multiplied by the number of

rentable square feet contained in the Premises (“Refurbishment Allowance”), which amount is stipulated to be \$39,084, with which Tenant may make Cosmetic Alterations to the Premises. The availability of the Refurbishment Allowance for Cosmetic Alterations is subject to approval by the City of Houston (the “City”) of Landlord’s operating budget for Landlord’s applicable fiscal year and the allocation of the subject amount by Landlord for this purpose pursuant thereto. Landlord shall make reasonable, good faith efforts to obtain the City’s approval of the Refurbishment Allowance in connection with obtaining the City’s approval of Landlord’s operating budget. Tenant may elect to apply such Refurbishment Allowance toward Cosmetic Alterations and for no other purpose, in accordance with the following process: within thirty (30) days of receipt from Tenant of an invoice documenting actual costs incurred by Tenant for Cosmetic Alterations, and any reasonable additional documentation requested by Landlord related thereto, Landlord shall submit to Tenant the applicable portion of the Refurbishment Allowance for such costs that have been verified by Landlord, and, to the extent that Landlord is unable to verify any such costs, Landlord shall submit a written notice to Tenant indicating the reason for Landlord’s denial of such non-verified costs, in which case Tenant shall be permitted to submit supplemental documentation as reasonably necessary for Landlord to verify such costs, and promptly after such verification Landlord shall submit to Tenant the applicable unpaid portion of the Refurbishment Allowance. Provided, further, that the Refurbishment Allowance shall only be available to Tenant to make Cosmetic Alterations until the Sunset Date, and upon such date, Landlord shall thereafter have no obligation to provide Tenant with the Refurbishment Allowance, or any portion thereof which remains unused, unapplied or unrequested as of the Sunset Date. Tenant’s failure to use, apply or request the use of the Refurbishment Allowance (or any remaining portion thereof) by the Sunset Date shall be deemed a waiver by Tenant of Landlord’s obligation to provide Tenant with the Refurbishment Allowance (or the applicable remaining portion thereof).

Section 5.4 Liens. Tenant shall indemnify and hold harmless Landlord from and against all costs (including reasonable attorney’s fees and costs of suit), losses, liabilities, or causes of action arising out of or relating to any alterations to the Premises, made by Tenant or its contractors as otherwise permitted pursuant to the terms and conditions of this Lease, including but not limited to any mechanics’ or materialmen’s liens asserted in connection therewith. Should any mechanics’ or other liens be filed against the Premises or any portion of the Building or the land on which the Building is situated or any interest therein by reason of Tenant’s acts or omissions or because of a claim against Tenant or its contractors, Tenant shall cause the same to be cancelled or discharged of record by bond or otherwise within 15 days after notice of such lien by Landlord or otherwise. If Tenant shall fail to cancel or discharge said lien or liens within said 15-day period, which failure shall be deemed to be an Event of Default hereunder, Landlord may, at its sole option and in addition to any other remedy of Landlord hereunder, cancel or discharge the same and upon Landlord’s demand, Tenant shall promptly reimburse Landlord for all costs incurred in canceling or discharging such lien or liens plus fifteen percent (15%) for administrative cost recovery.

Section 5.5 Landlord Construction. In performing any construction in the Common Areas, Landlord shall use, and cause its contractors to use, commercially reasonable efforts (provided that such efforts do not require Landlord to incur any additional costs) to minimize annoyance and inconvenience to Tenant, including, without limitation by taking commercially reasonable measures to minimize noise, odors and dust generated by such construction; provided, however, that in no event shall Landlord be required to delay the performance of the construction in any way.

ARTICLE VI
MAINTENANCE AND REPAIR, COMPLIANCE WITH LAW, AND SIGNS

Section 6.1 Rules of the Building. Tenant shall comply with and observe, and shall cause its agents, contractors, and employees to comply with and observe, and shall use commercially reasonable efforts to cause its invitees, licensees, and servants to comply with and observe, the rules and regulations of the Building set forth on Exhibit “D” and any additional reasonable rules and regulations reasonably established by Landlord from time to time for the safety, care or cleanliness of the Premises and the Building, or for preservation of good order therein (as same may be amended or modified from time to time pursuant hereto, the “Building Rules and Regulations”). Landlord may from time to time amend or modify the Building Rules and Regulations for the use, safety, cleanliness and care of the Premises and the Building and for the comfort, quiet enjoyment and convenience of all tenants and their employees, agents and customers. Amendments or modifications to the Building Rules and Regulations will be effective upon notice to Tenant from Landlord or Landlord’s designee, provided that such rules and regulations are applicable to all tenants in the Building, do not unreasonably diminish Tenant’s use of the Common Areas or Tenant’s other rights and privileges under this Lease, and are enforced by Landlord in a non-discriminatory manner. In the event of any conflict between the provisions of this Lease and the Building Rules and Regulations, the provisions of this Lease will control.

Section 6.2 Repair and Maintenance by Landlord.

(a) The Landlord is responsible for the maintenance and repair of the following as necessary to keep the same in good condition and repair: (i) the Common Areas, (ii) the floors, ceilings, roofs, foundations and other structural portions of the Premises and the Building; (iii) the exterior walls, exterior doors, exterior locks on exterior doors and windows of the Building; (iv) the heating, ventilation and air conditioning system and related equipment servicing the Building or Premises; and (v) the electrical, plumbing, mechanical and other systems and related equipment serving the Building or Premises.

(b) Landlord will, and with reasonable dispatch after being notified in writing by Tenant of the need thereof, maintain and make such repairs as required by this Lease, and as may be necessary to keep portions of the Project for which Landlord is responsible under Section 6.2(a) above in good condition and repair. In performing Landlord’s responsibilities under Section 6.2(a) above, Landlord agrees to use commercially reasonable efforts not to interfere with the conduct of Tenant’s business in the Premises. Upon written receipt from Tenant of a notice indicating the name and contact information of Tenant’s facility manager for the Premises, Landlord agrees to accept direction/work orders from Tenant’s facility manager via email. The procedures for Tenant to make repair or maintenance requests are further described in the Building Rules and Regulations.

(c) Landlord shall not be liable for, and Tenant, except as expressly provided otherwise in this Lease, shall not be entitled to, any abatement or reduction of Rent by reason of Landlord’s failure to maintain temperature or electrical constancy levels or to furnish any of the foregoing services when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbance or labor dispute of any character, governmental regulation, moratorium or other governmental action, the failure of any utility to supply its service, inability by exercise of

reasonable diligence to obtain electricity, water or fuel, or by any other cause beyond Landlord’s reasonable control, nor shall any such failure, stoppage or interruption of any such service be construed as an eviction of Tenant, or relieve Tenant from the obligation to perform any covenant or agreement herein (except as expressly provided otherwise elsewhere in this Lease). In the event of any such failure, stoppage or interruption of any such service, however, Landlord shall use commercially reasonable diligence to resume such service promptly. No representation is made by Landlord with respect to the adequacy or fitness of the Building’s ventilating, air conditioning or other systems to maintain temperatures as may be required for the operation of any computer, data processing or other special equipment of Tenant.

Section 6.3 Repair and Maintenance by Tenant. During the Term, Tenant will keep and maintain the Premises in good condition and repair, except for those maintenance and repair obligations that are Landlord’s responsibilities under Section 6.2. Tenant will not commit or allow any waste or damage to be committed on any portion of the Premises.

Section 6.4 Surrender at End of Term. Tenant will surrender the Premises at the expiration of the Term or at such other time as Tenant may vacate the Premises in good condition and repair, broom-clean, excepting ordinary wear and tear and damage caused by fire or other casualty, or condemnation.

Section 6.5 Compliance with Law. Tenant, at its cost, shall comply with all federal, state, municipal and other laws and ordinances applicable to the Premises and the business conducted therein by Tenant.

Section 6.6 Signs. Landlord shall provide and install letters and numerals at the entrance to the Premises identifying Tenant and Tenant’s suite number at Tenant’s sole cost and expense (“Tenant Signage”), in accordance with Landlord’s signage standards for the Building (“Signage Standard”) and the Building Rules and Regulations and subject to all applicable signage criteria and other requirements of the City of Houston and/or any other governmental entities or agencies having jurisdiction thereover. Except as otherwise provided with respect to Tenant Signage installed by the Landlord, Tenant may not display or allow to be displayed any signs, numerals, letters or other graphics on the exterior of, or which may be visible from outside the Premises, without first obtaining written permission from the Landlord.

**ARTICLE VII
INSURANCE AND CASUALTY**

Section 7.1 Tenant’s Insurance.

(a) Throughout the Term, Tenant at its sole cost and expense shall keep or cause to be kept commercial general liability insurance with respect to the Premises, and the business operated by Tenant (and any subtenants of Tenant) in the Premises which insurance shall afford the following minimum limits of coverage:

Each Occurrence (Combined Single Limit Bodily Injury or Property Damage)	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000

Personal and Advertising Injury Liability	\$1,000,000
Fire Damage Legal Liability	\$ 50,000
Medical Payments	\$ 5,000

Tenant shall also maintain minimum excess coverage of not less than Two Million Dollars (\$2,000,000.00) per occurrence, provided Tenant shall carry such greater limits of coverage as Landlord may reasonably request from time to time. Landlord, any property manager, and any other parties that Landlord designates shall be named as additional insureds on all commercial general liability and excess liability policies. Tenant shall also carry workers' compensation and employers' liability insurance on its employees in accordance with applicable state laws. All policies required to be carried by Tenant hereunder shall be issued by and binding upon an insurance company licensed to do business in Texas with a rating of at least "A VIII" or better as set forth in the most current issue of Best's Insurance reports, unless otherwise approved by Landlord. Tenant shall not do or permit anything to be done that would invalidate the insurance policies required.

(b) Tenant agrees to carry, at its expense, (i) "all-risk" property insurance against fire, vandalism, windstorm, explosion, smoke damage, malicious mischief, and such other perils as are from time to time included in a standard extended coverage endorsement, insuring Tenant's improvements to the extent same exceed Building Standard (as that term is defined in the Work Letter Agreement), merchandise, trade fixtures, furnishings, equipment and all other items of personal property of Tenant located on or within the Premises, in an amount equal to the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage, and (ii) by endorsement to Tenant's all-risk property insurance or by separate policy, property insurance against damage to or destruction of Tenant's non-Building Standard improvements, merchandise, trade fixtures, furnishings, equipment and other personal property, and to furnish Landlord with a certificate evidencing such coverage. If Tenant does not provide evidence of the herein described insurance, Landlord may, at its option, procure such insurance for the account of Tenant and the cost thereof shall be paid by Tenant to Landlord as additional rent upon delivery to Tenant of bills therefor with reasonable supporting documentation. Tenant's insurance shall be with an insurance carrier with a Bests Guide Rating of A-/VI or better.

(c) Liability insurance maintained by Tenant shall be primary coverage without right of contribution by any similar insurance that may be maintained by Landlord. All policies shall name the Landlord and/or Landlord's designees as additional insured (except for workers' compensation) and shall contain a provision by which the insurer agrees that such policy shall not be canceled, materially changed, terminated or not renewed with respect to the Premises except after at least fifteen (15) days' advance written notice to Landlord and/or such designees.

(d) Tenant shall deliver certificates of insurance evidencing the required coverages hereunder to Landlord on or before the Commencement Date and at least annually thereafter during the Term.

(e) At all times that Tenant is undertaking improvement work in the Premises (other than Cosmetic Alterations), the Tenant specifically agrees to carry, or cause its contractors to carry, builder's risk completed value insurance on the improvements, in an amount approved by Landlord, not to exceed One Million Dollars (\$1,000,000.00). Tenant shall deliver to Landlord,

and obtain Landlord's written approval of, certificates of insurance showing Tenant's compliance with such insurance requirements and compliance with the additional insurance requirements set forth in subsection (f). Such approval will not be unreasonably withheld, delayed, or conditioned and shall be granted within five (5) days after Tenant's written request for approval. If Landlord fails to respond within such time period, Landlord's approval shall be deemed given. For avoidance of doubt, the requirement of this Section 7.1(e) shall not apply to the undertaking of Cosmetic Alterations in the Premises.

(f) Tenant shall require any contractor of Tenant performing work on the Premises to take out and keep in force, at no expense to Landlord, (a) commercial general liability insurance (including contractor's liability coverage, contractual liability coverage, completed operations coverage, and broad form property damage endorsement) to afford protection to the limit, for each occurrence, of not less than Two Million Dollars (\$2,000,000.00) with respect to personal injury or death and One Million Dollars (\$1,000,000.00) with respect to property damage; and (b) worker's compensation coverage in the amount required by law which includes a waiver of subrogation clause in favor of Landlord and Landlord's designated property manager for the Building. Such policy shall name Landlord and/or Landlord's designees as additional insureds.

(g) If Tenant shall not comply with any covenant to maintain insurance as provided herein, then after the applicable notice and cure period, Landlord may, at its option, cause insurance as aforesaid to be issued and, in such event, Tenant shall promptly pay when due premiums for insurance as Additional Rent hereunder.

Section 7.2 Fire Insurance. Landlord agrees, during the Term, to carry "all-risk" property insurance covering the Project against fire, vandalism, malicious mischief and such other perils as are from time to time included in a standard extended coverage endorsement and extended coverage endorsements insuring the Building Standard (as such term is defined in the Work Letter Agreement) improvements to the Premises, in an amount determined solely by Landlord, but each instance not less than eighty percent (80%) of the full replacement cost of the Project and the Building Standard improvements to the Premises.

Section 7.3 Damage or Destruction.

(a) If fire or other casualty renders the Premises partially or totally untenable, Landlord shall promptly make the repairs and restorations required by this Section 7.3, unless Landlord shall elect not to make such repairs and restorations as hereinafter provided. The obligation of Landlord hereunder shall be limited to repairing and restoring the portions of the Project necessary to render the Premises tenantable and reconstructing the improvements to the Premises to Building Standard (as such term is defined in the Work Letter Agreement) in accordance with the plans and specifications for the initial construction of the Premises with all of Landlord's work complete (the "Restoration Condition"). In no event shall Landlord be required to repair or replace any alterations made by Tenant pursuant to Section 5.3 of this Lease, nor any of Tenant's non-Building Standard improvements, merchandise, trade fixtures, furnishings or equipment. If more than fifty percent (50%) of the Premises shall be damaged or destroyed by fire or other casualty then Landlord may elect either to repair or rebuild the Premises, as the case may be, or to terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within 120 days after the occurrence of such damage or destruction. If Landlord

is required or elects to repair or rebuild the Premises as herein provided, Tenant shall repair or replace its non-Building Standard improvements, merchandise, trade fixtures, furnishings and equipment in a manner and to at least a condition equal to that prior to its damage or destruction.

(b) If, following any damage to the Project or Premises that Landlord is obligated to or elects to repair or restore, in the event that Landlord has not completed the necessary repairs and restorations necessary to render the Premises tenantable, including, without limitation restoring the Premises to the Restoration Condition, within 270 days after the date of any casualty, Tenant shall be entitled to terminate this Lease by written notice to Landlord, in which case this Lease shall terminate effective as of the date of such notice. Tenant's obligation to pay Rent shall be abated from the date of any casualty or damage through the completion of repairs and restoration (including a reasonable period, if necessary, for Tenant to re-fixture the Premises) based on the extent to which such casualty or damage render the Premises untenable and the resultant repairs and restorations interfere with Tenant's business operations and use of the Premises; provided, however, subject to the provisions of Section 12.2 hereof, if the Premises or any other portion of the Building is damaged by fire or other casualty resulting from the fault or negligence of Tenant or its agents, contractors, employees, invitees, licensees, or servants, the Rent shall not abate as to the portion of the Premises rendered untenable.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.1 Tenant's Default. The occurrence of any one or more of the following events shall constitute an event of default ("Event of Default") under this Lease:

(a) the failure by Tenant to pay when due any sum of money to be paid by Tenant under this Lease, such failure continuing for a period of three (3) business days after written notice thereof (provided that Landlord shall not be required to provide such notice and opportunity to cure with respect to more than one (1) such default in any one (1) calendar year period);

(b) the failure by Tenant to comply with or perform any of the other terms, provisions, covenants or conditions which Tenant is required to observe and to perform, or, if Tenant is an entity, if Tenant ceases to exist in good standing in the state of its organization or is dissolved or otherwise liquidated; and any of the above-mentioned failures or actions continue for a period of 30 days after notice thereof; provided, however, if the nature of the default is such that it cannot be cured with the exercise of Tenant's commercially reasonable efforts within the 30-day period, Tenant shall be allowed such additional time as may be reasonably necessary, not to exceed 90 days from the date of notice, if Tenant undertakes such curative action within such 30-day period and diligently and continuously proceeds with such curative action using commercially reasonable efforts;

(c) a general assignment by Tenant for the benefit of creditors;

(d) the filing of any voluntary petition in bankruptcy by Tenant or the filing of an involuntary petition by Tenant's creditors, which involuntary petition remains undischarged or unstayed for a period of sixty (60) days, provided, that in the event that under applicable law the trustee in bankruptcy or Tenant has the right to affirm this Lease and continue to perform the

obligations of Tenant hereunder, such trustee or Tenant shall, in such time period as may be permitted by the bankruptcy court having jurisdiction, cure all defaults of Tenant hereunder outstanding as of the date of the affirmance of this Lease and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligations under this Lease;

(e) the admission by Tenant in writing of its inability to pay its debts as they become due, the filing by Tenant of a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, the filing by Tenant of an answer admitting or failing timely to contest a material allegation of a petition filed against Tenant in any such proceeding, or, if within sixty (60) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed;

(f) the attachment, execution or other judicial seizure of all or substantially all of Tenant's assets, if such attachment or other seizure remains undismissed or undischarged for a period of ten (10) business days after the levy thereof;

(g) the employment of a receiver to take possession of substantially all of Tenant's assets, if such receivership remains undissolved for a period of ten (10) business days after creation thereof; and

(h) the occurrence of any of the matters identified in clauses (c) through (g) as to any guarantor of Tenant's obligations under this Lease or the default under any guaranty of Tenant's obligations under this Lease.

Section 8.2 Landlord's Remedies. If an Event of Default occurs, as provided in Section 8.1, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this Lease in which event Tenant shall immediately surrender the Premises to Landlord and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which Landlord may have for possession or arrearages in Rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim of damages thereof;

(b) Enter upon and take possession of the Premises and expel and permanently exclude Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages therefor with or without having terminated this Lease. Landlord may, if it so elects, relet the Premises on Landlord's terms and receive the rent therefor; and Tenant agrees to pay to Landlord, on demand, any deficiency that may arise by reason of such reletting for the remainder of the Term;

(c) Do whatever Tenant is obligated to do under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) without being liable for prosecution or any claim for damages therefor, and Tenant agrees to reimburse Landlord upon demand for any

expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, plus interest thereon at the lesser of the highest nonusurious rate permitted by law or eighteen percent (18%) per annum (the "Default Rate"), and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action; and

(d) Alter all locks and other security devices at the Premises without terminating this Lease. Landlord shall not be obligated to provide a key or other means of ingress to Tenant or Tenant's agents or to provide re-entry for any reason or under any circumstances whatsoever unless and until Tenant cures the Event of Default; provided, however, during an such period of lockout described above, upon prior written notice from Tenant to Landlord, Landlord shall permit Tenant's agents, employees, contractors, licensees and servants to enter the Premises, accompanied by an escort designated by Landlord, during Normal Building Operating Hours as reasonably necessary to remove their personal property.

Section 8.3 No Acceptance of Surrender. Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises by Tenant, whether by agreement or by operation of law, it being understood that such surrender can be effected only by the written agreement of Landlord and Tenant. No such alteration of locks or other security devices and no removal or other exercise of dominion by Landlord over the property of Tenant or others at the Premises permitted by Section 8.2 shall be deemed unauthorized or constitute a conversion. All claims for damages by reason of such re-entry and or repossession and or alteration of locks or other security devices permitted by Section 8.2 are hereby waived, as are all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings or other legal process. Tenant agrees that any re-entry by Landlord may be pursuant to judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect pursuant to Section 8.2, and Landlord shall not be liable in trespass or otherwise.

Section 8.4 Landlord Termination. In the event Landlord elects to terminate this Lease by reason of an Event of Default, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord at the address specified for notice to Landlord herein (i) the sum of all Rent and other amounts payable to Landlord pursuant to the terms of this Lease which have accrued to date of such termination, plus (ii) an amount equal to the present value, as of the date of such termination, of the total Rent and other amounts that would have been payable to Landlord hereunder for the remaining portion of the Term (had such Term not been terminated by Landlord prior to the stated date of expiration of this Lease), less the present value, as of the date of such termination, of any net amounts that Tenant proves Landlord can reasonably expect to recover by reletting the Premises, taking into consideration the availability of acceptable tenants and other market conditions (present values shall be calculated using a discount rate equal to the 90-day U.S. Treasury Bill Rate at the date of such termination), plus (iii) any other amounts reasonably necessary to compensate Landlord for all damages proximately caused by Tenant's default, including (without limitation) costs of reletting described in Section 8.6 below, plus (iv) interest thereon at the Default Rate.

Section 8.5 Landlord Repossession Without Termination. In the event that Landlord elects to repossess the Premises without terminating this Lease, then Tenant shall be liable for and shall pay to Landlord at the address specified for notice to Landlord herein all Rent and other

amounts payable to Landlord pursuant to the terms of this Lease which have accrued to the date of such repossession, plus total Rent and other amounts required to be paid by Tenant to Landlord during the remainder of the Term until the stated date of expiration of the Term, diminished by any net sums thereafter received by Landlord through reletting the Premises during said period (after deducting expenses incurred by Landlord as provided in Section 8.6 hereof). In no event shall Tenant be entitled to any excess of any Rent obtained by reletting over and above the Rent herein reserved. Actions to collect amounts due by Tenant to Landlord as provided in this Section 8.5 may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until expiration of the Lease Term.

Section 8.6 Costs of Reletting. In case of any Event of Default, Tenant shall also be liable for and shall pay to Landlord, in addition to any sum provided to be paid above, reasonable broker's fees incurred by Landlord in connection with reletting the whole or any part of the Premises; the reasonable costs of removing and storing Tenant's or other occupant's property; the reasonable costs of making any repairs that Tenant is responsible for under this Lease; and all reasonable costs, fees and expenses incurred by Landlord in enforcing or defending Landlord's rights and or remedies, including reasonable attorneys' fees.

Section 8.7 Reletting Premises. To the extent required by applicable law, Landlord shall be obligated to use commercially reasonable efforts to mitigate its damages arising out of an Event of Default. Landlord and Tenant agree that Landlord shall have satisfied any duty to use "commercially reasonable efforts," to relet the Premises by doing the following: (i) posting a "For Lease" sign on the Premises, (ii) advising Landlord's leasing staff of the availability of the Premises; and (iii) advising at least one commercial brokerage entity familiar with the market in which the Premises are located of the availability of the Premises. Landlord shall not in any event be required to give any preference or priority to the showing or leasing of the Premises over any other space that Landlord may be leasing or have available and may place a suitable prospective tenant in any such available space regardless of when such alternative space becomes available; provided, further, that Landlord shall not be required to observe any instruction given by Tenant about such reletting or accept any tenant offered by Tenant unless such offered tenant has a creditworthiness reasonably acceptable to Landlord, leases the entire Premises, and agrees to use the Premises for the Permitted Use, or for another use acceptable to Landlord, in its reasonable discretion. In any such case, Landlord may, but shall not be required to, make repairs, alterations and additions in or to the Premises and redecorate the same to the extent Landlord deems necessary or desirable.

Section 8.8 Waiver by Landlord. One or more waivers of any covenant or condition by Tenant shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring such Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease by Tenant shall be deemed to have been waived by Landlord, unless such waiver be in writing by Landlord.

Section 8.9 Landlord's Default. If Landlord fails to perform any of its obligations hereunder within thirty (30) days after written notice from Tenant specifying such failure (provided Landlord shall be allowed such additional time as may be reasonably necessary so long as Landlord

commences performance within such thirty (30) day period and thereafter diligently and continuously pursues such failure to completion), Tenant's exclusive remedy shall be an action for damages. Unless Landlord fails to cure any default after such notice and after expiration of such cure period, Tenant shall not have any remedy or cause of action by reason thereof. Liability of Landlord to Tenant for any default by Landlord shall be limited to actual, direct damages therefor and shall be recoverable only from the interest of Landlord in the Project and the land on which the Project is situated, and Landlord shall have no personal liability therefor. **TENANT HEREBY WAIVES ITS STATUTORY LIEN UNDER SECTION 91.004 OF THE TEXAS PROPERTY CODE.** Landlord's obligations under this Lease are independent of Tenant's obligations, and any default by Landlord not timely cured shall give Tenant no right to withhold, abate or set-off Rent, but Tenant shall have such other rights and remedies as may be available to Tenant under applicable laws, subject to the other provisions of this Lease.

Section 8.10 Waiver of Consequential Damages. Notwithstanding anything to the contrary herein, Landlord and Tenant agree that neither party shall be entitled to recover from the other party or any of its agents, employees, officers, partners, servants or shareholders any indirect, special or consequential damages Landlord or Tenant may incur as a result of a default under this Lease or other action by the other party or its agents, employees, officers, partners, servants or shareholders; *provided, however,* if Tenant holds over in the Premises under Section 10.2 of this Lease for more than sixty (60) days after the expiration or earlier termination of this Lease, and Landlord has entered into a binding written agreement to lease a portion of the Premises to another tenant, Tenant shall be liable to Landlord (but not any third party) for all damages (including consequential damages) resulting from Tenant's holding over as to that portion of the Premises that Tenant continues to occupy after the sixty (60) day period following the expiration or earlier termination of this Lease.

Section 8.11 Remedies Nonexclusive. The rights and remedies of either party herein stated shall be in addition to any and all other rights and remedies which either party has or may hereafter have at law or in equity; and each party stipulates and agrees that the rights herein granted to each party are commercially reasonable.

ARTICLE IX NOTICES

Section 9.1 Notices. All notices required herein to be given by Tenant to the Landlord shall be given via overnight delivery by courier service, and shall be sent to Landlord at:

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002

or to such other person or place as shall be designated in writing by the Landlord; and all notices required herein to be given by Landlord to Tenant shall be sent to Tenant via overnight delivery by courier service at:

Change Happens!
Attn: Helen Stagg, President
3131 Emancipation Avenue, Suite 400
Houston, Texas 77004

or to such other person or place as shall be designated in writing by Tenant.

**ARTICLE X
QUIET ENJOYMENT AND HOLDING OVER**

Section 10.1 Quiet Enjoyment of Tenant. Tenant, upon paying the Rent and complying with the terms, covenants and conditions of this Lease, shall and may peaceably and quietly have, hold and enjoy the Premises for the Term.

Section 10.2 Holding Over. In the absence of a written agreement to the contrary, if Tenant should remain in occupancy of the Premises after the expiration of the Term, or any formal extension thereof, Tenant shall remain only as a Tenant from month-to-month, and all applicable provisions of this Lease shall also be applicable during such month-to-month tenancy, except that the monthly Base Rent shall be equal to 150% of the Base Rent payable in the last month of the Term, and no extension or renewal of this Lease shall be deemed to have occurred by such holding over. In the event of any unauthorized holding over, Tenant shall indemnify Landlord (i) against all claims for damages by any other tenant to whom Landlord may have leased all or any part of the Premises effective upon the termination of this Lease, and (ii) for all other losses, costs, and expenses, including reasonable attorneys' fees, incurred by reason of such holding over, subject to the limitations set forth in Section 8.10. Any holding over with the written consent of Landlord shall thereafter constitute an extension of this Lease on a month-to-month basis. The provisions of this Section 10.2 shall survive the expiration or termination of this Lease.

**ARTICLE XI
EMINENT DOMAIN**

Section 11.1 Total Condemnation. If any portion of the Premises shall be taken by any public authority under the power of eminent domain (a "Taking"), then the Term shall cease as of the day possession shall be taken by such public authority and the Rent shall be paid up to that day with a proportionate refund by Landlord of such Rent as may have been paid in advance for a period subsequent to the date of the Taking.

Section 11.2 Partial Condemnation. If a Taking of any portion the Building or Common Areas shall, in the reasonable opinion of Landlord, substantially interfere with Landlord's operation thereof, Landlord may terminate this Lease upon thirty (30) days written notice to Tenant given at any time within sixty (60) days following the date of such Taking. If a Taking of any portion of the Premises or the Common Areas shall, in the reasonable opinion of Tenant, substantially interfere with Tenant's use or enjoyment of the Premises, Tenant's access to the Premises, or Tenant's other rights under this Lease, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord given at any time within sixty (60) days following the date of such Taking. The date of Taking shall be the earlier of the date of transfer of title resulting from such Taking or the date of transfer of possession resulting from such Taking. If either party

exercises said rights of termination the Term shall cease on the date of the Taking and Tenant shall pay Rent up to that day, with an appropriate refund by Landlord of such Rent as may have been paid in advance for a period subsequent to the date of the Taking. If neither party exercises said rights of termination the Landlord shall, with reasonable diligence, restore the Building and Common Areas, as applicable, to a complete, functioning unit, Rent shall equitably abate during such period of restoration if and to the extent Tenant's access to or use of the Premises is interrupted, and thereafter all the terms herein provided shall continue in effect.

Section 11.3 Landlord's and Tenant's Damages. All damages awarded for any Taking, whether for the whole or a part of the Premises, shall belong to and be the property of Landlord, whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee of the Premises; provided, however, Tenant shall have the right to prosecute a separate claim in any proceeding relating to the Taking for any relocation award to which it may be entitled, for any furniture, trade fixtures or other fixtures which Tenant is entitled to remove at the termination of this Lease and which are subject to the Taking, and for the unamortized cost of any improvements paid for by Tenant, and for any relocation or other business disruption loss Tenant incurs as a result of the Taking.

ARTICLE XII LIABILITY AND WAIVER OF SUBROGATION

Section 12.1 Hold Harmless. Tenant shall not be liable to Landlord or to Landlord's agents, contractors, employees, invitees, licensees or servants for any damage to person or property caused by any act, omission or neglect of Landlord or its agents, contractors, employees, invitees, licensees, or servants, except as otherwise expressly provided herein, and subject to the provisions of Section 12.2 below, and Landlord agrees to defend, release and hold Tenant harmless from all claims for such damage. Neither Landlord nor any mortgagee(s) of Landlord shall be liable to Tenant, its agents, contractors, employees, invitees, licensees, or servants for any damage to person or property caused by any act, omission or neglect of Tenant, its agents, contractors, employees, invitees, licensees, or servants and, except as otherwise expressly provided herein, and subject to the provisions of Section 12.2, Tenant agrees to indemnify, defend, release and hold Landlord and Landlord's mortgagee(s) harmless from all liability and claims for any such damage. Notwithstanding anything contained in this Lease to the contrary, the provisions of this Section 12.1 shall survive the expiration or termination of this Lease.

Section 12.2 Waiver of Subrogation. **ANYTHING IN THIS LEASE TO THE CONTRARY NOTWITHSTANDING, LANDLORD AND TENANT HEREBY WAIVE ANY AND ALL RIGHTS OF RECOVERY, CLAIM, ACTION OR CAUSE OF ACTION AGAINST THE OTHER, ITS AGENTS, EMPLOYEES, OFFICERS, MEMBERS, PARTNERS, SERVANTS OR SHAREHOLDERS FOR ANY LOSS OR DAMAGE THAT MAY OCCUR TO THE PROJECT, OR ANY IMPROVEMENTS THERETO, OR ANY PERSONAL PROPERTY OF SUCH PARTY THEREIN, BY REASON OF FIRE, THE ELEMENTS OR ANY OTHER CAUSE WHICH IS OR IS REQUIRED TO BE INSURED AGAINST UNDER THE TERMS OF THE ALL RISKS PROPERTY POLICIES REQUIRED TO BE OBTAINED PURSUANT TO THIS LEASE, WHETHER OR NOT ACTUALLY INSURED, REGARDLESS OF CAUSE OR ORIGIN, INCLUDING NEGLIGENCE OF THE OTHER PARTY HERETO, ITS AGENTS, EMPLOYEES,**

OFFICERS, MEMBERS, PARTNERS, SERVANTS OR SHAREHOLDERS, AND EACH PARTY COVENANTS THAT NO INSURER SHALL HOLD ANY RIGHT OF SUBROGATION AGAINST SUCH OTHER PARTY.

**ARTICLE XIII
SUBORDINATION**

Section 13.1 Subordination of Lease to Mortgage. Tenant agrees that this Lease shall, at the request of Landlord, be subordinate to any first mortgages or deeds of trust that may be placed upon the Premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognize the Lease in the event of foreclosure and Tenant's quiet enjoyment of the Premises shall not be disturbed in such event if Tenant is not then in default under this Lease beyond any applicable notice and opportunity to cure period, if any. Subject to the foregoing condition, Tenant also agrees that any mortgagee or trustee may elect to have this Lease constitute a prior lien to its mortgage or deed of trust, and in the event of such election and upon recording an instrument to that effect in the Official Public Records of Real Property of Harris County, Texas, in which the Premises are located, this Lease shall be deemed a prior lien to the said mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that within fourteen (14) days after written request from Landlord, any mortgagee or any trustee, it shall execute any and all reasonable instruments which may be requested to carry out the intent of this Section.

**ARTICLE XIV
TENANT OPTIONS**

Section 14.1 Option to Renew.

(a) Tenant has the options (each a "Renewal Option") to renew and extend the Term of this Lease for two (2) additional periods of five (5) years each, at Tenant's election (each, a "Renewal Term"). If Tenant desires to elect to exercise a Renewal Option, Tenant shall do so by delivering written notice of the exercise thereof to Landlord no later than 180 days prior to the then-current Expiration Date (each, a "Renewal Notice"). If Tenant fails to deliver a Renewal Notice within such specified time period, the Renewal Option shall be deemed waived and of no further force and effect, and this Lease shall terminate upon the then-current Expiration Date.

(b) Tenant's right to extend this Lease as provided for herein can be exercised only if, at the time of Tenant's exercise of the Renewal Option and upon the commencement of the Renewal Term, (i) no Event of Default then exists under this Lease, and (ii) Tenant is in occupancy of the entire Premises. Occupancy by a sublessee or assignee (other than an assignee of Tenant's entire interest in this Lease permitted under Section 4.4) shall not constitute occupancy by Tenant. If either of such conditions are not satisfied or waived by Landlord, the Renewal Option shall be terminated and of no further force and effect, any purported exercise thereof shall be null and void, and this Lease shall terminate upon the then-current Expiration Date.

(c) If Tenant exercises the Renewal Option (in accordance with and subject to the provisions of this Section), all of the terms, covenants and conditions provided in this Lease shall

continue to apply during the Renewal Term, except that (a) the rental rate used to calculate the Base Rent payable during the Renewal Term shall be the then-current Market Base Rental Rate (defined below) for the Premises; provided, however, in no event shall the Base Rent during such Renewal Term be less than the Base Rent Tenant is obligated to pay under this Lease immediately prior to the commencement of the Renewal Term; (b) the Premises shall be provided in their then-existing condition (on an as-is basis) at the time the Renewal Term commences, without any obligation on the part of Landlord to furnish, install or modify any leasehold improvements or to provide any allowance or credit therefor; and (c) any terms, covenants and conditions that are expressly or by their nature inapplicable to the Renewal Term shall be deemed void and of no further force and effect.

(d) Within 21 days after Landlord's receipt of a Renewal Notice, Landlord will notify Tenant in writing of its determination of the Market Base Rental Rate for the Premises for the applicable Renewal Term ("Landlord's Determination"). Tenant shall have a period of ten (10) business days after receipt of Landlord's Determination (the "Election Period") to accept such determination or withdraw Tenant's exercise of the Renewal Option by written notice to Landlord. If Tenant accepts Landlord's Determination in accordance with the immediately preceding sentence, the Market Base Rental Rate set forth in Landlord's Determination shall be the Base Rent for the applicable Renewal Term. If Tenant notifies Landlord in writing within Election Period that Tenant elects to withdraw its exercise of the Renewal Option or fails to deliver such notice during the Election Period (in which case Tenant shall be deemed to have withdrawn such exercise), the Renewal Option shall terminate and be of no further force and effect and this Lease shall terminate upon the then-current Expiration Date.

(e) Notwithstanding anything to the contrary contained in this Lease, Tenant shall not have the right to assign the Renewal Option to any subtenant or assignee, and no subtenant or assignee may exercise such option; provided that any assignee of Tenant's entire interest in this Lease permitted under Section 4.4 of this Lease shall have the same rights as Tenant to exercise the Renewal Option under this Section.

(f) For purposes hereof, "Market Base Rental Rate" means the annual amount per square foot of rentable square feet that a willing tenant would pay and a willing landlord would accept in arm's length, bona fide negotiations for the Premises or such other applicable space in the Building to be executed at the time of determination and, if applicable, to commence at the beginning of the Renewal Term or other term, as reasonably determined by Landlord taking into account comparable lease transactions (i.e., new leases, renewals, and expansions) made in the Building and the rental rate then being charged in Houston's Third Ward market area (the "Market Area") for space comparable to the Premises or such other applicable space in the Building (taking into consideration use, location and/or floor level within the applicable building, definition of usable area, leasehold improvements provided (i.e., whether or not the space is delivered on an "as-is" basis)), quality, age, location and condition thereof and of the applicable building, rental concessions and allowances, if any, then being provided in the Market Area, and the time the particular rate under consideration became effective, the additional rent and other amounts then payable by Tenant under this Lease, whether or not any brokerage commissions are payable, parking rentals or concessions, creditworthiness of Tenant, term of lease, area of leased premises, and whether the lease is gross or net). Bona fide written offers to lease space in the Building,

including the Premises or such other applicable space in the Building, made to Landlord by third parties (at arm's length) may be used as an indication of Market Base Rental Rate.

ARTICLE XV GENERAL

Section 15.1 Security Deposit. On or before the date of execution of this Lease, Tenant shall pay Landlord the sum of \$27,684.50 ("Security Deposit"), such sum shall be held by Landlord without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that such security is not an advance payment of rent or a measure of Landlord's damages in case of default by Tenant. Upon the occurrence of an Event of Default, Landlord, at its option, may apply the Security Deposit, or so much thereof as may be necessary, to compensate Landlord for overdue Rent, loss, cost or damage sustained, incurred or suffered by Landlord due to such default on the part of Tenant. Should the Security Deposit or any portion thereof be applied by Landlord as herein provided, Tenant shall, upon written demand of Landlord, remit to Landlord a sufficient amount in cash to restore the Security Deposit to the original sum deposited within five (5) business days after receipt of such demand. Any remaining balance of such Security Deposit shall be promptly returned by Landlord to Tenant at such time after termination or expiration of this Lease that all of Tenant's obligations under this Lease have been fulfilled.

Section 15.2 Estoppel Certificates. Within fifteen (15) business days following receipt of a written request from Landlord, Tenant shall execute, acknowledge and deliver to the Landlord a written statement certifying (i) that this Lease is in full force and effect and unmodified or, if modified, stating the nature of such modification, (ii) the date to which Rent has been paid, and (iii) that there are not, to the Tenant's knowledge, any uncured defaults by Landlord under this Lease, or specifying such defaults, if any are claimed.

Section 15.3 Broker's Commission. Landlord and Tenant represent they have not had any dealings with any real estate broker other than Ryland Enterprise Inc., dba ARVO Realty Advisors, and Cushman & Wakefield of Texas Inc. ("Landlord's Brokers"), and The Guess Group, Inc ("Tenant's Broker"). Landlord shall pay to Landlord's Broker any commissions or fees that are due to Landlord's Brokers and Tenant's Broker with respect to this Lease, which Landlord's Brokers shall split with Tenant's Broker in accordance with the provisions of Landlord's separate commission contract with Landlord's Brokers. Each party represents and warrants to the other, that, to its knowledge, no other broker, agent or finder (a) negotiated or was instrumental in negotiating or consummating this Lease on its behalf, or (b) is or might be entitled to a commission or compensation in connection with this Lease. Landlord and Tenant shall each indemnify and hold the other harmless against any party other than Landlord's Brokers and Tenant's Broker claiming under the indemnifying party for any such fees, including without limitation, reasonable attorneys' fees and court costs.

Section 15.4 Disclaimer of Representations and Warranties. It is understood and agreed by Tenant that Landlord and Landlord's agents have made no representations, promises or warranties with respect to the Premises or the making or entry into this Lease except as are expressly set forth in this Lease and that no claim or liability, or cause for termination, shall be asserted by Tenant against Landlord for, and Landlord shall not be liable by reason of, the breach

of any representations, promises or warranties not expressly stated in this Lease. Landlord's duties and warranties are limited to those set forth in this Lease and shall not include any implied duties or warranties, all of which are hereby disclaimed by Landlord and waived by Tenant. **EXCEPT TO THE EXTENT EXPRESSLY SET OUT IN THIS LEASE, TO THE FULLEST EXTENT ALLOWED BY LAW, LANDLORD EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES TO TENANT OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION REPRESENTATIONS AS TO TITLE, HABITABILITY, CONDITION OF THE PREMISES (INCLUDING WITHOUT LIMITATION THE ENVIRONMENTAL CONDITION OF THE PREMISES OR ITS SUITABILITY FOR A PARTICULAR PURPOSE OR COMMERCIAL USE), AND PROVISION OF SERVICES. TENANT HAS HAD A FULL AND FAIR OPPORTUNITY TO INSPECT THE PREMISES AND TO HAVE QUALIFIED EXPERTS INSPECT THE PREMISES PRIOR TO THE EXECUTION OF THIS LEASE AND FINDS THAT THE PREMISES SUIT TENANT'S PURPOSES AND ACCEPTS THE PREMISES "AS IS, WHERE IS," AND WITH ALL DEFECTS, IF ANY.**

Section 15.5 Not a Joint Venture. Any intention to create a joint venture or partnership relation between the parties hereto is hereby expressly disclaimed.

Section 15.6 Time of Essence. In all instances where any act is required at a particular indicated time or within an indicated period, it is understood and stipulated that time is of the essence.

Section 15.7 Applicable Law. This Lease shall be construed under the laws of the State of Texas, wherein it is made. In any action brought under this Lease, the parties hereto will submit to the jurisdiction of the courts of the state of Texas and to venue in Harris County.

Section 15.8 Entire Agreement, Binding Effect, Severability. This Lease and any written addenda and all exhibits hereto (which are expressly incorporated herein by this reference) shall constitute the entire agreement between Landlord and Tenant; no prior written or prior or contemporaneous oral promises, inducements, representations or agreements not embodied herein shall be binding or have any force or effect. This Lease shall not be amended, changed or extended except by written instrument signed by both parties hereto. The provisions of this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties. If any provision of this Lease or the application thereof to any person or circumstance shall at any time or to any extent be held invalid or unenforceable, and the basis of the bargain between the parties hereto is not destroyed or rendered ineffective thereby, the remainder of the Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby.

Section 15.9 Confidentiality. Tenant acknowledges that the terms and conditions of this Lease are to remain confidential for Landlord's benefit and may not be disclosed by Tenant to anyone (other than Tenant's attorneys, accountants, consultants or as required by law), by any manner or means, directly or indirectly, without Landlord's prior written consent. The consent by Landlord to any disclosures shall not be deemed to be a waiver on the part of Landlord of any prohibition against any future disclosure.

Section 15.10 Number and Gender; Captions; References. Pronouns, where used herein, of whatever gender, shall include natural persons and entities of every kind and character, and the singular shall include the plural and vice versa where and as often as may be appropriate. Article and section headings under this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Whenever the terms “hereof,” “hereby,” “herein,” or words of similar import are used in this Lease, they shall be construed as referring to this Lease in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Any reference to a particular “Article” or “Section” shall be construed as referring to the indicated article or section of this Lease.

SECTION 15.11 Waiver of Trial by Jury. LANDLORD AND TENANT VOLUNTARILY AND KNOWINGLY AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH SHALL AND HEREBY DOES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE.

Section 15.12 Attorney’s Fees. If either party hereto retains an attorney to enforce this Lease, the party prevailing in litigation is entitled to recover reasonable attorney’s fees and other fees and court and other costs.

Section 15.13 Recordation. Neither this Lease nor any memorandum hereof shall be recorded in any public records without the prior written consent of Landlord.

Section 15.14 Counterparts. This Lease (and any subsequent amendments or consent provided in connection with the Lease) may be executed in one or more counterparts, which, when placed together, constitute a single binding document as if all signatures were on a single page. The parties hereto may sign and transmit this Lease by electronic means and each party’s signature delivered by such electronic transmission shall be considered an original signature for all purposes hereof. Any copies of such documents delivered as set forth in this Section shall have the full force and effect and shall be treated as if such documents bear original signatures.

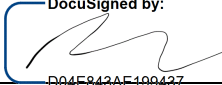
Signature Page to Follow

IN TESTIMONY WHEREOF, the parties have executed this Lease on the respective dates set forth below to be effective as of the Effective Date.

LANDLORD:

MIDTOWN REDEVELOPMENT
AUTHORITY, a Texas nonprofit local
government corporation

DocuSigned by:

By: 
Name: Matt Thibodeaux
Title: Mthibodeaux/
Date: 5/4/2022

TENANT:

CHANGE HAPPENS!, a Texas nonprofit
corporation

DocuSigned by:

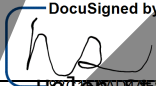
By: 
Name: Helen Stagg
Title: CEO
Date: 5/4/2022

Exhibit "A"

Premises

[site plan/floor plan to be inserted on or before Commencement Date]

DRAFT

Exhibit "A-1"

Land

Unrestricted Reserve "A," Block 1, Emancipation One Center, a subdivision in Harris County, Texas, according to the map or plat thereof recorded under Film Code No. 687019 of the Map Records of Harris County, Texas, SAVE AND EXCEPT THE FOLLOWING TRACTS OF LAND:

Tract 1

A tract of land containing 20,279 Square Feet out of Unrestricted Reserve "A", Block 1 of Emancipation One Center a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 687019 of the Map Records of Harris County, Texas (M.R.H.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on Film Code No. 687019 of the M.R.H.C.T.)

COMMENCING at a 5/8 Inch iron rod found at the most northerly east corner of said Block 1;

THENCE, SOUTH 32° 52' 00" WEST, with the northwest line of Mrs. Mary A. Dubles's Subdivision as recorded in Volume 1, Page 86 of the M.R.H.C.T., a distance of 49.87 Feet to a 1/2 Inch iron rod with a "Precision" cap set;

THENCE, NORTH 57° 08' 00" WEST, a distance of 4.05 Feet to a point at a building corner being the most northerly east corner and POINT OF BEGINNING of this tract;

THENCE, across and through the aforementioned Block 1 with the walls of a building the following ten (10) courses:

1. **SOUTH 32° 52' 00" WEST**, a distance of **100.86 Feet** to a point at a building corner at an interior corner of this tract;
2. **SOUTH 57° 08' 00" EAST**, a distance of **99.04 Feet** to a point at a building corner at the most southerly east corner of this tract;
3. **SOUTH 32° 52' 00" WEST**, a distance of **70.60 Feet** to a point at a building corner at the most easterly south corner of this tract;
4. **NORTH 57° 08' 00" WEST**, a distance of **12.03 Feet** to a point at a building corner at an interior corner of this tract;
5. **SOUTH 32° 52' 00" WEST**, a distance of **18.61 Feet** to a point at a building corner at the most westerly south corner of this tract;
6. **NORTH 57° 08' 00" WEST**, a distance of **148.20 Feet** to a point at a building corner at the west corner of this tract;

7. **NORTH 32° 52' 00" EAST**, a distance of **18.79 Feet** to a point at a building corner at the north corner of this tract;

8. **NORTH 57° 08' 00" WEST**, a distance of **0.22 Feet** to a point at a building corner at the north corner of this tract;

9. **NORTH 32° 52' 00" EAST**, a distance of **171.28 Feet** to a point at a building corner at the north corner of this tract;

10. **SOUTH 57° 08' 00" EAST**, a distance of **61.41 Feet** to the POINT OF BEGINNING and containing 20,279 Square Feet of land.

Tract 2

A tract of land containing 2,205 Square Feet out of Unrestricted Reserve "A", Block 1 of Emancipation One Center a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 687019 of the Map Records of Harris County, Texas (M.R.H.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on Film Code No. 687019 of the M.R.H.C.T.)

BEGINNING at a cut "X" set at the intersection of the northwest right-of-way line of St. Charles Street and the northeast right-of-way line of Elgin Street, being the south corner of said Block 1, and being the south corner of this tract;

THENCE, **NORTH 57° 08' 00" WEST**, with said northeast right-of-way line, a distance of **165.23 Feet** to a cut "X" set at the west corner of this tract;

THENCE, across and through the aforementioned Block 1 with the walls of a building the following six (6) courses:

1. **NORTH 32° 52' 00" EAST**, a distance of **10.06 Feet** to a point at a building corner at the most westerly north corner of this tract;

2. **SOUTH 57° 08' 00" EAST**, with a building face, a distance of **148.20 Feet** to a point at a building corner at an interior corner of this tract;

3. **NORTH 32° 52' 00" EAST**, with a building face, a distance of **18.61 Feet** to a point at a building corner at a reentrant corner of this tract;

4. **SOUTH 57° 08' 00" EAST**, with a building face, a distance of **12.03 Feet** to a point at a building corner at a interior corner of this tract;

5. **NORTH 32° 52' 00" EAST**, with a building face, a distance of **45.12 Feet** to a point at the most easterly north corner of this tract;

6. **SOUTH 57° 08' 00" EAST**, a distance of **5.00 Feet** to a cut "X" set on the aforementioned northwest right-of-way line of St. Charles Street at the east corner of this tract;

THENCE, **SOUTH 32° 52' 00" WEST**, with said northwest right-of-way line, a distance of **73.79 Feet** to the POINT OF BEGINNING and containing 2,205 Square Feet of land.

Tract 3

A tract of land containing 131 Square Feet out of Unrestricted Reserve "A", Block 1 of Emancipation One Center a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 687019 of the Map Records of Harris County, Texas (M.R.H.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on Film Code No. 687019 of the M.R.H.C.T.)

BEGINNING at a 1/2 Inch iron rod with a "Precision" cap set on the northwest right-of-way line of St. Charles Street at the most southerly east corner of said Block 1, being the east corner of this tract;

THENCE, **SOUTH 32° 52' 00" WEST**, with the said northwest right-of-way line, a distance of **26.21 Feet** to a cut "X" set at the south corner of this tract;

THENCE, across and through the aforementioned Block 1 with the walls of a building the following two (2) courses:

1. **NORTH 57° 08' 00" WEST**, a distance of **5.00 Feet** to a point at a building face at the west corner of this tract;
2. **NORTH 32° 52' 00" EAST**, with said building face, a distance of **26.21 Feet**, to a point at the north corner of this tract;

THENCE, **SOUTH 57° 08' 00" EAST**, with the southwest line of Mrs. Mary A. Dubles's Subdivision as recorded in Volume 1, Page 86 of the M.R.H.C.T., a distance of 5.00 Feet to the POINT OF BEGINNING and containing 131 Square Feet of land.

Tract 4

A tract of land containing 477 Square Feet out of Unrestricted Reserve "A", Block 1 of Emancipation One Center a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 687019 of the Map Records of Harris County, Texas (M.R.H.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on Film Code No. 687019 of the M.R.H.C.T.)

COMMENCING at a 5/8 Inch iron rod found at the most northerly east corner of said Block 1;

THENCE, SOUTH 32° 52' 00" WEST, with the northwest line of Mrs. Mary A. Dubles's Subdivision as recorded in Volume 1, Page 86 of the M.R.H.C.T., a distance of 49.87 Feet to a 1/2 Inch iron rod with a "Precision" cap set at the most northerly east corner and POINT OF BEGINNING of this tract;

THENCE, continuing with the lines of said subdivision the following two (2) courses:

1. **SOUTH 32° 52' 00" WEST**, a distance of **100.13 Feet** to a 1/2 Inch iron rod with a "Precision" cap set at an interior corner of this tract;
2. **SOUTH 57° 08' 00" EAST**, a distance of **95.00 Feet** to a 1/2 Inch iron rod with a "Precision" cap set at the most southerly east corner of this tract;

THENCE, across and through the aforementioned Block 1 the following four (4) courses:

1. **SOUTH 32° 52' 00" WEST**, a distance of **0.73 Feet** to a point at a building corner at the south corner of this tract;
2. **NORTH 57° 08' 00" WEST**, with a building face, a distance of **99.04 Feet** to a point at a building corner at an interior corner of this tract;
3. **NORTH 32° 52' 00" EAST**, a distance of **100.86 Feet** to a point at a building corner at the north corner of this tract;
4. **SOUTH 57° 08' 00" EAST**, a distance of **4.04 Feet** to the POINT OF BEGINNING and containing 477 Square Feet of land.

Tract 5

A tract of land containing 343 Square Feet out of Unrestricted Reserve "A", Block 1 of Emancipation One Center a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 687019 of the Map Records of Harris County, Texas (M.R.H.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on Film Code No. 687019 of the M.R.H.C.T.)

COMMENCING at a 5/8 Inch iron rod found at the most northerly east corner of said Block 1;

THENCE, SOUTH 32° 52' 00" WEST, with the northwest line of Mrs. Mary A. Dubles's Subdivision as recorded in Volume 1, Page 86 of the M.R.H.C.T., a distance of 49.87 Feet to a 1/2 Inch iron rod with a "Precision" cap set;

THENCE, NORTH 57° 08' 00" WEST, across and through the aforementioned Block 1, a distance of 65.46 Feet to a point at a building corner being the east corner and POINT OF BEGINNING of this tract;

THENCE, continuing across and through the aforementioned Block 1 with the walls of a building the following four (4) courses:

1. **SOUTH 32° 52' 00" WEST**, with a building face, a distance of **171.28 Feet** to a point at a building corner at the south corner of this tract;
2. **NORTH 57° 08' 00" WEST**, a distance of **2.00 Feet** to a cut "X" set at the west corner of this tract;
3. **NORTH 32° 52' 00" EAST**, a distance of **171.28 Feet** to a cut "X" set at the north corner of this tract;
4. **SOUTH 57° 08' 00" EAST**, a distance of **2.00 Feet** to the POINT OF BEGINNING and containing 343 Square Feet to land.

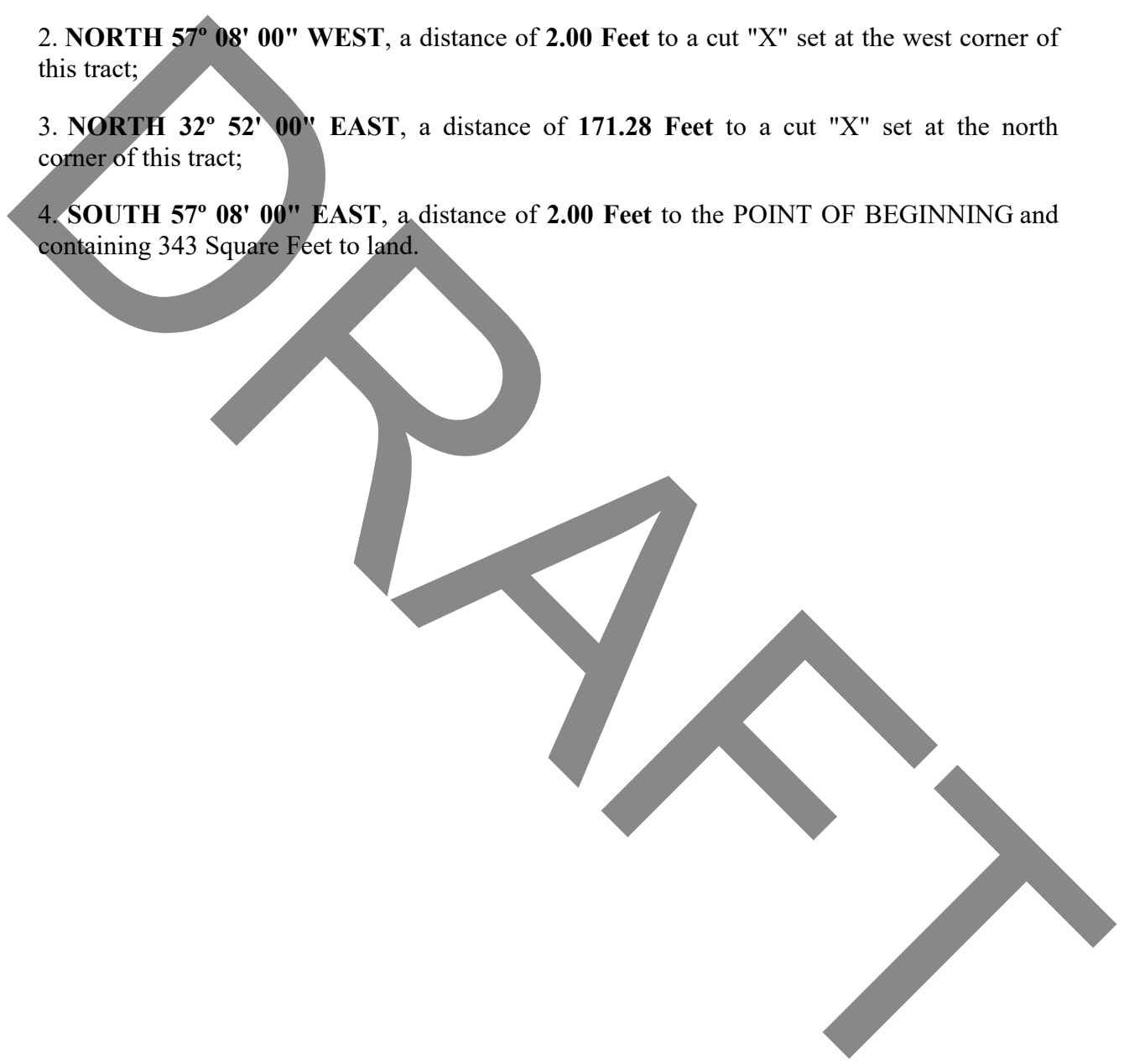
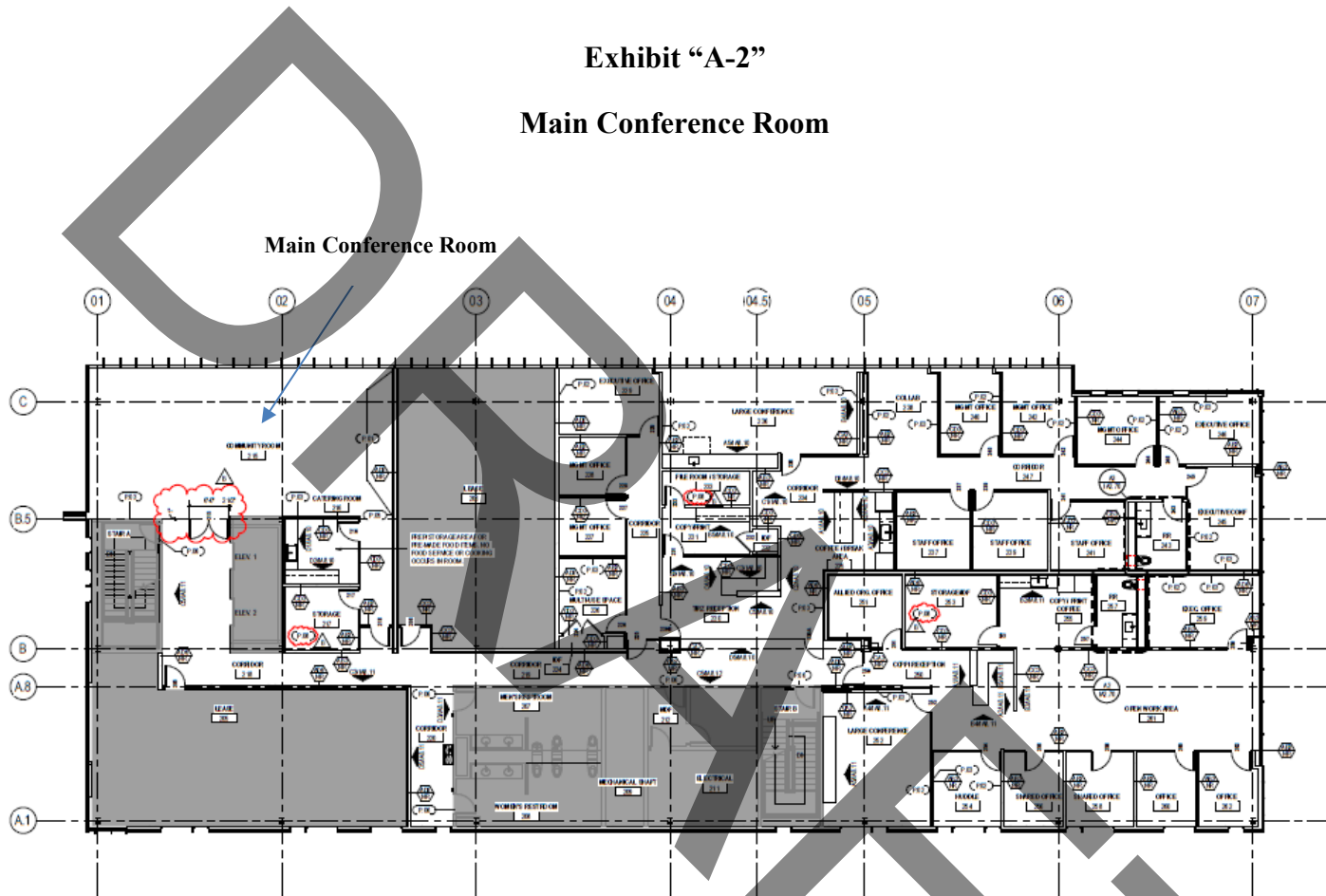


Exhibit "A-2"

Main Conference Room



RE: IA2.32D FOR DIMENSIONED FLOOR PLAN

Exhibit "B"

Commencement Date Agreement

This Commencement Date Agreement is made as of this __ day of _____, 20__, by and between MIDTOWN REDEVELOPMENT AUTHORITY, a Texas nonprofit local government corporation ("Landlord"), and CHANGE HAPPENS!, a Texas nonprofit corporation ("Tenant").

W I T N E S S E T H:

WHEREAS, on the __ day of _____, 20__, Landlord and Tenant entered into a Lease (the "Lease") relating to the Premises (as defined in the Lease) located in the multi-tenant office building commonly known as 3131 Emancipation Avenue, Houston, Texas.

WHEREAS, the Term (as defined in the Lease) has commenced pursuant to Section 1.2 of the Lease; and

WHEREAS, the parties desire to confirm the dates of commencement and expiration of the Term.

NOW THEREFORE, in consideration of the mutual covenants herein contained, Landlord and Tenant agree as follows:

- (1) The Term commenced on _____ ("Commencement Date").
- (2) Tenant's rental obligation under the Lease commenced on the Commencement Date.
- (3) The initial Term shall expire on _____ ("Expiration Date").
- (4) The Premises contain _____ rentable square feet.
- (6) Premises address: _____.
- (7) The last day for Tenant to deliver a Renewal Notice (as such term is defined on the Lease) for the first Renewal Term (as such term is defined in the Lease) and the second Renewal Term, respectively, shall be as follows:

First Renewal Term: _____

Second Renewal Term: _____
- (8) The execution of this Agreement shall not constitute the exercise by Tenant of any option it may have to extend or renew the Term.
- (9) The Lease is in full force and effect and is hereby ratified and confirmed.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be duly executed on the date first written above.

LANDLORD

TENANT

MIDTOWN REDEVELOPMENT
AUTHORITY, a Texas nonprofit
local government corporation

CHANGE HAPPENS!, a Texas nonprofit
corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DRAFT

Exhibit "C"

Operating Expenses

EXPENSES	Cost/psf
Payroll & Benefits	\$2.16
Repairs & Maintenance	\$0.72
Garage Expenses	\$0.69
Contract Services	\$4.63
G & A	\$0.28
Utilities	\$1.70
Management Fees	\$0.79
Taxes	\$0.00
Insurance	\$1.96
Total Operating Expenses	\$12.93

Exhibit "D"

3131 Emancipation Avenue

Building Rules and Regulations

The following standards shall be observed by Tenant for the common safety, cleanliness and convenience of all occupants of the Building. These rules are subject to change from time to time, as specified in the Lease.

1. All tenants will refer all contractors' representatives and installation technicians who are to perform any work within the Building to Landlord for Landlord's approval before the performance of any such work. This provision shall apply to all work performed in the Building including, but not limited to, installations of telephones, computer equipment, electrical devise and attachments, and any and all installations of every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment and any other physical portion of the Building. Tenant shall not mark, pain, drill into, or in any way deface any part of the Building except with the prior written consent of the Landlord and as provided in Section 5.3 of the Lease.

2. The work of the janitorial or cleaning personnel shall not be hindered by Tenant after 5:30 p.m., and such work may be done at any time when the offices are vacant Monday through Friday. The windows, doors and fixtures may be cleaned at any time upon prior scheduling with Tenant. Tenant shall provide adequate waste and rubbish receptacles, cabinets, bookcases, map cases, etc., necessary to prevent unreasonable hardship to Landlord in discharging its obligations regarding cleaning service.

3. Movement of furniture or office equipment in or out of the Building, or dispatch or receipt by Tenant of any heavy equipment, bulky material or merchandise which requires use of elevators or stairways, or movement through the Building's service dock or lobby entrance shall be restricted to such reasonable hours as Landlord shall designate. All such movement shall be in a manner to be agreed upon between Tenant and Landlord in advance. Such prior arrangements shall be initiated by Tenant. The time, method and routing of movement and limitations for safety or other concern which may prohibit any article, equipment or other item from being brought into the Building shall be subject to Landlord's discretion and control. Any hand trucks, carryalls or similar appliances used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as the Building shall require. All damage done to the Building, including without limitation, any Building elevator, by the installation or removal of any property of Tenant from the Building shall be repaired by Landlord at Tenant's expense, Tenant hereby agreeing to pay Landlord for the cost of any such repair plus an administrative fee of five percent 5% as Rent, within ten (10) days of Tenant's receipt of an invoice therefor. Although Landlord or its personnel may participate in or assist in the supervision of such movement, Tenant assumes final responsibility for all risks as to damage to articles moved and injury to persons or property engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for Tenant, from the time of entering the property to completion of work. Landlord shall not be liable for the acts of any person engaged in, or any damage or loss to any of said property

or persons resulting from any act in connection with such service performed for Tenant with exception if it is due to Landlord. If Landlord or its personnel elects to participate or assist in the supervision of such movement, Tenant shall reimburse Landlord for the costs and expenses incurred by Landlord in connection therewith (including, without limitation, for any overtime pay), as Rent, within ten (10) days of Tenant's receipt of an invoice therefor.

4. No sign, advertisement or notice shall be displayed, painted or affixed by Tenant, its agents, servants or employees, in or on any part of the outside or inside of the Building or Premises without prior written consent of Landlord, as further provided in Section 6.3 of the Lease, and then only of such color, size, character, style and material and in such places as shall be approved and designated by Landlord. Signs on doors and entrances to the Premises shall be placed thereon by Landlord or a mutually agreed upon sign vendor.

5. Tenant shall not place, install or operate on the Premises or in any part of the Building any engine, stove or machinery (except for x-ray machinery or similar medical equipment), or conduct mechanical operations, or place or use in or about the Premises any inflammable, explosive, hazardous or odorous solvents or materials without the prior written consent of Landlord. No portion of the Premises shall at any time be used for cooking. Tenant may use coffee pots, refrigerators, toasters, and microwaves in Premises.

6. Tenant shall not make or permit any loud or improper noises in the Building or otherwise interfere in any way with other tenants.

7. Landlord will not be responsible for any lost or stolen personal property or equipment from the Premises or Common Areas, regardless of whether such loss occurs when the area is locked against entry or not unless such loss is created by Landlord or Landlord's employees or contractors.

8. Tenant, and the employees, agents, servants, visitors or licensees of Tenant, shall not, at any time or place, leave or discard rubbish, paper, articles, plants or objects of any kind whatsoever outside the doors of the Premises or in the corridors or passageways of the Building or the Building's associated parking areas, including the Parking Garage. No animals, except for service animals, bicycles or vehicles of any description shall be brought into or kept in or about the Building.

9. No additional lock or locks shall be placed by Tenant on any door in the Building unless written consent of Landlord shall have first been obtained. Two (2) keys will be furnished by Landlord for the Premises, and any additional key required will be obtained from Landlord at no charge via a list of the recipients of the keys. A charge will be applied for each lost or replaced key furnished at Landlord's cost with no markup. All keys shall be surrendered to Landlord upon termination of tenancy.

10. None of the entries, passages, doors, hallways or stairways in the Building shall be blocked or obstructed.

11. Landlord and Tenant shall mutually have the right to determine and prescribe the weight and proper position of any unusually heavy equipment, including computers, safes, large files, etc., that are to be placed in the Building, and only those which in the exclusive judgment of

the Landlord will not do damage to the floors, structure and/or elevators may be moved into the Building. Any damage caused by installing, moving or removing such aforementioned articles in the Building shall be paid for by Tenant.

12. All Christmas and other decorations must be constructed of flame retardant materials. Live Christmas trees are not permitted in the Premises.

13. The standard business hours of operation for the Building are 7:00 a.m. to 6:00 p.m. Monday through Friday and 7:00 a.m. to 1:00 p.m. Saturday, excluding Holidays. Tenant shall provide Landlord with a list of all personnel authorized to enter the Building after hours (6:00 p.m. to 7:00 a.m. Monday through Friday, and 24 hours a day on Saturdays, Sundays and Holidays); provided, however, all such authorized personnel shall be required to have an access card in their possession to enter the Building after hours.

14. After-hours air conditioning/heating (6:00 p.m. to 7:00 a.m. Monday through Friday; 1:00 p.m. to 12:00 midnight Saturday; and 24 hours a day Sunday and Holidays) must be requested in writing to the Building Manager by noon of a regular work day prior to the day for which additional air conditioning is requested, or if Tenant so requires after hours air conditioning/heating on a regular basis during the Term, Tenant shall have the right to deliver to Landlord a written notice specifying the hours Tenant so requires such air conditioning/heating. Tenant shall be charged the prevailing hourly rate during such after-hours period.

15. The following dates shall constitute "Holidays" as said term is used in this Lease Agreement: New Year's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day and the Friday following Thanksgiving Day and Christmas and any other holiday recognized and taken by tenants cumulatively occupying at least one-half of the net rentable area of office space of the Building.

16. Tenant shall notify Landlord of furniture or equipment to be removed from the Building after hours. Description and serial numbers shall be provided if requested by Landlord.

17. Landlord shall designate one elevator to be the freight elevator to be used to handle packages and shipments of all kinds. The freight elevator shall be available to handle such deliveries from 9:00 a.m. to 11:00 a.m. and 2:00 p.m. to 3:30 p.m. weekdays. Parcel Post, express, freight or merchants' deliveries can be made anytime within regular business hours Monday through Friday. No furniture or freight shall be handled outside the above hours, except by previous arrangement.

18. Prior to the commencement of any construction in the Premises, Tenant shall deliver evidence of its contractor's and subcontractors' insurance, such insurance being with such companies, for such periods and in such amounts as Landlord may reasonably require, naming the Landlord and/or Landlord's designees as additional insured(s), and meeting the applicable requirements of Section 7.1 of the Lease.

19. Any additional services as are routinely provided to tenants, not required by the Lease to be performed by Landlord, which Tenant requests Landlord to perform, and which are performed by Landlord, shall be billed to Tenant at Landlord's cost plus five percent (5%).

20. All doors leading from public corridors to the Premises are to be kept closed when not in use.

21. Canvassing, soliciting or peddling in the Building is prohibited and Tenant shall cooperate to prevent same.

22. Tenant shall give immediate notice to the Building Manager in case of accidents in the Premises or in the Building or of defects therein or in any fixtures or equipment, or of any known emergency in the Building.

23. The requirements of Tenant will be attended to only upon application to the Building Manager. Employees of Landlord shall not perform non-typical maintenance or repairs to the Premises, unless under special instructions from the Building Manager.

24. No signs, picture advertisement, name or notice shall be inscribed, displayed or affixed on or to any part of the inside of the Building or the Premises without the prior written consent of Landlord and the Landlord shall have the right to remove any such item at the expense of Tenant. All approved signs or lettering on the doors and the building directory shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord. Tenant shall not place anything near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises; provided, however, that Tenant may furnish and install a window covering at all exterior windows. Tenant shall not, without written consent of Landlord, cover or otherwise sunscreen any window.

25. Tenant, or the employees, agents, servants, visitors or licensees of Tenant shall abide by the rules and regulations for the Parking Garage pursuant to a parking agreement to be provided to Tenant separately.

26. Landlord reserves the right to reasonably rescind any of these Rules and Regulations of the Building, and to make such other and further rules and regulations as in its judgment shall from time to time be needful for the safety, protection, care and cleanliness of the Building, the Premises and the Parking Garage, the operation thereof, the preservation of good order therein and the protection and comfort of the other tenants in the Building and their agents, employees and invitees, which rules and regulations, when made and written notice thereof is given to Tenant, shall be binding upon Tenant in like manner as if originally herein prescribed.

27. Tenant, and employees, agents, servants, visitors, invitees or licensees of Tenant, shall not smoke or permit to be smoked cigarettes, cigars or pipes within the Premises or Building. Smoking shall be confined to area(s) designated by Landlord but shall in no event be closer than twenty-five feet (25') to any entrance to the Building and fifty (50) feet from the main entrance of the Building or any entrance specifically designated for Tenant's use. Landlord shall assist Tenant for failure of another tenant, its employees, agents, servants, visitors, invitees or licensees to comply with this paragraph.

28. Tenant shall not attempt to adjust wall-mounted thermostats in the Common Areas of the Building. If there is any damage to wall-mounted thermostats due to attempts by Tenant to adjust thermostats, Landlord may repair such damage at the sole cost and expense of the Tenant.

29. The directory of the building will be provided exclusively for the display of the names and location of the Tenants only, and Landlord reserves the right to exclude any other names there from with the exception of subtenants approved by Landlord in accordance with the requirements of the Lease.

30. No additional locks or bolts of any kind shall be placed upon any of the doors or windows of the Premises or the Building by Tenant, nor shall any changes be made in existing locks or the mechanism thereof without the prior written consent of the Landlord. Tenant must upon the termination of its tenancy, return to Landlord all keys to the Premises. If Tenant fails to return any such key, Tenant shall pay to Landlord the cost of changing the locks to the Premises if Landlord deems it necessary to change such locks.

31. The toilet rooms, urinals, wash bowls and apparatus in the Premises or Building shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by Tenant.

32. Tenant shall not overload the floor of the Premises. No boring, cutting or stringing of wires shall be permitted except with the prior written consent of and as the Landlord may direct.

33. Tenant shall not employ any person or persons for the purpose of cleaning the Premises without the consent of Landlord, which consent shall not be unreasonably withheld. Janitorial service will not include the cleaning of carpets and rugs, other than vacuuming. If the Premises requires more than Building standard janitorial service, such excess service shall be at Tenant's cost.

34. Tenant shall only be permitted to occupy the Premises for the Permitted Use as described in Section 4.3 of the Lease. No tenant shall occupy or permit any portion of the Premises to be occupied for lodging or sleeping or for any illegal purposes or permit any pet within the Premises or Building.

35. On Saturdays, Sundays and legal holidays and on any other days between the hours of 6:00 p.m. and 7:00 a.m., Landlord reserves the right to keep all doors to the Building locked, and access to the Building, or to the halls, corridors, elevator or stairways in the Building or to the Premise, may be refused unless the person seeking access is an employee of the Building or is properly identified as an employee or authorized representative of a tenant of the Building. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing the doors for the safety of the tenants and protection of property in the Building.

36. Access to the Building and the Parking Garage may be controlled by the use of electronic card key or by other method deemed necessary by Landlord. Tenant shall be issued card keys or other ingress/egress devices and in the event that Tenant shall damage or lose the card key(s) or device(s), a deposit for each card key or device shall be paid upon any necessary re-issuance of the card key or device.

37. Landlord reserves the right to require payment, in advance, for certain services not required of Landlord under this Lease. Such charges include, but are not limited to, processing

“bounced” checks, changing locks, providing after-hours HVAC rates, etc. and are subject to reasonably change at any time with prior written notice.

DRAFT

Exhibit "E"

WORK LETTER AGREEMENT

This Work Letter Agreement is attached to and forms a part that certain Lease ("Lease") dated _____, 2022, between MIDTOWN REDEVELOPMENT AUTHORITY, a Texas nonprofit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, as "Landlord," and CHANGE HAPPENS!, a Texas nonprofit corporation, as "Tenant."

1. **Certain Definitions.**

"Building Standard" shall mean the quantity and quality of materials, finishing and workmanship specified by Landlord from time to time as standard for the Building which shall generally equal or exceed the quantities and qualities for similar items.

"Landlord's Architect" shall mean the architect designated by Landlord as its architect, from time to time, to perform the functions of Landlord's Architect hereunder.

"Landlord's Contractor" shall mean the contractor selected by Landlord to perform the Tenant Improvements in accordance with the bid process described in Section 3.1 hereof.

"Landlord's Representative": shall mean Marlon Marshall; email address mmarshall@midtownhouston.com.

"Tenant Improvements" shall mean all improvements and work required for Tenant's initial occupancy and use of the Premises as forth in the Tenant Improvement Plans (defined below).

"Tenant's Representative" shall mean Helen Stagg; email address hstagg@changehappenstx.org.

2. **Space Planning.**

2.1. Space Plan. Within ten (10) days of the Effective Date, Landlord shall cause Landlord's Architect, working in conjunction with Tenant's Representative, to prepare a conceptual space plan for the Premises (the "Space Plan") for Tenant's review and approval.

2.2. Tenant Review. Tenant shall either approve or disapprove the Space Plan within five (5) business days after the date of Tenant's receipt thereof. If Tenant does not approve the Space Plan, Tenant will inform Landlord's Architect and Landlord of its objections and Landlord will cause Landlord's Architect to revise the same and deliver a corrected version to Tenant for its approval. The approval and revision process for the revised Space Plan shall be the same as described in the previous two sentences.

2.3. Working Drawings. Within 45 days after Tenant has approved the Space Plan in accordance with Paragraph 2.2 above, Landlord shall cause Landlord's Architect to prepare

working drawings of the Tenant Improvements (the “Working Drawings”) and deliver such Working Drawings to Tenant for approval. The Working Drawings shall consist of the complete sets of plans and specifications for the Tenant Improvements in the form of working drawings or construction drawings identifying Tenant’s interior layout of the Premises, and shall include complete sets of detailed architectural, structural, mechanical, electrical and plumbing working drawings for the Tenant Improvements. Tenant shall notify Landlord whether it approves the Working Drawings within five (5) business days after the date of receipt thereof. If Tenant disapproves of the Working Drawings, then Tenant shall notify Landlord and Landlord’s Architect in writing thereof, specifying in detail the reasons for such disapproval. Landlord shall cause Landlord’s Architect to revise the Working Drawings and deliver them to Tenant for Tenant’s approval within five (5) business days after Landlord receives Tenant’s notice disapproving the submitted Working Drawings. Tenant shall have five (5) business days after receipt of the revised Working Drawings to approve or disapprove same in writing (with detailed reasons for disapproval), and Landlord shall have five (5) business days to cause Landlord’s Architect to further revise any disapproved Working Drawings. Tenant agrees that its consent to the Working Drawings shall not be unreasonably withheld, delayed or conditioned, and both Landlord and Tenant agree to use commercially reasonable efforts to cause the final Working Drawings to be completed promptly. Landlord shall provide Tenant with at least one (1) set of the final approved Working Drawings after final approval by Landlord. The Working Plans approved by Tenant in accordance with this Paragraph 2.3 are sometimes referenced herein as the “Tenant Improvement Plans.”

3. Construction.

3.1. Submission of Working Drawings. Tenant acknowledges that Landlord, as a local government corporation, is subject to certain state law requirements relating to competitive bidding of procurements, including construction contracts (such requirements, generally, the “Procurement Requirements”). Upon Tenant’s approval of the final Working Drawings in accordance with Section 2.3 above, Landlord shall promptly select a contractor to construct the Tenant Improvements (such selected contractor, the “Landlord’s Contractor”) by utilizing a procurement method legally available to Landlord for that type of work and following the Procurement Requirements applicable thereto. Upon selection of the Landlord’s Contractor in accordance with the foregoing process, Landlord shall promptly notify Tenant of its selection. Within five (5) business days after receiving notice of Landlord’s selection, Tenant shall provide any comments on the bid submitted by Landlord’s Contractor for construction of the Tenant Improvements (the “Bid”). If the Bid exceeds the Tenant Allowance, Tenant will work with Landlord and Landlord’s Contractor either (a) to modify the Tenant Improvements to reduce the cost thereof to be within the Tenant Allowance, or (b) to deliver Excess Tenant Improvement Costs (defined below) to Landlord in accordance with this Work Letter Agreement to cover such excess amount. Once Tenant has approved the cost estimates in accordance with this Paragraph 3.1, Landlord and Landlord’s Contractor shall promptly thereafter enter into a construction contract for the construction of the Tenant’s Improvements in accordance with the Tenant Improvement Plans (the “Tenant Work”).

3.2. Delays. Each day of a delay caused by or resulting from Tenant Delay or Force Majeure (defined below) shall extend the Anticipated Completion Date (defined below) by one (1) day.

For purposes hereof, "Tenant Delay" means delay caused or resulting from the following:

- (a) the unavailability or delay in the delivery of any construction materials that are not Building Standard, provided that if Tenant has requested such non-Building Standard materials, then Landlord must advise Tenant if such requested materials are not Building Standard and could cause a delay, in which case Tenant shall have the right to withdraw such request; or
- (b) Change Orders (defined below) authorized by Tenant.

Landlord must promptly notify Tenant in writing of any Tenant Delay alleged or claimed by Landlord.

For purposes hereof, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorism, terrorist activities, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire, flood, hurricane, tornado, supply chain shortages, earthquake or other casualty, epidemic or pandemic and other causes beyond the reasonable control of the party obligated to perform (collectively, a "Force Majeure"), except with respect to any monetary obligations imposed or charges to be paid, shall, notwithstanding anything to the contrary contained herein, excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Work Letter Agreement specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Provided, however, that if either party is affected by Force Majeure, the affected party shall promptly provide notice to the other party specifying in detail the full particulars and expected duration thereof. The affected party shall use commercial reasonable efforts to remedy the interruption or delay if it is reasonably capable of being remedied.

3.3. Change Orders. Tenant may authorize changes in the Tenant Improvements after the Working Drawings have been approved by Tenant ("Change Orders"); provided that Tenant shall be responsible for any delays and/or additional costs caused by Change Orders authorized by Tenant.

3.4 Commencement of Construction. Upon Tenant's approval of the Bid in accordance with this Work Letter Agreement, Landlord shall cause Landlord's Contractor to commence the Tenant Work promptly upon obtaining all necessary approvals and permits from the City and all other governmental entities and agencies having jurisdiction over the Tenant (the "Tenant Work Commencement") (which permitting process is anticipated to take approximately twelve (12) weeks, and during which Landlord shall exercise, and shall cause Landlord's Contractor to exercise, commercially reasonable measures to expedite all City reviews required thereunder) and shall thereafter, use commercially reasonable efforts to cause Substantial Completion (defined below) to occur within 120 days from Tenant Work Commencement (the "Anticipated Completion Date"), as such period may be extended by delays caused by Force Majeure or Tenant Delays; provided that Landlord shall not be liable or responsible for any claims incurred (or alleged) by Tenant due to any delay in achieving Substantial Completion by the Anticipated Completion Date. Landlord shall cause Landlord's Contractor to perform the Tenant Work in a good and workmanlike manner, substantially in accordance with the Tenant Improvement Plans, and in compliance with applicable laws.

If Substantial Completion has not occurred within 30 days from the Anticipated Completion Date for any reason other than Tenant Delay or Force Majeure, Tenant shall provide 60 days' written notice thereof and opportunity to cure ("Cure Period") to Landlord. In the event that Substantial Completion of the Tenant Work has not occurred within the Cure Period (as same may be extended due to Force Majeure and Tenant Delay), Tenant shall have the right and option, at Tenant's sole discretion and as its exclusive remedy, to terminate the Lease by written notice to Landlord given at any time before the occurrence of Substantial Completion, in which event the Lease shall terminate and neither Landlord nor Tenant shall have any further rights or responsibilities thereunder.

3.5 Limited Landlord Warranty. Notwithstanding anything to the contrary in this Work Letter Agreement or elsewhere in the Lease, Landlord agrees for a period of six (6) months from the Commencement Date, but only upon receipt of written notice from Tenant within such 6-month warranty period of the existence of a material defect in the Tenant Work, to promptly make at Landlord's expense all reasonably necessary repairs (or, at its option, replacements) to correct such material defect in the Tenant Work. For purposes of this provision, "material defect" means a defect in the Tenant Work that prevents the operation and/or use of any portion of the Premises for its intended purposes. Provided, further, that Tenant shall not be entitled to any abatement or reduction of Rent during the pendency of such corrective work.

3.6 Assignment of Warranty. Landlord hereby assigns any and all rights it has relative to Landlord's Architect, Landlord's Contractor, and any supplier or service provider, with regard to any defect in the work, materials, and/or design of the Tenant Work, for which the Tenant is responsible for repair and maintenance pursuant to the Lease. Any and all warranties relating to the Tenant Work are hereby assigned to the Tenant.

4. Substantial Completion.

4.1 Notice of Substantial Completion. When the Tenant Work is Substantially Complete, Landlord will promptly notify Tenant in writing (the "Notice of Substantial Completion"). The Notice of Substantial Completion will specify the date that Substantial Completion occurred (the "Substantial Completion Date") and authorize Tenant to take possession of and occupy the Premises.

For purposes hereof, "Substantial Completion" and "Substantially Complete" mean the Tenant Work has been completed in accordance with this Work Letter Agreement such that Tenant may immediately occupy and use the Premises for the Permitted Use, as reasonably determined by Landlord's Architect, and a certificate of occupancy (or its equivalent) for the Premises allowing for the Permitted Use has been issued by the governmental entity having jurisdiction.

4.2 Punch List. Within five (5) business days after Tenant's receipt of the Notice of the Substantial Completion, Landlord's Representative and Tenant's Representative will conduct a walk-through of the Premises and identify punch list items that are necessary for final completion of the Tenant Work, such as touch-up work and minor repairs. Landlord's Representative and Tenant's Representative will act reasonably in creating a punch list. Landlord will complete all punch list items within 30 days after the parties hereto agree on the punch list in accordance with the immediately preceding sentence (as same may be extended due to Force Majeure).

5. **Monetary Matters.**

5.1. **Tenant Allowance.** Tenant shall be entitled to the Tenant Allowance payable as provided in Paragraph 5.2 below, for the costs of the Tenant Work and the other costs of labor and materials associated with the Tenant Improvements, including, without limitation permitting costs, the Space Plan and the Working Plans. The balance of the Tenant Allowance, if any, not used to pay for the costs described in the immediately preceding sentence (the “Excess Funds”) may be used by Tenant for Tenant’s moving expenses, furniture for the Premises, the installation of telecommunication, data, or IT equipment for the Premises.

5.2. **Payment of Landlord’s Contractor; Payment of Excess Funds.** Landlord may, at its option, pay to Landlord’s Architect and Landlord’s Contractor from the Tenant Allowance and from any funds deposited by Tenant for the Excess Tenant Work Costs, payments for the Tenant Work as they become due. Landlord shall pay the Excess Funds, if any, to Tenant within 30 days of Tenant’s written request made any time after Substantial Completion, provided such request is accompanied by evidence reasonably acceptable to Landlord that such payment is to reimburse Tenant for moving expenses, the cost furniture for the Premises, cost of installation of telecommunication, data, or IT equipment for the Premises.

5.3. **Excess Costs of Tenant Work.** If the projected costs for the Tenant Work exceeds the Tenant Allowance, according to a construction budget approved by Tenant in accordance with Work Letter Agreement, Tenant will deposit the excess amount (the “Excess Tenant Work Costs”) with Landlord prior to commencement of the Tenant Improvements. If any Change Orders require additional costs that will increase the total cost of the Tenant Work above the Tenant Allowance, plus any amounts previously deposited with Landlord as Excess Tenant Work Costs, it shall be a condition to Landlord’s approval of the Change Order that Tenant deposits additional amounts with Landlord sufficient to cover the additional costs.

6. **Notices.**

Notwithstanding anything to the contrary in this Work Letter Agreement or elsewhere in the Lease, approvals, documents and notices required or permitted by this Work Letter Agreement may delivered by electronic mail to Landlord’s Representative or Tenant’s Representative, as the case may be, at their respective email addresses set forth above. Each party hereto may each designate a new representative for purposes of this Work Letter Agreement upon five (5) days prior written notice to the party delivered in accordance with Section 9.1 of the Lease.

**AGREEMENT BY AND BETWEEN
MIDTOWN REDEVELOPMENT AUTHORITY
AND
ONE WORLD STRATEGY GROUP, LLC.
FOR
COMMUNICATIONS SERVICES**

This Agreement (this “Agreement”) is made and entered into by and between the Midtown Redevelopment Authority (the “Authority”), a Texas not-for-profit local government corporation created by authorization of City of Houston, Texas (the “City”) Resolution 95-96 and pursuant to the provisions of Chapter 431, Texas Transportation Code and One World Strategy Group, LLC., a Texas Limited Liability Company, (“One World”), and shall be effective as of April 1, 2022 (the “Effective Date”).

RECITALS

WHEREAS, the Board of Directors of the Authority (the “Authority Board”) has determined that it would be in the best interest of the Authority to retain the services of a communications team to develop and implement a communications strategy and program for the Authority with a goal of increasing awareness of the Midtown Community, encouraging tourism, marketing, press management, promoting usage of Midtown’s park assets, highlighting Midtown’s successful capital improvement projects in an effort to encourage increased real estate development and other economic development activities in Midtown, highlighting Midtown’s affordable housing efforts, and improving communications with Midtown property owners and other stakeholders; and

WHEREAS, the Authority and One World wish to document the terms under which One World will provide certain communications and other services to the Authority.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements and covenants set forth herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the Authority and One World hereby agree as follows:

1. **Engagement.** The Authority hereby agrees to retain One World, and One World agrees to accept such engagement with the Authority to perform the duties and responsibilities set forth in Section 3 hereof and upon such other terms and conditions as are stated in this Agreement.

One World acknowledges and understands that the services to be provided under this Agreement are being performed for the public benefit. One World agrees to comply with all applicable municipal codes of the City of Houston and all applicable laws of the State of Texas and the United States of America. One World agrees that any personnel (including employees, agents, and subcontractors) provided by it in the performance of this Agreement shall be competent and careful workers skilled in their respective duties.

2. **Term.** The initial term of this Agreement (the “Initial Term”) shall commence on the Effective Date and continue for a period of three (3) years. At the conclusion of the Initial Term, this Agreement shall automatically renew as a month-to-month agreement, unless otherwise terminated as provided in Section 5 hereof. The Term of this Agreement may be modified by the Authority for additional

periods for a duration to be determined by the Authority on the same terms and conditions as set forth herein or such other terms and conditions as the Authority deems necessary and appropriate.

3. **Duties and Services to be Provided.**

3.1 During the Term, One World shall provide certain communications and public relations services on behalf of the Authority Board and at the request of the Executive Director of the Authority (the "Executive Director") or serve in such other capacity as may be mutually agreed to by the Authority and One World. One World shall faithfully adhere to, execute, and fulfill all lawful policies established by the Authority Board and shall diligently perform all services as may be reasonably assigned to it by the Authority Board and/or the Executive Director from time to time, in accordance with the terms of this Agreement. The services to be performed by One World generally include the following:

- (1) Development and implementation of a public relations strategy and tactical plan to maximize publicity relating to the implementation of various events, activities, and programs;
- (2) Manage all public and press relations for Midtown including management of media lists, distribution of press-related materials, outreach to media for press and potential partnerships, coordinate with media outlets regarding statements, quotes and interviews, monitor press clippings, develop blogs/infographics and update same on the midtownhouston.com website and related social media mediums;
- (3) Develop and post campaign content on midtownhouston.com and social media chains to increase search engine optimization and digital footprint;
- (4) Monitor and share news regarding Midtown Houston developments, special events and other noteworthy activities;
- (5) Develop and implement public relations campaigns ;
- (6) Communicate and collaborate with Authority staff in performing the services provided for in this Agreement and as set forth in Exhibit A, attached hereto and fully incorporated herein; and
- (7) Attend and participate in Authority Board meetings and other meetings, from time to time, as requested by the Authority.

3.2 **Agreements With Respect to Services to be Performed.** During the Term, One World agrees to diligently perform the services provided for herein and such other related services as may be reasonably requested by the Executive Director or the Authority Board, provided however, that One World shall adhere to any and all limitations on such services as provided for herein. It is understood and acknowledged that One World may have other business interests, however, One World agrees to allocate such time as is reasonably required to successfully fulfill the terms of this Agreement. One World further agrees that its other business interests will not unreasonably interfere with One World's obligations and fiduciary duties to the Authority.

One World agrees to provide the Authority with monthly narrative reports identifying the work assigned to it and detailing the services provided to the Authority.

3.3 **Limitation on One World's Authority.** No executive authority is conferred on One World pursuant to this Agreement, and One World shall not be entitled to give any direction to any other party on behalf of the Authority or to take any actions on behalf of the Authority, or represent to any other party that it is authorized or empowered to act on behalf of the Authority, unless expressly authorized to do so by the Executive Director or the Authority Board.

3.4 **Independent Contractor.** One World's relationship to the Authority hereunder is that of an independent contractor, and neither One World nor any employees or personnel supplied or used by One World in the performance of this Agreement shall be considered employees, agents, or subcontractors of the Authority, the Zone, or the City for any purpose whatsoever. Neither One World nor the Authority shall represent to any other person or entity that One World's relationship to the Authority hereunder is other than that of an independent contractor. One World shall be solely responsible for the compensation of all personnel supplied or used by it in the performance of this Agreement, for withholding of income, social security and other payroll taxes and for the coverage of all workers' compensation benefits for all such personnel.

3.5 **Conflicts of Interest; Confidentiality.** In keeping with One World's fiduciary duties to the Authority, One World agrees that it shall not, directly or indirectly, become involved in any conflict of interest with the Authority, or upon discovery thereof, allow such a conflict to continue. Moreover, One World agrees that it shall promptly disclose to the Executive Director and to the Authority Board any facts that might give rise to any reasonable possibility of a conflict of interest. Circumstances in which a conflict of interest on the part of One World would or might arise, and which should be reported immediately by One World to the Executive Director and the Authority Board include the following: (i) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a vendor, supplier, contractor, subcontractor or other party or entity with which the Authority does business; (ii) misuse of information or facilities to which One World has access in a manner which violates any law or is detrimental to the Authority's interest; and (iii) disclosure or other misuse of confidential information. "Confidential Information" shall not include any information that (i) is or becomes generally known or available publicly other than as a result of a disclosure by One World, (ii) is or becomes known or available to One World on a non-confidential basis from a source (other than the Authority) which, to One World's knowledge, is not prohibited from disclosing such information to One World by a legal, contractual, fiduciary or other obligation to the Authority, (iii) the Authority discloses to others without obtaining an agreement of confidentiality, or (iv) is subject to disclosure pursuant to the Texas Open Records Act (Chapter 552, Texas Government Code, as amended).

4. **Compensation.** For all services rendered by One World to the Authority, the Authority shall compensate One World as follows:

4.1 **Fee.** One World shall be paid in accordance with the fee schedule set forth in Exhibit "A" hereto. One World shall submit a monthly invoice to the Authority on or before the 5th day of each month for the preceding month, together with a description of the services provided. Such monthly invoice shall never exceed the monthly amounts set forth in Exhibit "A", hereto. The invoice shall be in a form and manner acceptable to the Executive Director. Payment of compensation to One World is contingent upon receipt of One World's monthly narrative reports relating to specific work assignments, together with appropriate details regarding work performed on such assignments. No interest shall accrue on any portion of the fees to be paid under this Agreement.

4.2 **Expenses.** One World shall pay its own staff and sub-contractors and shall bear the costs of all equipment, supplies, and overhead necessary to perform its duties hereunder. The

Authority will not reimburse One World for any out-of-pocket expenses unless One World shall submit, in advance of incurring any such expense, a request for reimbursement of such expense to the Executive Director for approval. If such request for reimbursement of expenses is approved, prior to payment of such reimbursement, One World shall provide the Authority a true and correct copy of any and all receipts/invoices for such expenses, together with appropriate certifications/representations that such expenses were reasonable and necessary and incurred in connection with the performance of services for and on behalf of the Authority. The Authority will only reimburse for actual costs incurred.

4.3 ***Total Compensation.*** One World's Fee described in paragraph 4.1 shall constitute the full and exclusive consideration and compensation for all services performed by One World under this Agreement.

5. **Termination.**

5.1 This Agreement may be terminated at any time with or without cause by either party by giving thirty (30) days written notice to the other party.

5.2 Upon termination of this Agreement, unless otherwise directed by the Executive Director, or his designee, One World shall immediately cease performing all services under this Agreement. One World shall be entitled only to the Fee earned through the effective date of the termination or through such other date as agreed to by the Executive Director or the Authority Board and One World. **TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE ONE WORLD'S ONLY REMEDIES FOR THE AUTHORITY'S EXERCISE OF ITS RIGHT TO TERMINATE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. ONE WORLD WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT FOR SERVICES RENDERED) IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM TERMINATION BY THE AUTHORITY.** Amounts due and owing at termination for any portion of a month shall be prorated on the basis of a 30-day month.

5.3 All records, video, data, designs, plans, financial statements, manuals, memoranda, lists (including media lists developed for the Authority), passwords, access codes, equipment, supplies and any other Authority property delivered to, compiled by, or used by One World in the performance of its duties hereunder that pertain to the Authority shall be and remain the property of the Authority and all such property shall be delivered immediately to the Authority without request therefor, upon termination of One World's services.

6. **Insurance/Waiver of Liability.**

With no intent to limit One World's liability or obligation for indemnification, One World shall provide and maintain insurance in full force and effect at all times during the term of the Agreement and shall take appropriate action to ensure that the Authority, the Zone and the City are named as additional insureds under One World's insurance policies. All such insurance policies shall be obtained from insurance companies with a rating of B+ or better and a financial size category of Class VI or better, according to the current year's BEST rating.

The insurance, at a minimum, must include the following coverages and limits of liability:

Coverage

Limit of Liability

Worker's Compensation
Employer's Liability
Comprehensive Commercial General
Liability: Including Broad Form Coverage,
Contractual Liability, Bodily and Personal
Injury, and Completed Operations
Automobile Liability Insurance (for
automobiles used by One World in the course
of its performance under this Agreement
including employer's non-owned and hired
auto coverage)

Statutory for Workers Compensation
Bodily Injury of \$1,000,000
Combined limits of \$1,000,000 per
occurrence and \$2,000,000 in the
aggregate

\$1,000,000 combined single limit per
occurrence

Defense costs must be excluded from the face amount of the policy. Aggregate limits are per 12-month policy period.

Each insurance policy must require, on its face or by endorsement, that the insurance carrier waives any rights of subrogation against the Authority, the Zone, the Midtown Management District, (the "District"), the Midtown Improvement and Development Corporation D/B/A Midtown Parks Conservancy ("MPC"), and the City, and that the carrier shall give 30 days' written notice to the Authority before any policy is canceled or non-renewed. Within the 30-day period, One World shall provide other suitable policies in lieu of those about to be canceled or non-renewed to maintain in effect the required coverage. If One World does not comply with this requirement, the Executive Director in his sole discretion may immediately terminate this Agreement and in such event, the Authority shall be immediately excused from any further performance under this Agreement.

7. Indemnification and Release

A. INDEMNITY FOR PERSONAL INJURIES. ONE WORLD COVENANTS AND AGREES TO, AND DOES HEREBY, INDEMNIFY AND HOLD HARMLESS AND DEFEND THE AUTHORITY, THE ZONE, THE DISTRICT, MPC, AND THE CITY AND THEIR RESPECTIVE OFFICERS, EMPLOYEES AND AGENTS (COLLECTIVELY, THE "INDEMNIFIED PERSONS"), FROM AND AGAINST ANY AND ALL SUITS OR CLAIMS FOR DAMAGES OR INJURIES, INCLUDING DEATH, TO ANY AND ALL PERSONS OR PROPERTY, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH ANY ACT OR OMISSION ON THE PART OF ONE WORLD, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, OR SUBCONTRACTORS, AND ONE WORLD DOES HEREBY ASSUME ALL LIABILITY AND RESPONSIBILITY FOR INJURIES, CLAIMS OR SUITS FOR THE DAMAGES TO PERSONS OR PROPERTY, OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED, OCCURRING DURING OR ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT AS A RESULT OF ANY ACT OR OMISSION ON THE PART OF ONE WORLD, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, OR SUBCONTRACTORS. SUCH INDEMNIFICATION SHALL INCLUDE WORKERS' COMPENSATION CLAIMS OF OR BY ANYONE WHOMSOEVER IN ANY WAY RESULTING FROM OR ARISING OUT OF ONE WORLD'S WORK, SERVICES, AND OPERATIONS IN CONNECTION HEREWITH, INCLUDING THE OPERATIONS OF ITS SUBCONTRACTORS, IF ANY, AND THE ACTS OR OMISSIONS OF ANY EMPLOYEES OR AGENTS OF ONE WORLD.

B. INDEMNITY TO PROPERTY. ONE WORLD SHALL LIKEWISE INDEMNIFY AND HOLD HARMLESS THE AUTHORITY, THE ZONE, THE DISTRICT, MPC, AND THE CITY FOR ANY AND ALL INJURY OR DAMAGE TO PROPERTY OF THE AUTHORITY, THE ZONE, THE DISTRICT, MPC, OR THE CITY ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF ONE WORLD, IT'S OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, OR INVITEES.

C. RELEASE. ONE WORLD RELEASES 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 SOLE OR CONCURRENT NEGLIGENCE AND/OR THE INDEMNIFIED PERSON'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

8. **No Waiver.** Either party's failure to insist on strict compliance with any term or terms of this Agreement shall not be deemed a waiver of such terms.

9. **Governing Law.** This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflicts of law provisions.

10. **Assignment.** This Agreement shall not be assignable by either party.

11. **No Third Party Beneficiary.** Nothing in this Agreement is intended, or shall be construed, to confer upon or give any person other than the parties hereto any rights or remedies under or by reason of this Agreement.

12. **Construction.** This Agreement shall be deemed drafted equally by both the Authority and One World. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any party shall not apply. The headings in this Agreement are for convenience only and are not intended to affect construction or interpretation.

13. **Notices.** All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

One World: One World Strategy Group, LLC.
 PO Box 540813
 Houston, TX 77254
 Attn.: Jeri Brooks, President
 Phone: (832) 626-2369
 Fax: (713) 583-2431

Authority: Midtown Redevelopment Authority
 410 Pierce Street, Suite 355
 Houston, Texas 77002
 Attention: Board Chair
 Phone: (713) 526-7577
 Fax: (713) 526-7519

With a copy to:

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002
Attention: Executive Director
Phone: (713) 526-7577
Fax: (713) 526-7519

Unless otherwise specified herein, each such communication addressed and given as set forth above shall be effective, (i) on the date of receipt, or attempted delivery, of such communication; (ii) if given by telecopy, on the date on which such telecopy is transmitted and confirmation of delivery, or attempted delivery, thereof is received; and (iii) if sent by mail as aforesaid, the date which is seventy two (72) hours after such communication is deposited in the mail, postage prepaid as aforesaid. Any party listed above may change its address under this Section by notice to the other parties listed above; provided, however, that no such address shall be located outside of the United States of America.

14. **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

15. **Dispute Resolution.**

15.1 In the event of any claim, dispute or controversy arising out of or relating to the implementation of or performance of 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 tort, contract, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, for damages or any other relief) (all of which are referred to herein as "***Disputes***") which the Authority and One World have been unable to resolve within thirty (30) days after such Dispute arises, a senior representative of One World shall meet with the Executive Director of the Authority at a mutually agreed upon time and place not later than thirty (30) days after such Dispute arises to attempt to resolve such Dispute. In the event such representatives are unable to resolve any such Dispute within fifteen (15) days after such meeting, either Party may, by written notice to the other, submit such Dispute to non-binding mediation before a mutually agreeable mediator. If the Parties are unable to agree upon a mediator within twenty (20) days after such 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 (10) years' experience in construction, engineering, and/or public works operations. The mediation shall be conducted within thirty (30) 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.

15.2 Subject to One World's obligation to comply with the requirements of the foregoing Section 15.1, for purposes of all legal or equitable proceedings arising out of, relating to or connected with this Agreement, One World 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 Houston, Harris County, Texas, and agrees that such jurisdiction shall be exclusive with respect to any such proceeding filed by One World. For the avoidance of doubt One World 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; and, having so agreed, One World 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. Furthermore, to the fullest extent permitted by law, One World hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any proceeding arising out of, relating to or connected with this Agreement in any state court in Houston, Harris County, Texas. Finally, One World hereby irrevocably waives any claim which it may now or hereafter have that any such proceeding brought in any state court in Houston, Harris County, Texas, has been brought in an inconvenient forum.

15.3 If One World brings any claim against the Authority and One World does not prevail with respect thereto, One World shall be liable for all attorneys' fees incurred by the Authority as a result thereof.

16. **Compliance with State Laws.**

16.1. One World hereby certifies that One World is not delinquent in a tax owed the State of Texas under Chapter 171, Texas Tax Code.

16.2. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "**SB 19**"), Texas Government Code, as amended, One World hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any:

(i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code, as amended, does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. One World understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with One World and exists to make a profit.

16.3. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, One World hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code, as amended, does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. One World understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with One World and exists to make a profit.

16.4. For purposes of compliance with Section 2271.002, Texas Government Code, as amended, One World hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

16.5. For purposes of compliance with Section 2252.152, Texas Government Code, as amended, One World hereby represents and warrants that, at the time of this Agreement, neither One World nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of One World, is a company listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201, Texas Government Code.

16.6. One World will provide a completed and notarized Form 1295 generated by the Texas Ethics Commission’s electronic filing application in accordance with the provisions of Section 2252.908, Texas Government Code, as amended, and the rules promulgated by the Texas Ethics Commission (“*Form 1295*”), in connection with entry into this Agreement. Upon receipt of One World’s Form 1295, Midtown agrees to acknowledge One World’s Form 1295 through its electronic filing application. Midtown and One World understand and agree that, with the exception of information identifying One World and the contract identification number, Midtown is not responsible for the information contained in One World’s Form 1295 and Midtown has not verified such information.

17. **Amendment.** This Agreement may not be amended or modified at any time except by a written instrument approved by the Authority Board and executed by the Authority Board Chair and One World.

18. **Entire Agreement.** This Agreement reflects the entire and complete understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous oral and written agreements, representations and understandings of the parties, which are hereby terminated. The Authority and One World acknowledge and represent that there are no other promises, terms, conditions or representations regarding any matter relevant hereto.

19. **One World Acknowledgment.** One World understands and acknowledges that pursuant to that certain Amended Agreement By and Between the City of Houston, Texas, Reinvestment Zone Number Two, City of Houston, Texas and the Midtown Redevelopment Authority, adopted by the City Council of the City of Houston, Texas on June 20, 2000, (the “Tri-Party Agreement”), this Agreement is subject to the approval of the Director of Planning and Development Department of the City of Houston (or such other person as the Mayor may designate). Additionally, One World understands and acknowledges that pursuant the Tri-Party Agreement, the Authority will not pay for any services that are determined to be an ineligible Project Cost (as defined in the Tri-Party Agreement) under the TIRZ Act (as defined in the Tri-Party Agreement) with funds received by the Authority pursuant to the Tri-Party Agreement and that One World shall repay the Authority for any payment made by the Authority to One World with funds received by the Authority pursuant to the Tri-Party Agreement that is determined to be an ineligible Project Cost.

One World further acknowledges that it has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Authority other than those contained in writing herein and has entered into this Agreement freely based on its own judgment.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective for all purposes as of the Effective Date hereof.

MIDTOWN REDEVELOPMENT AUTHORITY

By: _____

Name: _____

Title: _____

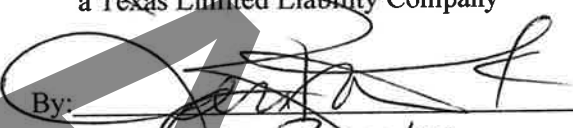
ATTEST:

By: _____

Name: _____

Title: _____

ONE WORLD STRATEGY GROUP, LLC.,
a Texas Limited Liability Company

By:  _____

Name: JERI BROOKS

Title: FOUNDER + LEAD STRATEGIST

EXHIBIT A

SCOPE OF SERVICES

DRAFT

SCOPE OF SERVICES

Thank you for the opportunity serve the MRA and community. Below, please find our updated proposal for services and pricing based on our history on this account, current workload and 2022 Tactical Plan projections.

Public Relations + Press Management

- Pitch one national, regional and/or industry-specific story per tactical plan and communications themes
- Pitch one local story per month inclusive of on-air opportunities
- Develop press releases and other written collateral as needed for media pitching
- Handle all inbound press requests
- Content development inclusive of bi-weekly blogs, website content development, review of the weekly electronic newsletter and print newsletter quarterly

Digital Marketing

- Create and/or update plan and content for special events marketing
- Develop strategy, monitor effectiveness, and adjust strategy as needed

Affordable Housing and Capital Improvement Communications

- Develop two monthly blog posts
- Produce affordable housing videos inclusive of management of video partner
- Produce monthly CIP podcast

Consulting + Client Success

- Consult Midtown internal and external teams on day-to-day activities, communications, and programming advice to produce public relations content
- Attend, track and report out at Midtown Houston meetings (as designated)
- Execute the approved Tactical Plan
- Advise on external issues that may cause the Midtown Houston brand harm
- Oral and written public relations and digital marketing reports

Special One-Time Project: Affordable Housing Website Page Update

- Develop appropriate format for displaying of information and incorporation of <https://www.midtownhoustongallery.com/> (in collaboration with Michelle Ashton and Limb Design)
- Develop or update content and project management

FEES

	Year 1	Year 2	Year 3
Flat Fee per month	\$10,000	\$11,250	\$12,500

Special and/or One Time Projects Upon Request

Affordable Housing Website Update	\$2,500 (estimated and not to exceed)
Affordable Housing Videos	\$500 - \$800 / video (direct vendor payment)

**AGREEMENT BY AND BETWEEN
MIDTOWN REDEVELOPMENT AUTHORITY
AND
A.O. PHILLIPS & ASSOCIATES LLC**

This Agreement (this “Agreement”) is made and entered into by and between the Midtown Redevelopment Authority (the “Authority”), a Texas not-for-profit local government corporation created by authorization of City of Houston, Texas (the “City”) Resolution 95-96 and pursuant to the provisions of Chapter 431, Texas Transportation Code and **A.O. Phillips & Associates, LLC**, a Texas limited liability company, (“Consultant”), and shall be effective as of June 1, 2022 (the “Effective Date”).

RECITALS

WHEREAS, the Board of Directors of the Authority (the “Authority Board”) has determined that it would be in the best interest of the Authority to retain the services of a consultant to assist the Authority in establishing certain operational procedures, development and construction oversight and monitoring, MWDBE participation goals compliance monitoring for the Authority’s capital improvements and affordable housing programs and certain other related services; and

WHEREAS, the Authority and Consultant wish to document the terms under which Consultant will provide services to the Authority.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements and covenants set forth herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the Authority and Consultant hereby agree as follows:

1. **Engagement.** The Authority hereby agrees to retain Consultant, and Consultant agrees to accept such engagement with the Authority to perform the duties and responsibilities set forth in Section 3 hereof and upon such other terms and conditions as are stated in this Agreement.

Consultant acknowledges and understands that the services to be provided under this Agreement are being performed for the public benefit. Consultant agrees to comply with all applicable municipal codes of the City of Houston and all applicable laws of the State of Texas and the United States of America. Consultant agrees that any personnel (including employees, agents, and subcontractors) provided by it in the performance of this Agreement shall be competent and careful workers skilled in their respective duties.

2. **Term.** The initial term of this Agreement (the “Initial Term”) shall commence on the Effective Date and continue for a period of one (1) year. At the conclusion of the Initial Term, this Agreement shall automatically renew as a month-to-month agreement, unless otherwise terminated as provided in Section 5 hereof. The Term of this Agreement may be modified by the Authority for additional periods for a duration to be determined by the Authority on the same terms and conditions as set forth herein or such other terms and conditions as the Authority deems necessary and appropriate.

3. **Duties and Services to be Provided.**

3.1 During the Term, Consultant shall provide the services set forth in the Scope of Services attached hereto as Exhibit A, and fully incorporated as if set forth herein together with such other services as the Authority Board and the Executive Director of the Authority (the "Executive Director") may reasonably request. Consultant shall faithfully adhere to, execute, and fulfill all lawful policies established by the Authority Board and shall diligently perform all services as may be reasonably assigned to it by the Authority Board and/or the Executive Director from time to time, in accordance with the terms of this Agreement.

3.2 **Agreements With Respect to Services to be Performed.** During the Term, Consultant agrees to diligently perform the services provided for in Exhibit A hereto and such other related services as may be reasonably requested by the Executive Director or the Authority Board, provided however, that Consultant shall adhere to any and all limitations on such services as provided for herein. It is understood and acknowledged that Consultant may have other business interests, however, Consultant agrees to allocate such time as is reasonably required to successfully fulfill the terms of this Agreement. Consultant further agrees that its other business interests will not unreasonably interfere with Consultant's obligations and fiduciary duties to the Authority.

Consultant agrees to provide the Authority with monthly narrative reports identifying the work assigned to it and detailing the services provided to the Authority.

3.3 **Limitation on Consultant's Authority.** No executive authority is conferred on Consultant pursuant to this Agreement, and Consultant shall not be entitled to give any direction to any other party on behalf of the Authority or to take any actions on behalf of the Authority, or represent to any other party that it is authorized or empowered to act on behalf of the Authority, unless expressly authorized to do so by the Executive Director or the Authority Board.

3.4 **Independent Contractor.** Consultant's relationship to the Authority hereunder is that of an independent contractor, and neither Consultant nor any employees or personnel supplied or used by Consultant in the performance of this Agreement shall be considered employees, agents, or subcontractors of the Authority, the Zone, or the City for any purpose whatsoever. Neither Consultant nor the Authority shall represent to any other person or entity that Consultant's relationship to the Authority hereunder is other than that of an independent contractor. Consultant shall be solely responsible for the compensation of all personnel supplied or used by it in the performance of this Agreement, for withholding of income, social security and other payroll taxes and for the coverage of all workers' compensation benefits for all such personnel.

3.5 **Conflicts of Interest; Confidentiality.** In keeping with Consultant's fiduciary duties to the Authority, Consultant agrees that it shall not, directly or indirectly, become involved in any conflict of interest with the Authority, or upon discovery thereof, allow such a conflict to continue. Moreover, Consultant agrees that it shall promptly disclose to the Executive Director and to the Authority Board any facts that might give rise to any reasonable possibility of a conflict of interest. Circumstances in which a conflict of interest on the part of Consultant would or might arise, and which should be reported immediately by Consultant to the Executive Director and the Authority Board include the following: (i) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a vendor, supplier, contractor, subcontractor or other party or entity with which the Authority does business; (ii) misuse of information or facilities to which Consultant has access in a manner which violates any law or is detrimental to the Authority's interest; and (iii) disclosure or other misuse of confidential information. "Confidential Information" shall not include any information that (i) is or becomes

generally known or available publicly other than as a result of a disclosure by Consultant, (ii) is or becomes known or available to Consultant on a non-confidential basis from a source (other than the Authority) which, to Consultant's knowledge, is not prohibited from disclosing such information to Consultant by a legal, contractual, fiduciary or other obligation to the Authority, (iii) the Authority discloses to others without obtaining an agreement of confidentiality, or (iv) is subject to disclosure pursuant to the Texas Open Records Act (Chapter 552, Texas Government Code, as amended).

4. **Compensation.** For all services rendered by Consultant to the Authority, the Authority shall compensate Consultant as follows:

4.1 Consultant shall be paid an hourly fee for each hour (or portion thereof) worked at a rate of \$95.00 per hour (the "Hourly Fee"). Consultant shall bill the Authority in increments of 1/10th of an hour. Consultant shall submit a monthly invoice to the Authority on or before the 5th day of each month showing the hours worked the preceding month and containing a detailed description of the services provided on behalf of the Authority. The invoice shall be in a form and manner acceptable to the Executive Director. The annual fees to be paid hereunder shall never exceed the total sum of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00). Payment of compensation to Consultant is contingent upon receipt of Consultant's monthly narrative reports relating to specific work assignments, together with appropriate details regarding work performed on behalf of the Authority on such work assignments. All work assignments shall be initiated through the use of a written work order executed by an authorized representative and shall be substantially in the form attached hereto as Attachment A. The Authority shall not be obligated to compensate Consultant for any work performed by Consultant without an executed work order. No interest shall accrue on any portion of the fees to be paid under this Agreement.

4.2 **Expenses.** Consultant shall pay its own staff and sub-contractors and shall bear the costs of all equipment, supplies, and overhead necessary to perform its duties hereunder. The Authority will not reimburse Consultant for any out-of-pocket expenses unless Consultant shall submit, in advance of incurring any such expense, a request for reimbursement of such expense to the Executive Director for approval. If such request for reimbursement of expenses is approved, prior to payment of such reimbursement, Consultant shall provide the Authority a true and correct copy of any and all receipts/invoices for such expenses, together with appropriate certifications/representations that such expenses were reasonable and necessary and incurred in connection with the performance of services for and on behalf of the Authority. The Authority will only reimburse for actual costs incurred.

4.3 **Total Compensation.** Consultant's Fee described in paragraph 4.1 shall constitute the full and exclusive consideration and compensation for all services performed by Consultant under this Agreement.

5. **Termination.**

5.1 This Agreement may be terminated at any time with or without cause by either party by giving thirty (30) days written notice to the other party.

5.2 Upon termination of this Agreement, unless otherwise directed by the Executive Director, or his designee, Consultant shall immediately cease performing all services under this Agreement. Consultant shall be entitled only to the Fee earned through the effective date of the termination or through such other date as agreed to by the Executive Director or the Authority Board and Consultant. **TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE CONSULTANT'S ONLY REMEDIES FOR THE**

AUTHORITY’S EXERCISE OF ITS RIGHT TO TERMINATE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. CONSULTANT WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT FOR SERVICES RENDERED) IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM TERMINATION BY THE AUTHORITY. Amounts due and owing at termination for any portion of a month shall be prorated on the basis of a 30-day month.

5.3 All records, video, data, designs, plans, financial statements, manuals, memoranda, lists (including media lists developed for the Authority), passwords, access codes, equipment, supplies and any other Authority property delivered to, compiled by, or used by Consultant in the performance of its duties hereunder that pertain to the Authority shall be and remain the property of the Authority and all such property shall be delivered immediately to the Authority without request therefor, upon termination of Consultant’s services.

6. **Insurance/Waiver of Liability.**

With no intent to limit Consultant’s liability or obligation for indemnification, Consultant shall provide and maintain insurance in full force and effect at all times during the term of the Agreement and shall take appropriate action to ensure that the Authority, the Zone and the City are named as additional insureds under Consultant's insurance policies. All such insurance policies shall be obtained from insurance companies with a rating of B+ or better and a financial size category of Class VI or better, according to the current year's BEST rating.

The insurance, at a minimum, must include the following coverages and limits of liability:

<u>Coverage</u>	<u>Limit of Liability</u>
Worker’s Compensation	Statutory for Workers Compensation
Employer’s Liability	Bodily Injury of \$1,000,000
Comprehensive Commercial General Liability: Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations	Combined limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate
Automobile Liability Insurance (for automobiles used by Consultant in the course of its performance under this Agreement including employer’s non-owned and hired auto coverage)	\$1,000,000 combined single limit per occurrence

Defense costs must be excluded from the face amount of the policy. Aggregate limits are per 12-month policy period.

Each insurance policy must require, on its face or by endorsement, that the insurance carrier waives any rights of subrogation against the Authority, the Zone, the Midtown Management District, (the “District”), the Midtown Improvement and Development Corporation D/B/A Midtown Parks Conservancy (“MPC”), and the City, and that the carrier shall give 30 days’ written notice to the Authority before any policy is canceled or non-renewed. Within the 30-day period, Consultant shall provide other suitable policies in lieu of those about to be canceled or non-renewed to maintain in effect the required coverage. If Consultant does not comply with this requirement, the Executive Director in his sole discretion may immediately terminate this

Agreement and in such event, the Authority shall be immediately excused from any further performance under this Agreement.

7. **Indemnification and Release**

A. **INDEMNITY FOR PERSONAL INJURIES.** CONSULTANT COVENANTS AND AGREES TO, AND DOES HEREBY, INDEMNIFY AND HOLD HARMLESS AND DEFEND THE AUTHORITY, THE ZONE, THE DISTRICT, MPC, AND THE CITY AND THEIR RESPECTIVE OFFICERS, EMPLOYEES AND AGENTS (COLLECTIVELY, THE "INDEMNIFIED PERSONS"), FROM AND AGAINST ANY AND ALL SUITS OR CLAIMS FOR DAMAGES OR INJURIES, INCLUDING DEATH, TO ANY AND ALL PERSONS OR PROPERTY, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH ANY ACT OR OMISSION ON THE PART OF CONSULTANT, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, OR SUBCONTRACTORS, AND CONSULTANT DOES HEREBY ASSUME ALL LIABILITY AND RESPONSIBILITY FOR INJURIES, CLAIMS OR SUITS FOR THE DAMAGES TO PERSONS OR PROPERTY, OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED, OCCURRING DURING OR ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT AS A RESULT OF ANY ACT OR OMISSION ON THE PART OF CONSULTANT, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, OR SUBCONTRACTORS. SUCH INDEMNIFICATION SHALL INCLUDE WORKERS' COMPENSATION CLAIMS OF OR BY ANYONE WHOMSOEVER IN ANY WAY RESULTING FROM OR ARISING OUT OF CONSULTANT'S WORK, SERVICES, AND OPERATIONS IN CONNECTION HERewith, INCLUDING THE OPERATIONS OF ITS SUBCONTRACTORS, IF ANY, AND THE ACTS OR OMISSIONS OF ANY EMPLOYEES OR AGENTS OF CONSULTANT.

B. **INDEMNITY TO PROPERTY.** CONSULTANT SHALL LIKEWISE INDEMNIFY AND HOLD HARMLESS THE AUTHORITY, THE ZONE, THE DISTRICT, MPC, AND THE CITY FOR ANY AND ALL INJURY OR DAMAGE TO PROPERTY OF THE AUTHORITY, THE ZONE, THE DISTRICT, MPC, OR THE CITY ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF CONSULTANT, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, OR INVITEES.

C. **RELEASE.** CONSULTANT RELEASES 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 SOLE OR CONCURRENT NEGLIGENCE AND/OR THE INDEMNIFIED PERSON'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

8. **No Waiver.** Either party's failure to insist on strict compliance with any term or terms of this Agreement shall not be deemed a waiver of such terms.

9. **Governing Law.** This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflicts of law provisions.

10. **Assignment.** This Agreement shall not be assignable by either party.

11. **No Third Party Beneficiary.** Nothing in this Agreement is intended, or shall be construed, to confer upon or give any person other than the parties hereto any rights or remedies under or by reason of this Agreement.

12. **Construction.** This Agreement shall be deemed drafted equally by both the Authority and Consultant. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any party shall not apply. The headings in this Agreement are for convenience only and are not intended to affect construction or interpretation.

13. **Notices.** All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

Consultant:

A.O. Phillips & Associates, LLC.
4201 Main Street, Suite 200-186
Houston, Texas 77002
Attn: Ryan Phillips, Manager
Phone: (713) 621-1978
Fax: (713) 621-0158

Authority:

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002
Attention: Board Chair
Phone: (713) 526-7577
Fax: (713) 526-7519

With a copy to:

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002
Attention: Executive Director
Phone: (713) 526-7577
Fax: (713) 526-7519

Unless otherwise specified herein, each such communication addressed and given as set forth above shall be effective, (i) on the date of receipt, or attempted delivery, of such communication; (ii) if given by telecopy, on the date on which such telecopy is transmitted and confirmation of delivery, or attempted delivery, thereof is received; and (iii) if sent by mail as aforesaid, the date which is seventy two (72) hours after such communication is deposited in the mail, postage prepaid as aforesaid. Any party listed above may change its address under this Section by notice to the other parties listed above; provided, however, that no such address shall be located outside of the United States of America.

14. **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

15. **Dispute Resolution.**

15.1 In the event of any claim, dispute or controversy arising out of or relating to the implementation of or performance of 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 tort, contract, property, or otherwise, or at law or in equity, or under state or federal laws, or

by statute or common law, for damages or any other relief) (all of which are referred to herein as “**Disputes**”) which the Authority and Consultant have been unable to resolve within thirty (30) days after such Dispute arises, a senior representative of Consultant shall meet with the Executive Director of the Authority at a mutually agreed upon time and place not later than thirty (30) days after such Dispute arises to attempt to resolve such Dispute. In the event such representatives are unable to resolve any such Dispute within fifteen (15) days after such meeting, either Party may, by written notice to the other, submit such Dispute to non-binding mediation before a mutually agreeable mediator. If the Parties are unable to agree upon a mediator within twenty (20) days after such 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 (10) years’ experience in construction, engineering, and/or public works operations. The mediation shall be conducted within thirty (30) 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.

15.2 Subject to Consultant’s obligation to comply with the requirements of the foregoing Section 15.1, for purposes of all legal or equitable proceedings arising out of, relating to or connected with this Agreement, Consultant 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 Houston, Harris County, Texas, and agrees that such jurisdiction shall be exclusive with respect to any such proceeding filed by Consultant. For the avoidance of doubt Consultant 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; and, having so agreed, Consultant 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. Furthermore, to the fullest extent permitted by law, Consultant hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any proceeding arising out of, relating to or connected with this Agreement in any state court in Houston, Harris County, Texas. Finally, Consultant hereby irrevocably waives any claim which it may now or hereafter have that any such proceeding brought in any state court in Houston, Harris County, Texas, has been brought in an inconvenient forum.

15.3 If Consultant brings any claim against the Authority and Consultant does not prevail with respect thereto, Consultant shall be liable for all attorneys’ fees incurred by the Authority as a result thereof.

16. **Compliance with State Laws.**

16.1. Consultant hereby certifies that Consultant is not delinquent in a tax owed the State of Texas under Chapter 171, Texas Tax Code.

16.2. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “**SB 19**”), Texas Government Code, as amended, Consultant hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any:

(i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code, as amended, does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. Consultant understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Consultant and exists to make a profit.

16.3. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, Consultant hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code, as amended, does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. Consultant understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Consultant and exists to make a profit.

16.4. For purposes of compliance with Section 2271.002, Texas Government Code, as amended, Consultant hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

16.5. For purposes of compliance with Section 2252.152, Texas Government Code, as amended, Consultant hereby represents and warrants that, at the time of this Agreement, neither Consultant nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Consultant, is a company listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201, Texas Government Code.

16.6. Consultant will provide a completed and notarized Form 1295 generated by the Texas Ethics Commission’s electronic filing application in accordance with the provisions of Section 2252.908, Texas Government Code, as amended, and the rules promulgated by the Texas Ethics Commission (“**Form 1295**”), in connection with entry into this Agreement. Upon receipt of Consultant’s Form 1295, Midtown agrees to acknowledge Consultant’s Form 1295 through its electronic filing application. Midtown and Consultant understand and agree that, with the exception of information identifying Consultant and the contract identification number, Midtown is not responsible for the information contained in Consultant’s Form 1295 and Midtown has not verified such information.

17. **Amendment.** This Agreement may not be amended or modified at any time except by a written instrument approved by the Authority Board and executed by the Authority Board Chair and Consultant.

18. **Entire Agreement.** This Agreement reflects the entire and complete understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous oral and written agreements, representations and understandings of the parties, which are hereby terminated. The Authority and Consultant acknowledge and represent that there are no other promises, terms, conditions or representations regarding any matter relevant hereto.

19. **Consultant Acknowledgment.** Consultant understands and acknowledges that pursuant to that certain Amended Agreement By and Between the City of Houston, Texas, Reinvestment Zone Number Two, City of Houston, Texas and the Midtown Redevelopment Authority, adopted by the City Council of the City of Houston, Texas on June 20, 2000, (the "Tri-Party Agreement"), this Agreement is subject to the approval of the Director of Planning and Development Department of the City of Houston (or such other person as the Mayor may designate). Additionally, Consultant understands and acknowledges that pursuant the Tri-Party Agreement, the Authority will not pay for any services that are determined to be an ineligible Project Cost (as defined in the Tri-Party Agreement) under the TIRZ Act (as defined in the Tri-Party Agreement) with funds received by the Authority pursuant to the Tri-Party Agreement and that Consultant shall repay the Authority for any payment made by the Authority to Consultant with funds received by the Authority pursuant to the Tri-Party Agreement that is determined to be an ineligible Project Cost.

Consultant further acknowledges that it has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Authority other than those contained in writing herein and has entered into this Agreement freely based on its own judgment.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective for all purposes as of the Effective Date hereof.

MIDTOWN REDEVELOPMENT AUTHORITY

By: _____

Name: _____

Title: _____

ATTEST:

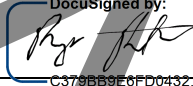
By: _____

Name: _____

Title: _____

A.O. PHILLIPS & ASSOCIATES, LLC

DocuSigned by:



By: _____

C378B89E6FD0432...

Name: Ryan Phillips

Title: Managing Partner, A.O. Phillips & Associates LLC

EXHIBIT A
SCOPE OF SERVICES

1. Evaluate the Authority's current diversity and inclusion program
2. Assist with the development of contracting policies & procedures for Capital Improvement Projects (CIP) including review and development of diversity language for inclusion in project contracts
3. Provide direct verification and analysis of the utilization of Minority & Women Owned Businesses, (MWBEs) by prime contractors and subcontractors on CIP projects
4. Establish procedures & maintain current and accurate reporting of MWBE contracting with the COH (Economic Development Diversity Dashboard Reporting)
5. Coordinate identification and utilization of MWBE contractors, vendors and service providers
6. Assist with review of contractor qualifications and capabilities, as requested
7. Assist with project construction oversight and field monitoring
8. Perform project site assessments as requested
9. Perform certain contract compliance review and sign-off prior to invoice approval and payment
10. Assist in development of RFQs/RFPs/ITBs or other solicitations as requested
11. Assist in review and evaluation of responses to RFQs/RFPs/ITB or other solicitations as requested
12. Assist with review of developer qualifications and capabilities, as requested
13. Assist with finalization of developer agreements, as requested (especially regarding diversity participation)
14. Assist with CIP close outs, as requested
15. Communicate and collaborate with Authority staff in performing the services provided for in the Agreement and in this Exhibit A

16. Attend and present its work at Authority Board meetings and other meetings, from time to time, provided however, the Consultant will only be compensated for Board attendance if such attendance is expressly requested by the Authority Board or the Executive Director

NOTE: All work assignments shall be initiated through the use of a written work order executed by an authorized Authority representative and shall be substantially in the form attached hereto as Attachment A. The Authority shall not be obligated to compensate Consultant for any work performed by Consultant without an executed work order.

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ATTACHMENT A

Form of Work Order

WORK ORDER NO. _____

This Work Order No. ___ (this "Work Order") is issued subject to and is governed by that certain Agreement between Midtown and Consultant dated as of _____, 2022 (the "Agreement").

Work Order Date: _____ Consultant: _____.

Type of Compensation: Hourly, unless otherwise authorized in writing

Compensation: _____

Estimated Number of Hours to Complete: _____

Location of Services: _____

Description of Services: _____

Schedule Requirements: Commencement of Services: _____

Completion of Services: _____

MIDTOWN REDEVELOPMENT AUTHORITY

A.O. PHILIPS & ASSOCIATES, LLC.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

[End of Attachment A]

ATTACHMENT B

CONSULTANT PAYMENT REPORT FORM

*This form is to be included with each pay application until final payment of the Contract has been made. **This form has been included for reference only and is subject to change.***

CONSULTANT PAYMENT REPORT FORM							
<p>Instructions: Consultant is required to complete and submit this report, as specified in the contract or as requested, until final payment of the contract has been made. Failure to comply with the DBE provisions may result in contract termination, or the suspension or debarment of the Consultant from doing business with the Owner in the future in accordance with the procedures set forth in the DBE Program. This report must be submitted with each invoice. Please contact the Project Manager for information/instructions on completing this report.</p>							
1. Contract Number, if applicable	2. Invoice Number	3. Reporting Period From: To:		4. Consultant's Business Name	5. Contact Person	6. Address	
7. Telephone Number	8. Date of Contract Award	9. Schedule Date of Completion	10. Original Contract Amount \$	11. Current Contract Modifications \$	12. Total Amount Received to Date \$	13. Total Amount Owed \$	
14. Committed DBE %	15. Actual DBE Participation to date \$	16. Actual DBE % to Date #VALUE!					
17	18	19	20	21	22	23	24
Name of DBE SubConsultant	Description of Work	Amount of payments made during current invoice period	Date of payments made during current invoice period	Subcontract Dollars	Amount paid to date	Percent Paid to Date	Amount of this invoice allocated to DBE subConsultant
<i>(Add rows to the table, as needed, to complete this section)</i>							
By completing this form, the Consultant acknowledges the Owner's prompt payment policy, which requires the Consultant to pay all subconsultants within 30 days of receiving payment from the Owner.							
Signature		Date Signed		Name and Title of Individual Completing Report			

[End of Attachment B]



midtown
H O U S T O N

**ADMINISTRATIVE
PROCEDURE MANUAL
& EMPLOYEE MANUAL**

Originally Adopted on August 30, 2018
Ratified: December 12, 2019
Ratified and Amended: January 28, 2021
Ratified: May 26, 2022

ADMINISTRATIVE PROCEDURE MANUAL

**Midtown
Redevelopment
Authority**

Midtown Redevelopment Authority Administrative Procedure Manual

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Section 1. PREAMBLE

The Midtown Redevelopment Authority (the “Authority”) was created by Resolution No. 95-96, adopted on June 28, 1995, to aid, assist and act on behalf of the City of Houston, Texas (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. Many of the contractual obligations and administrative practices of the Authority are contained in a certain amended and restated Agreement dated July 18, 2000, and approved as Ordinance No. 2000-494, by and between the City, the Authority, and the Tax Increment Reinvestment Zone Number Two, City of Houston, Texas (the “Midtown Zone”) (the “Tri-Party Agreement”).

The purpose of this Administrative Procedure Manual (the “Manual”) is to supplement the Tri-Party Agreement and all practices and obligations specified therein are incorporated herein. This Manual may be supplemented from time to time at the discretion of the Board of Directors of the Authority (the “Board”) and it and the Tri-Party Agreement shall serve as the primary sources for the Authority’s administrative practices and procedures. This Manual is designed to provide an overview of the procedures that relate to administrative processes on behalf of the Authority. Board members and employees are expected to know and be familiar with the contents of this Manual, as applicable.

As further detailed in the Authority’s Employee Policy Manual, the Authority is committed to achieving the highest standards of ethical conduct and compliance with applicable laws in its operations and activities. It is the intent of the Authority that the Authority’s personnel will conduct themselves in a manner consistent with sound business and ethical practices; the public interest always will be considered in conducting corporate business; and the appearance of impropriety will be avoided to ensure and maintain public confidence in the Authority.

THIS MANUAL DOES NOT CONSTITUTE A CONTRACT AND DOES NOT CREATE ANY CONTRACTUAL RIGHTS. Instead, the policies and procedures set forth herein establish guidelines only. They do not create, and are not intended to create, a contract between the Authority and any employee or other party. The employment relationship between the Authority and its employees is at-will. Where any policies in the Manual conflict with applicable law, applicable law shall control.

Section 2. AUTHORITY MANAGEMENT

- A. Board of Directors. Only the Board, in an open, properly called meeting, may enter into contracts or agreements (other than real estate contracts associated with the Authority's Affordable Housing Program), that obligate the Authority or authorize the expenditure of funds over \$50,000. The Board in such sessions may direct Directors of the Board, the Executive Director and/or specified personnel to take specific actions within parameters as set by the Board.
- B. Executive Director. The Authority's Executive Director shall be vested with the authority to take any managerial actions or implement administrative policies as necessary for the efficient administration of the Authority and incidental to the following powers, subject to the Board's failure to object to such actions in a timely manner, compliance with the provisions contained in this Manual and to the extent such actions do not conflict with existing policies approved by the Board, including but not limited to:
1. Permanent designation as an Investment Officer in accordance with the Authority's Investment Policy, attached as Exhibit A of this Manual;
 2. Authority to negotiate, or assign negotiation authority, and execute real estate transactions on behalf of the Authority, subject to ratification by the Board in a reasonable amount of time thereafter;
 3. Consistent with the Authority's Budget, authority to hire and to terminate personnel of the Authority and to administer the Authority's Employee Policy Manual. The authority to terminate the employment of Authority employees is with the Executive Director, in consultation with 2 or more members of the Board;
 4. Authority to make representations and prepare documents for the Authority with the Secretary of State's office in compliance with the Texas Non-Profit Corporation Act;
 5. Authority to approve and provide procedures for employee expense reimbursements;
 6. Authority to make payments pursuant to any contracts or agreements, previously approved by the Board or not subject to approval by the Board, that obligate the Authority for any amount without additional action by the Board;
 7. Authority to negotiate and renew or enter into consultant contracts not exceeding \$50,000, subject to ratification by the Board in a reasonable amount of time thereafter, and to administer such contracts upon approval or ratification thereof, as applicable;
 8. Authority to approve change orders in accordance with the Authority's change order policy found in Section 4 hereof; and

9. Authority to delegate authority to perform an action hereunder to one or more officials or employees of the Authority from time to time.

C. Chief Administrative Officer. In the absence of the Authority's Executive Director, the Authority's Chief Administrative Officer shall be vested with the authority to take such administrative and ministerial actions as necessary for the efficient administration of the Authority, in consultation with the Chair of the Board.

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Section 3. FINANCIAL PRACTICES

A. Bank Accounts.

1. The signatures of any two of the following officers: Chair, Vice Chair, Secretary, Assistant Secretary, Treasurer or Executive Director will be required on all checks, drafts, warrants or orders greater than \$50,000. The Executive Director's signature only will be required on all checks, drafts, warrants or orders \$50,000 and less, subject to Board ratification in a reasonable amount of time after the check is signed. Funds may be transferred between different Authority accounts by the Executive Director without the requirement of an additional signature and regardless of the amount.
2. The bank will deposit and pledge securities having at all times a market value greater than the funds of the Authority which are required to be collateralized, as set forth in the Authority's Investment Policy, attached hereto as Exhibit A.
3. Funds not needed for current operations may be invested in a manner consistent with the Authority's Investment Policy, attached hereto as Exhibit A.
4. The Executive Director's signature only will be required for all wire transfers providing payment by the Authority pursuant to a contract or agreement approved by the Board obligating the Authority to make such payment. Additionally, the Executive Director is approved to make wire transfers of \$50,000 and less, subject to ratification by the Board in a reasonable amount of time thereafter. Wire transfers shall require bank notification in writing. The Board will pre-approve individuals authorized to request such transfers, the purposes for which a wire transfer may be used, and monetary limits for such transfers.

B. Financial Reporting

1. Monthly financial reports shall be reviewed by the Executive Director and presented to the Board.

Section 4. PROCUREMENT AND CAPITAL IMPROVEMENTS

A. Construction Contracts

1. All construction contracts shall be procured in a manner consistent with applicable state law and shall be authorized by the Board, if such contract is for an amount greater than \$50,000, or subject to ratification by the Board in a reasonable amount of time thereafter, if such contract is for an amount of \$50,000 or less. The Director of Engineering and Construction shall determine with legal counsel the appropriate procurement method for each project.
2. Construction contract budgets presented to the Board shall include a construction contingency, which shall be approximately 10% of the total construction contract amount, as further described in subsection B below.

B. Change Order Policy

1. After the Board has duly approved a construction contract, the Executive Director is authorized to execute change orders so long as the change order, when added to the original contract amount and all prior change orders, does not exceed the lesser of (A) the approved construction contingency and (B) \$500,000 in the aggregate. Change orders approved by the Executive Director must be recommended for ratification by the Board in a reasonable amount of time after the approval of such change order (i.e. within 60 days). Change orders that, when added to the original contract amount and all prior change orders, would exceed the lesser of (A) the current, approved project contingency and (B) \$500,000 in the aggregate, must be approved by the Board.
2. The construction contingency shall be as authorized by the Board in the construction project budget established when the original contract is presented to the Board for approval. The Board shall be advised, at the time of approval of the construction contract, as to the construction contingency amount and the rationale (i.e. certain types of projects may require greater construction contingencies) for the specified amount, which shall be approximately 10% of the total construction contract amount.
3. Board approval must be obtained for any increases in the construction contingency above the previously-authorized amount. Contractors shall not be directed or authorized to perform any work not covered by an authorized and approved budget.

C. Non-Construction Contracts Funded by Federal Awards

1. Small Purchases – For non-construction contracts with a value between \$3,000 and \$25,000 where all or a portion of the costs will be funded by federal awards, including contracts securing equipment, services, or supplies for use in federally funded programs, written or telephonic price or rate quotations must be obtained from at least three (3) qualified sources and records of quotes must be maintained by the Authority.

2. Micro Purchases – For contracts with a value below \$3,000 where all or a portion of the costs will be funded by federal awards, including contracts securing equipment, services, or supplies for use in federally funded programs using simplified acquisition procedures, written or telephonic price or rate quotations must be obtained from at least one (1) other qualified source and be attached to the invoice or maintained by the Authority.
3. All non-construction contracts should be procured in a manner consistent with applicable state law, and staff shall determine in conjunction with legal counsel the appropriate procurement method for each such contract.

D. MWBE Policy

1. All procurements shall offer fair and equitable opportunities to compete for and participate in areas of planning, design, construction, and other related professional services to Minority and Women Business Enterprises (“MWBE”) that are certified by the City’s Office of Business Opportunity (“OBO”).
2. Staff shall determine in conjunction with legal counsel the appropriate MWBE participation goal to be established for a contract in a manner consistent with OBO’s MWBE program requirements.

Section 5. RECORD RETENTION POLICY

A. Purpose

This Record Retention Policy (the “Policy”) is intended to comply with applicable law and to encourage all personnel to generate and retain only those records that are required to conduct effective and efficient operation of the Authority, to help the Authority comply with its obligations under applicable law, and to meet the Authority’s obligations to the government and to vendors, employees and others. All Authority personnel must comply with this Policy. Where this Policy conflicts with applicable law, such law will control (with the exception noted below regarding maintaining records for the longest period of time in any retention schedule).

B. Definitions

As used in this Policy, the term “records” broadly refers to all information generated, received, distributed or maintained by the Authority and its personnel in the course of transacting business, regardless of the medium used to develop, maintain, transmit or store the records. The medium used includes paper and non-tangible electronic format, such as electronic mail (e-mail), or electronic storage. The same retention standards that apply to tangible records also apply to electronic records. Examples of records are: correspondence, memoranda, contracts, designs and drawings, studies, stenographic or handwritten notes, drafts, publications, photographs, invoices, ledgers, journals, notebooks, diaries, accounts, pamphlets, voice records, e-mails, calendars, appointment records, reports, surveys, telephone call slips, statistical compilations, work papers, computer tapes, and printouts.

C. Requirements

Texas Government Code Section 441.158 provides that the Texas State Library and Archives Commission (“TSLAC”) shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. As a local government corporation subject to the requirements of Chapter 441, Texas Government Code, the Authority complies with such record retention schedule issued by TSLAC (the “Local Government Retention Schedule”) and with all other applicable requirements of Chapter 441, Texas Government Code.

Authority records must be maintained according to the guidelines established in this Policy, including the Local Government Retention Schedule and the below Employment Record Retention Schedule. The Authority encourages record retention in an electronic format whenever possible and legally permissible. The Authority prohibits the inappropriate destruction of any records. Likewise, records should not be retained beyond the period indicated in the Local Government Retention Schedule or below Employment Record Retention Schedule, unless a valid business reason (or a litigation hold or other special situation) calls for its continued retention. Documents that have met or exceeded the retention period should be destroyed by shredding or other means that will render them unreadable. All questions about the retention or destruction of specific records or departmental or divisional responsibility for maintaining

certain types of records should be referred to the employee's supervisor or the Executive Director.

Retention periods in this Policy apply to records in any medium. If records are stored electronically, they must remain available and accessible until the retention period assigned by this schedule, along with any hardware or software required to access or read them. Electronic records may include electronic mail (e-mail), websites, electronic publications, or any other machine-readable format. Paper or microfilm copies may be retained in lieu of electronic records. Original paper records may be disposed of prior to the expiration of their minimum retention periods if they have been microfilmed or electronically stored pursuant to the provisions of Chapter 204, Texas Local Government Code or Chapter 205, Texas Local Government Code, as applicable, and rules of the TSLAC adopted under those chapters.

D. Litigation Hold

1. The destruction of all records shall be suspended immediately upon the receipt of legal process or notice of pending or foreseeable investigations or litigation, whether internal, civil, or governmental. Any employee who receives a litigation hold must immediately and unconditionally comply with it.
2. Employees must understand and adhere to the following general exception to any stated destruction schedule: If an employee believes, or the Authority informs an employee, that Authority records are relevant to current litigation, potential litigation (that is, a dispute that could result in litigation), government investigation, audit or other event, the employee must preserve and not delete, dispose, destroy or change those records, including e-mails, until the Authority determines those records are no longer required to be preserved. This exception, usually referred to as a "litigation hold" or "legal hold," replaces any previously or subsequently established destruction schedule for those records.
3. Any employee who becomes aware of an incident that may reasonably be expected to give rise to litigation or a governmental investigation, or any employee who actually receives notice of an investigation, agency charge, legal complaint, claim, demand letter or similar notice must immediately inform the Executive Director.

E. Storage

All records must be stored in a safe, secure and accessible manner. Any records that are essential to the Authority's business operations during an emergency must be duplicated and/or backed up and maintained off site (either in hard copy or electronic format).

F. Record Retention Schedule

See the current Local Government Retention Schedule. Employees may obtain copies from the Authority's Administrative Manager.

G. Employment Record Retention Schedule

In addition to the Local Government Retention Schedule, the Authority maintains employment records according to the following schedule. Please note that if any records listed in this schedule are also covered in the Local Government Retention Schedule, then the Authority must retain the record for the length of time of the schedule with *the longest retention period*.

Employee Benefits

Data or record category	Retention Period
Benefit plans	Superseded + 8 years
Disability benefits records	Employment termination + 3 years
Education assistance files	8 years
ERISA Benefit Claims	Settlement of all appeals + 8 years
Incentive plans	Superseded + 8 years
Unemployment insurance records	Later of 7 years after contributions are due or paid

EEO

Data or record category	Retention Period
Affirmative action plans	Superseded + 1 years
Forms EEO-2 and EEO-1	Superseded + 2 years

General Personnel

Data or record category	Retention Period
Employee manuals	Superseded + 4 years
Employee performance reviews, counseling, or disciplinary documents	Duration of employment + 8 years
Employee vacation schedules/vacation requests	6 years
Job descriptions	Superseded + 4 years

Personnel Actions

Data or record category	Retention Period
Documents relating to charges and investigations of harassment or discrimination	Later of 4 years after employee termination or 1 year after charge or litigation is resolved
Records relating to applicants for employment or hiring (including, without limitation job ads, recruiting records, resumes, employment inquiries, offer letters and rejected offers of employment)	4 years
Employee Immigration Reports (I-9 Form)	3 years from the date of completion or 1 year from termination of employment, whichever is later
Layoff records	5 years

Data or record category	Retention Period
Pre-employment screening documents (including pre-employment drug tests and background checks)	Later of duration of employment +2 years or 5 years from the date of the screen
Records related to background checks or drug or alcohol tests on current employees	Later of duration of employment +2 years or 5 years from the date of the background check
Personnel files	Duration of employment + 8 years
Employment contracts; employment termination agreements	3 years from their last effective date
Consent/Authorization forms	Duration of employment + 8 years
Pre-adverse action and adverse action notices	5 years from date of adverse action
Employment leave of absence records	Duration of employment + 8 years
All other records relating to employment actions not specifically covered in another category	Duration of employment + 8 years

Salary Administration

Data or record category	Retention Period
Payroll records	Termination + 8 years
Form W-2	Tax due date + 8 years
Form W-4	Tax due date + 8 years
Pay/wage rates	Termination + 8 years
Payroll deductions	Termination + 8 years
Time cards/sheets or other record of hours worked	Termination + 8 years
Garnishment records	Termination + 8 years

Safety

Data or record category	Retention Period
Accident reports	Termination + 8 years
First aid records excluding minor injuries	Termination + 8 years
OSHA Form 301	5 years
OSHA Form 300	5 years
Workers' Compensation records	Termination + 30 years
Employee exposure records	Termination + 30 years
Medical records	Termination + 30 years

Section 6. ADOPTION AND REVISION

- A. Review and Amendment. This Manual may be reviewed from time to time; and, if necessary, amended and approved by a majority vote of the Board in an open meeting. The Board, by majority vote in an open meeting, reserves the right to alter, modify, and, or terminate any provisions of this Manual.

- B. Superseding Clause. This Manual supersedes any prior policies adopted by the Board regarding policies and procedures governing Authority administration.

- C. Adoption. The Board officially finds, determines and declares that the policies in this Manual were reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of the meeting was posted at a place readily accessible and convenient to the public within the Authority and on a bulletin board located at a place convenient to the public outside the City Hall of the City of Houston, Texas for the time required by law preceding the meeting, as required by Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Manual was discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Adopted on the 26th day of May, 2022.

EXHIBIT A
INVESTMENT POLICY

DRAFT

SECRETARY’S CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

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

1. The Board convened in regular session on the 26th day of May, 2022, at the regular meeting place thereof within said Midtown Zone, and the roll was called of the duly constituted officers and members of the Board to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Abe Goren
2	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael F. Murphy	9	Zoe Middleton
5	Al Odom		

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

Administrative Procedure Manual

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

2. That a true, full and correct copy of the aforesaid Manual adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Manual 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 Manual 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 Chapter 551, Texas Government Code.

SIGNED this 26th day of May, 2022.

Assistant Secretary
Midtown Redevelopment Authority

ACKNOWLEDGMENT OF RECEIPT OF MANUAL

I have received a copy of the Midtown Redevelopment Authority Administrative Procedure Manual, as amended from time to time, and I have read and understand it. I agree to follow the rules and procedures set out in the Manual. I understand that the Authority can unilaterally rescind, modify, or make exceptions to any of these policies, or adopt new policies, at any time. I also understand that the policies and procedures contained in this Manual do not create contractual rights.

DRAFT

Signature

Printed Name

Date

Originally Adopted on June 26, 2008
Ratified: November 19, 2009
Ratified and Amended: February 24, 2011
Ratified and Amended: April 28, 2011
Ratified and Amended: January 10, 2013
Ratified and Amended: January 30, 2014
Ratified and Amended: February 27, 2014
Ratified and Amended: April 30, 2015
Ratified and Amended: October 27, 2016
Ratified and Amended: August 30, 2018
Ratified and Amended: December 12, 2019
Ratified and Amended: January 28, 2021
Ratified and Amended: May 26, 2022

EMPLOYEE POLICY MANUAL

Midtown Redevelopment Authority

**Midtown Redevelopment Authority
Employee Policy Manual**

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Section 1. PREAMBLE

The Midtown Redevelopment Authority (the “Authority”) was created by Resolution No. 95-96, adopted on June 28, 1995, to aid, assist and act on behalf of the City of Houston, Texas (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. The Midtown Management District (“MMD”) was created in 1999 by the Texas Legislature with the consent of the City, and operates under Chapter 375, Texas Local Government Code, and Chapter 3809, Texas Special Districts Local Laws Code. The Midtown Parks Conservancy (“MPC”) is an entity that works in conjunction with the Authority and MMD under various agreements.

Employees of the Authority are subject to the policies set forth in this Employee Policy Manual (the “Manual”). At times, employees of the Authority may perform services for the benefit of MMD or MPC; Authority employees remain subject to the policies set forth in this Manual, even when engaging in work for the benefit of MMD or MPC. The Authority, MMD, and MPC are collectively referred to in this Manual as the “Midtown Entities.”

The purpose of this Manual is to provide Authority employees with an overview of the policies and procedures that relate to employment. Authority employees are expected to know and be familiar with the contents of this Manual. This Manual may be revised or supplemented from time to time at the discretion of the Board of Directors of the Authority (the “Board”) without prior notice. In addition, the policies in this Manual supplement any governing documents of the Authority, as applicable.

THIS MANUAL DOES NOT CONSTITUTE A CONTRACT REGARDING TERMS OF EMPLOYMENT AND DOES NOT CREATE ANY CONTRACTUAL RIGHTS REGARDING TERMS OF EMPLOYMENT, NOR DOES IT GUARANTEE EMPLOYMENT FOR ANY SPECIFIC DURATION. Instead, the policies and procedures set forth herein establish guidelines only. Nothing contained in the Manual should be construed as a promise or guarantee of continued employment or any benefit. The employment relationship between the Authority and its employees is at-will. This at-will relationship cannot be altered by any oral statements or any statements in the Manual.

All Authority employees are subject to the terms and conditions of the policies contained in the Manual. Employment or continued employment with the Authority constitutes the employee’s agreement to abide by the policies contained in the Manual. An employee’s refusal to review this Manual or sign this form acknowledging receipt of this Manual does not exempt the employee from knowing, understanding and complying with the policies and procedures contained in this Manual.

If any policy in the Manual conflicts with applicable law, the Authority will comply with the applicable law.

Section 2. EMPLOYEE POLICIES AND PROCEDURES

A. General Provisions.

1. Administrative, managerial, and supporting employees are to be hired, managed, and developed in a manner that meets the objectives of the Authority and in compliance with applicable law.
2. When performing work on behalf of the Authority, employees must conduct themselves in a manner consistent with sound business and ethical practices; the public interest must always be considered in conducting business on behalf of the Authority; and the appearance of impropriety must be avoided to ensure and maintain public confidence.
3. Compliance with the policies in this Manual is a condition of initial and continued employment. Disciplinary action, up to and including termination of employment, will be taken against any employee who violates such policies as described herein.
4. The Executive Director of the Authority (the “Executive Director”) is responsible for administering and enforcing the Employee Policies in this Manual.
5. Should the Executive Director be unable to fulfill his or her duties under this Manual, the Board shall have the right to designate an individual within the Authority to perform the Executive Director’s duties in his or her absence.

B. Equal Employment Opportunity

1. The Authority is an equal opportunity employer. It is the commitment of the Authority to select and retain the best qualified individuals based upon job-related qualifications, regardless of race, sex, sexual orientation, gender identity, color, religion, national origin, citizenship, age, military and/or veteran status, disability, genetic information, or any other characteristic protected by applicable federal, state, or local law. This commitment includes recruitment, selection, transfers, promotions, scheduling, corrective action, compensation, benefits, separation or any other term or condition of employment.
2. As needed, the Authority will provide reasonable accommodations in accordance with applicable laws to qualified individuals with known physical or mental disabilities, unless undue hardship would result.
3. In accordance with applicable laws, absent undue hardship, the Authority will make reasonable accommodations, as needed, for an employee’s sincerely held religious beliefs.
4. The Authority prohibits intimidation, coercion or harassment of any kind. If any employee is asked to participate in, is a witness to, or has experienced an activity that the employee considers discriminatory or harassing, the employee should

immediately bring the situation to the attention of his or her supervisor or the Executive Director—whichever the employee feels most comfortable.

5. It is the obligation of each employee to comply with the spirit and intent of this EEO Policy. Any violations of this EEO Policy will be cause for disciplinary action, up to and including termination of employment.

C. Policy Prohibiting Harassment and Discrimination.

1. Policy

- (a) The Authority is committed to maintaining a work environment free of discrimination, harassment, and retaliation. The Authority prohibits all behavior which is motivated by or is offensive on the basis of the protected characteristics and statuses described the above EEO Policy. Employees engaging in any form of harassment, discrimination, or retaliation in violation of the Authority's policies will be subject to disciplinary action, up to and including termination of employment.
- (b) Harassment or discrimination prohibited by this policy includes, without limitation, harassing or discriminatory intimidations, insult, ridicule and comments where:
 - (1) The conduct has the purpose or effect of creating an intimidating, hostile, or offensive work environment; or
 - (2) The conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or
 - (3) The conduct otherwise adversely affects an individual's employment opportunities.
- (c) The Authority will not tolerate sexual harassment by any person who is employed by or associated with the Authority. Sexual harassment includes, but is not necessarily limited to, unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature where:
 - (1) Submission to such conduct is made either explicitly or implicitly a term or condition of employment; or
 - (2) Submission to or rejection of the conduct is used as the basis for an employment decision affecting the employee (e.g., demotion, promotion, performance evaluation or compensation); or
 - (3) The conduct or speech has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive

working environment (e.g., unwanted sexual jokes, vulgar language, sexual gestures, physical assaults, sexual advances or displaying sexually oriented materials like publications, pictures, cartoons or photographs).

(d) The definition of sexual harassment may be easier to understand if an employee recognizes that the definition identifies two types of sexual harassment:

- (1) Quid Pro Quo - this typically describes a situation in which an employee is confronted with sexual demands, and the response to the demands will dictate whether, for example, this employee will get a promotion or keeps his or her job; and
- (2) Hostile Work Environment - this typically involves unwelcomed sexual conduct that permeates the work environment and interferes with an employee's ability to do his or her job, or unwelcomed sexual conduct that is sufficiently severe and pervasive that it creates an abusive or offensive work environment.

In addition, any unwelcomed sexual conduct by a vendor or supplier of the Authority, or by any other non-employee of the Authority who has workplace or work-related contact with Authority employees, is prohibited and must also be reported and addressed.

2. Complaint Procedure

- (a) Any employee who feels that he or she has been subjected to behavior that violates this policy should, if feasible, immediately tell the individual engaging in the behavior that it is offensive and ask that it stop. The employee also should immediately contact his or her supervisor to report the behavior. If the behavior involves the employee's supervisor or the employee is not comfortable making a report to the supervisor, the employee should report the behavior to the Executive Director. Employees should report the behavior to the person—supervisor or Executive Director—with whom the employee feels most comfortable.
- (b) All employees are responsible for maintaining a workplace free of discrimination, harassment, and retaliation in violation of this policy. Any person may initiate a complaint regarding incidents experienced personally or observed in the workplace. If any employee is asked to participate in, is a witness to, or has experienced an activity that the employee considers discrimination, harassment, or retaliation, the employee should immediately bring the situation to the attention of his or her supervisor and/or the Executive Director. It is the responsibility of all employees to bring

complaints to the attention of his or her supervisor and/or the Executive Director so that the Authority can help resolve them. An employee should never assume that the Authority is aware of inappropriate conduct that an employee has witnessed or experienced. Employees are encouraged to report any conduct that they feel may be inappropriate regardless of whether the employee is confident that such conduct violates this policy, or any other Authority policy or standards. Employees should understand that the Authority wants them to bring any concerns related to harassment, discrimination, or retaliation to its attention so that the Authority can review such matters and address them as appropriate, regardless of whether such conduct is an express violation of a specific policy.

(c) Upon receipt of a report or complaint of harassment, discrimination, or retaliation, the Authority will take immediate, and to the extent possible, discrete steps to conduct an investigation. Such investigation will be promptly completed. Employees must cooperate fully with any investigation conducted by the Authority under this policy and must provide truthful information. In determining whether the alleged conduct constitutes a violation of this policy, the totality of the circumstances, the nature of, and the context in which the alleged conduct or incident occurred will be considered.

(d) If it is determined that a violation of this policy has occurred, the Authority will take immediate and appropriate corrective action will be taken.

3. No Retaliation.

(a) The Authority prohibits retaliation in any form against any employee who, in good faith, initiates a complaint; any employee who, in good faith, reports the possible existence of harassment or discrimination against others; or any employee who, in good faith, participates in or assists with investigation of a complaint. Any employee who believes retaliation has occurred should immediately report the alleged retaliation using the complaint procedure described above.

D. Drug and Alcohol Policy.

1. It is the policy of the Authority to maintain a drug-free workplace. The Authority prohibits the manufacture, distribution, dispensation, possession, concealment, use, sale, or transfer of alcohol, inhalants, drugs, synthetic drugs, or controlled substances (collectively “prohibited substances”) and the possession of drug-related paraphernalia or literature promoting the use of illegal drugs, while at work, on Authority premises (including in parking lots), in Authority vehicles, or on business for any of the Midtown Entities. Possession and use include having the metabolites of a prohibited substance in the employee’s system resulting in a positive test. The Authority also prohibits the presence of any person on the premises of the Authority while under the influence of any prohibited substance

(except as permitted under section 2 below). If approved by the Executive Director, the moderate use of alcoholic beverages at Authority-sponsored or business/social events is permitted.

2. To the extent that it does not impair an employee's job performance or safety or the safety of others, employees may possess and use over the counter and prescription medication in the workplace provided that:
 - (a) *For prescription medication:* A licensed health care provider has prescribed the medication for the employee's use and the employee has a current and valid prescription.
 - (b) The employee uses the medication in a manner and for the purpose prescribed (if a prescription medication) and the intended purpose.
 - (c) All medication is kept in the original container.
 - (d) The employee can safely perform his or her essential job functions while taking the medication. If the employee's use of medication may impair or affect the employee's ability to safely perform his or her essential job functions, the employee should advise the Executive Director that he or she is taking the medication and its potential safety impact, prior to performing any work assignment while under the influence of the medication.
3. Consistent with our intent to maintain a work environment that is safe, drug-free, conducive to high work performance, and in compliance with our standards, the Authority may conduct drug and alcohol testing on applicants as a condition of hire and on employees as a condition of continued employment. With respect to current employees, the Authority may conduct tests when there is reasonable-suspicion of a violation of this policy and after an accident or incident, in appropriate circumstances, and other testing in a manner that is consistent with the intent and enforcement of this policy. The Authority may, from time to time and without prior notice, also conduct random drug testing of employees. These tests may include chemical analyses of urine, hair, blood, breath, or saliva specimens. It is the intent of the Authority to comply with any applicable federal, state, and local laws and regulations governing drug and alcohol use and testing in the workplace. An employee who has a positive test or refuses to timely submit to a test under this policy will be subject to disciplinary action, up to and including termination of employment.
4. From time to time and without prior notice, authorized representatives of the Authority may conduct searches for prohibited items and substances of individuals entering the workplace or performing assigned duties for the Authority at any location. These searches may include, but are not limited to, vehicles, offices, desks, personal possessions, luggage, clothing, lockers, and living quarters. When appropriate, prohibited items and substances discovered during these searches may be retained by the Authority or reported and released to appropriate law

enforcement agencies. Employees should have no expectation of privacy while in the workplace or performing assigned duties for the Midtown Entities at any location.

E. Weapons in the Workplace.

1. The Authority prohibits employees from possessing weapons of any kind in the workplace, while engaged in Authority activities, and at Authority-sponsored events.
2. Notwithstanding the above, in compliance with applicable law, an employee who holds a license to carry a concealed handgun, or who otherwise lawfully possesses a firearm or ammunition, may store such weapons out of plain view within a locked, privately owned vehicle in the Authority's parking area. Under no circumstance shall an employee store or possess any weapons in any Authority vehicle.
3. Weapons include, but are not limited to: guns; knives; mace; explosives; or any item with the potential to inflict harm that has no common purpose. This list is illustrative only, and not exhaustive.

F. Workplace Violence.

1. The Authority will not tolerate any conduct that threatens, intimidates, or coerces an employee, customer, or member of the public at any time, including off-duty periods. The Authority prohibits conduct that constitutes, contributes or could lead to workplace violence, including, but not limited to, any acts or threats of violence made directly or indirectly, by words, gestures, or symbols against an individual or property. An employee must report any violation or potential threat of violence immediately to his or her supervisor or the Executive Director.

G. Operation of Vehicles.

1. All employees authorized to drive Authority-owned or leased vehicles or personal vehicles in conducting business on behalf of the Midtown Entities must possess a current, valid driver's license and an acceptable driving record. Any change in license status or driving record must be reported to the employee's supervisor or the Executive Director immediately. Employees are absolutely prohibited from allowing anyone other than the Authority-authorized driver to operate an Authority vehicle, (e.g., a family member or non-employee cannot ever drive an Authority vehicle). Only an employee's supervisor or the Executive Director can authorize an employee to drive an Authority vehicle or drive their own vehicle for Authority purposes.
2. Every employee shall drive safely and obey all traffic, vehicle safety, and parking laws or regulations while on business on behalf of the Midtown Entities. Drivers must demonstrate safe driving habits at all times. The Authority prohibits the use of hand-held phones, including talking and texting, while driving. Any employee involved in an accident while engaged in business on behalf of the Midtown

Entities—or if driving an Authority vehicle, any accident—must immediately, or as soon as possible after seeking required medical care, report it to his or her supervisor.

H. Employment.

1. Employment Status

- (a) “Full-Time Employee” means an employee who regularly works a minimum of forty hours a week and has been employed at least 90 days by the Authority.
- (b) “Part-Time Employee” means an employee who regularly works less than forty hours a week.

2. Time Reporting.

- (a) It is the policy of the Authority to comply with all applicable laws that require records to be maintained of the hours worked by its employees. To ensure that accurate records are kept of hours worked (including overtime work), all non-exempt employees must keep a record of, and report to the Authority, all hours worked in a workweek. A “workweek” means Sunday through Saturday.
- (b) Non-exempt employees must accurately record all of their actual working hours. This is not only a matter of strict policy, but it is a requirement of applicable law as well. No supervisor may ask or require non-exempt employees to work without properly recording their time, or to record their time improperly. Non-exempt employees may not work any hours without reporting those hours to the Authority. This includes, for example, time worked before or after the regular scheduled work day and during meal periods. No “off-the-clock” work is permitted. Off-the-clock work means work a non-exempt employee performs but fails to report on his or her time record. If an employee is asked to work without reporting his or her time by any supervisor or other individual, that employee must report the request immediately to the Executive Director. Non-exempt employees will be paid for all hours worked.
- (c) Overtime will be paid to non-exempt employees in accordance with applicable law. Non-exempt employees may not work overtime hours without prior supervisor approval. While all the time worked by the non-exempt employee will be paid, even if not authorized, working without authorization is a violation of policy and may lead to disciplinary action.
- (d) An exempt employee’s weekly salary is pay for all hours worked in a week and is not subject to deductions for variation in the quantity or quality of the work the employee performs. There are only a few instances where deductions are permitted, and these include the following: any full week an

employee does not work; full day absences for personal reasons or illness in accordance with the Authority's PTO policy; full day disciplinary suspensions for major safety violations and significant infractions of written workplace conduct rules; and, time spent on unpaid medical leave.

- (e) Any employee who believes that he or she is being asked to work without properly recording work hours, or to record less than all hours worked, or has had an improper deduction in the employee's paycheck, should notify his or her supervisor or the Executive Director. An employee's report of non-compliance with this policy will be promptly investigated and he or she will be promptly reimbursed for any errors in payment for all hours worked, any improper deductions from wages, or any other errors relating to pay. An employee who makes any such report in good faith will suffer no retaliation for bringing such information to the attention of management. An employee who believes that he or she was retaliated against for making a report regarding wage or pay discrepancies should report this to the Executive Director as well.

I. Employment Termination.

Employees are employed by the Authority on an at-will basis. Nothing in this Manual restricts or in any way modifies the Authority's right or the employee's right to terminate the employee's employment at any time.

1. *Voluntary Termination.* Employees wishing to resign should give at least two weeks advance notice of the effective date of resignation. All resignations must be in writing to the Executive Director.
2. *Abandonment Termination.* After an unreported, unapproved absence of three or more consecutive workdays, an employee may be terminated or considered to have resigned. Reinstatement may occur, in the sole discretion of the Authority, if the employee can explain the extenuating circumstances that prevented them from notifying the Authority regarding the absence at issue. Pay will cease effective the first day of absence.
3. *Involuntary Termination.*
 - (a) *Discharge.* Any employee is subject to being discharged from employment at any time.
 - (b) *Death.* Deceased employees will be removed from the payroll at the end of the day on which death occurred.
4. All employees who are separating from employment, either voluntarily or involuntarily, are required to schedule an exit interview with the Executive Director at a time and place as specified by the Executive Director.
5. Final pay is made in accordance with applicable law.

J. Attendance and Attire.

1. Employees are required to maintain attendance that facilitates working cooperatively with other employees during normal work hours. "Attendance" is limited to mean work performed in the offices of the Authority and in the field within the Zone, and local meetings in the Houston area as well as continuing education seminars, work on behalf of the Midtown Entities, or as otherwise designated.
2. The general workweek is eight hours a day, Monday through Friday. Normal work hours are from 8:00 a.m. to 5:00 p.m. excluding one hour for lunch. However, from time to time and at the discretion of the Executive Director, the workweek may be modified or an alternative workweek may be implemented upon reasonable notice to all employees and the Board.
3. Tardiness and Other Absence.
 - (a) Attendance and punctuality are important to the Authority's business. Regular attendance is an essential function of employment. The Authority also expects employees to report to work on a reliable and punctual basis. Unexcused absences or tardiness occurrences, in particular, may be grounds for disciplinary action, up to and including termination of employment
 - (b) It is the employee's responsibility to be at work and on time and to call his or her designated supervisor when it is not possible to be at work on time. Repeated unexcused tardiness is grounds for termination of employment.
 - (c) In the case of illness, the employee is asked to contact the Administrative Manager or the employee's supervisor as soon as possible, but no later than the time the employee is scheduled to begin work.
4. Dress Code
 - (a) Attire at all times should be professional and in good taste.
 - (b) The Executive Director may provide additional guidelines on appropriate professional attire at his or her discretion.

K. Compensation.

1. Salaries are paid either by check or direct deposit, as elected by the employee, semi-monthly on the 15th and last working day of each month. The pay period cut-off dates are the 5th and 20th of each month. Any special situations regarding payment of salaries are handled at the discretion of the Executive Director. The employee is responsible for the completion and accuracy of all records related to timesheets, withholding requests, and other documentation authorizing payroll deductions. Employees must review their paychecks promptly and report any errors to the Executive Director. All errors will be promptly corrected.

2. Pay increases are made in the sole discretion of the Authority and generally are based on each employee's performance and other economic factors impacting the Authority. Employees should not construe this policy as requiring any increase salaries at any time.

L. Vacation Plan.

1. Vacation practices are intended to grant eligible employees time off with pay according to their years of service. These practices apply to all regular, Full-Time Employees. Part-Time Employees are not eligible for paid vacation.
2. Prior supervisory approval through normal reporting channels is required for employees to take vacation.
3. Vacation time allotments are based on length of service.
4. All vacation allotment will be determined on a calendar-year basis. For instance, an increase in an employee's allotment of vacation days does not take effect until January 1 of the year after the year in which the employee completes the service requirement set out below.
 - (a) If an otherwise eligible employee is absent from work at the beginning of a calendar year for any reason (including paid sick leave, unpaid leave of absence, etc.), the employee is not eligible for paid vacation in that calendar year unless and until the employee returns to active work in that calendar year.
 - (b) If an employee has not performed active work in a calendar year, the employee is not eligible for paid vacation in that calendar year.
 - (c) If an employee is on authorized absence (with or without pay) throughout an entire calendar year, the employee is not eligible for paid vacation in that calendar year; therefore, the employee will not receive vacation in that calendar year.
5. Employees are not eligible for vacation leave during their first year of service. Notwithstanding the foregoing, the Authority retains the discretion to recognize service credit for a newly hired employee and grant such employee accrued vacation for immediate use; any such exception will be documented in writing.
6. Once an employee has completed one (1) year of service, the employee is eligible for two (2) weeks of vacation, which may be taken during the period after the anniversary of the employee's hire date and before December 31 of the year in which such anniversary occurred. Thereafter, until reaching five (5) years of service, the employee will be eligible for two (2) weeks of vacation each calendar year.

7. As years of continuous service increase, weeks of vacation eligibility also increase as shown below:

LENGTH OF SERVICE	WEEKS OF VACATION*
After 1st year	2 weeks
After 5th year	3 weeks
After 10th year	6 weeks or such other amount that may be determined by the Board

*After the first year of service, vacation periods coincide with calendar years. An increase in an employee's allotment of vacation days does not take effect until January 1 of the year after the year in which the employee completes the service requirement set out above.

8. Vacation time must be taken the year earned, with the exception of up to five (5) days of vacation. At the end of one calendar year, an employee may carry over up to five (5) earned, unused vacation days into the next calendar year. Such days must be used in the next calendar year or they will be lost. Employees may not carry over more than five (5) earned, unused vacation days from one calendar year to the next calendar year. Notwithstanding the foregoing, employees who have ten (10) or more years of continuous employment service with the Authority will be permitted to carry over up to 50% of their earned, unused vacation days from one calendar year to the next calendar year, but in no event can such employee carry over more than three (3) weeks of earned, unused vacation days.
9. Regular active employees, employees actively at work on December 31 or those on approved vacation on December 31, may take vacation beginning the first work day of a new calendar year.
10. Vacations should be scheduled and requested within a reasonable time, as determined by the Executive Director, in advance of such dates requested so plans may be made for personnel replacements, if necessary. If practical, vacation schedules will be approved according to employees' preferences. However, work assignments and responsibilities will be the controlling factors in scheduling vacations of individual employees. Vacation date preferences may be granted based on length of service among other factors.
11. If an employee resigns in good standing, as determined by the Executive Director, the employee will be paid for accrued vacation time not taken in that current calendar year. If an employee's employment is terminated by the Authority for any reason, that employee will not be paid for accrued vacation time not yet taken. Notwithstanding anything to the contrary in the foregoing, with respect to an employee who terminates employment with the Authority for any reason (including resignation) prior to completing one (1) year of employment with the Authority, if such employee was granted accrued vacation for immediate use during the first

year of employment, the employee shall not be paid for any such accrued vacation time unused as of the termination date.

12. Employees who do not actively perform their jobs during a calendar year (e.g., those who are on paid or unpaid authorized or unauthorized absences or as determined by the Executive Director) will not receive pay in lieu of vacation.
13. If a Paid Holiday (see Section K below) occurs during the period of an employee's vacation, the employee will receive pay for the Paid Holiday on such date and will not apply a vacation day for such date.
14. Vacation time is not considered hours worked for the purpose of calculating overtime.

M. Paid Holidays.

1. The Authority has designated and observes certain days of the year as Paid Holidays (days off with regular pay) for eligible employees. These practices apply to all regular, Full-Time Employees. Part-Time Employees are not eligible for Paid Holidays.
2. The Authority grants **eleven** (11) paid holidays plus **one** (1) floating holiday per calendar year. The Authority follows the City Office Holiday Schedule and guidelines as established and approved by the City Council each year. The Authority does not provide additional pay or holidays for Paid Holidays not taken. Paid Holidays are generally as follows, however, the Authority reserves the right to modify this list as necessary:

New Year's Day
Martin Luther King, Jr. Day
Memorial Day
Juneteenth Day
Independence Day
Labor Day

Veteran's Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Eve
Christmas Day

3. Employees must use the floating holiday by December 31 of the calendar year in which the floating holiday is granted. The Authority does not provide pay or carryover for a floating holiday that is not taken. Employees who are hired on or after July 1 are not eligible for a floating holiday during the calendar year in which their hire date occurs.
4. Neither Paid Holidays nor the floating holiday are considered hours worked for the purpose of calculating overtime.

N. Personal Time Off.

1. The Authority has established personal time off to grant eligible employees time off with pay in the event of the employee's own injury or illness, doctor's appointments, or other unforeseen need to be absent for personal reasons and also in the event of the short-term need to care for a spouse, child, or parent. The following personal time off guidelines have been established for all employees who qualify.
2. Full-Time Employees will be eligible for **seven (7)** days of personal time off effective January 1 of each year following the employee's first year of service. Part-Time Employees are not eligible for personal time off.
3. In the event personal time off is to be taken for a planned absence, such as a doctor's appointment or other personal appointment, the employee must seek the supervisor's advance approval in order to apply PTO to the absence. Employees are encouraged to schedule appointments in a manner that does not interfere with work schedules, where possible. In the event the need to use PTO is for an unforeseen absence, employees must notify their supervisor as soon as reasonably practicable to their normal report to work time in order to designate the day as personal time off.
4. The Authority reserves the right to require written verification of illness from a licensed practicing medical physician or healthcare provider for any absence due to illness, injury, or medical appointment that lasts three (3) consecutive days or more, within the scope of this Section prior to approving payment of personal time off benefits to an employee. Absent extenuating circumstances, employees will not be permitted to apply personal time off to three (3) or more consecutive days of planned absences. Moreover, the Authority retains the right to deny personal time off requests that are longer than three (3) consecutive days in length, regardless of the reason for the absence.
5. Payment of personal time off benefits does not automatically constitute an acceptable reason to be absent from work. Employees with absenteeism problems, as determined by the Authority, regardless of whether they receive personal time off benefits or not, may find themselves subject to disciplinary action up to and including termination.
6. Personal time off may not be carried over from the prior year or borrowed from the next calendar year, and payment in lieu of personal time off is prohibited. Accrued, unused personal time off is not paid to the employee upon the employee's separation from employment for any reason.
7. Personal time off is not vacation time, and should not be used as such. Personal time off may be used for reasons such as an employee's own injury or illness, doctor's appointments, or other unforeseen need to be absent for personal reasons and also in the event of the short-term need to care for a spouse, child, or parent.

8. In the event an employee exhausts his or her seven (7) days of personal time off in a calendar year, the employee must charge any additional absences to vacation or unpaid leave.
9. Personal time off is not considered hours worked for the purpose of calculating overtime.

O. Bereavement Leave.

1. Effective January 1 of each year following the employee's first year of service, Full-Time Employees will be eligible for three (3) days of paid bereavement leave for the death of an immediate family member. Part-Time Employees are not eligible for bereavement leave.
2. For purposes of this policy, immediate family members include an employee's:
 - Spouse or domestic partner.
 - Parent.
 - Step-parent.
 - Parent-in-law.
 - Sibling.
 - Brother-in-law; Sister-in-law.
 - Child.
 - Step-child.
 - Son-in-law; Daughter-in-law.
 - Grandparent.
 - Grandchild.
 - Aunt; Uncle
 - Niece; Nephew
3. Bereavement leave is not considered hours worked for the purpose of calculating overtime. Accrued, unused bereavement leave is not paid to the employee upon the employee's separation from employment for any reason.
4. Employees are responsible for requesting bereavement leave from their supervisor as far in advance as possible. The Authority may require verification of the need for bereavement leave.

P. Leave.

1. Upon written request or in an emergency, paid or unpaid leave of absence may be given for various reasons upon the approval of the Executive Director.
2. Benefits do not accrue while the employee is on leave without pay.
3. An employee who requires a leave of absence for medical reasons in order to return to work and perform the employee's essential job functions, with or without

reasonable accommodations, may be provided a leave of absence as a reasonable accommodation. To qualify for a leave of absence as a reasonable accommodation, the employee must provide the Authority with a certification from a healthcare provider confirming that: (i) the employee has a physical or medical impairment that substantially limits a major life activity; and, (ii) a leave of specified duration will allow the employee to return to work and perform the essential functions of the employee's job, with or without accommodations. For employees who are already on a leave of absence, to qualify for an extension of such leave, the employee must request the extension prior to exhaustion of the employee's pending leave.

Q. Confidential Information.

1. In the course of performing duties for the Authority, employees will have access to or gain knowledge of Confidential Information belonging to the Authority or the other Midtown Entities, their clients, and other third parties. Confidential Information (defined below) is to be used for the exclusive benefit of the Midtown Entities and their business operations. Maintaining confidentiality is important to the mission and work of the Authority. Therefore, employees have a duty to protect this information and to use this information only as needed during the performance of their regular job duties for the benefit of the Midtown Entities. During employment with the Authority, and at all times thereafter, employees, former employees, and all agents, representatives, and third parties acting on their behalf must: (i) keep strictly confidential and not directly or indirectly communicate, divulge, or use any Confidential Information for the benefit of any other person or entity, without the prior written consent of an authorized representative of the Authority; and (ii) not copy, duplicate, record or otherwise reproduce any Confidential Information, nor otherwise disclose, disseminate or make such information, available to any person or entity without the prior written consent of an authorized representative of the Authority. Employees who leave employment must immediately return any Confidential Information, proprietary information, records, documents, or other property belonging to the Midtown Entities that is in their possession.
2. "Confidential Information," includes, without limitation, technical, economic, financial, marketing, client and other information belonging or related to the Midtown Entities that is not common knowledge outside the Midtown Entities. Some examples of Confidential Information include, but are not limited to, research and development materials; electronic databases and internet website specifications and methodologies; methods of operation; computer programs and technologies; marketing and analysis; marketing presentations and/or strategies; contracts; accounting and business systems; short and long range business planning; financial information; trade secrets; business policies; methods of operation; implementation strategies; business files or other information; or any other confidential information concerning the business and affairs of the Midtown Entities. Confidential Information includes any such information that the Employee may originate, learn, have access to or obtain, whether in tangible form or memorized. Confidential

Information shall not include material that (i) is in the possession of or known by an employee prior to the receipt thereof from the Midtown Entities; (ii) becomes generally available to the public other than as a result of disclosure by the employee; or (iii) becomes available to the employee from another source outside of employee's employment with the Authority.

R. Technology in the Workplace.

1. The Authority's e-mail, computing, network, internet, telephone, voicemail, and other electronic systems (collectively "Electronic Communication Systems") are the property of the Authority. As such, these resources are to be used only to conduct Authority business; however, the Electronic Communication Systems can be used during non-working time for statutorily protected employee activity, if applicable. Incidental and occasional personal use of the Electronic Communications Systems is permitted so long as such use does not detract in any way from the conduct of employee responsibilities and Authority business. Personal use must be kept at a minimum and must not violate any other Authority policies.
2. The Authority reserves and exercises the right to access, intercept, monitor, record, copy, review, disclose, download, and delete any communication or information that employees create or maintain using the Electronic Communication Systems. As a result, employees must have no expectation of privacy in their use of the Electronic Communication Systems.
3. Employees are also advised that certain information on each employee's Electronic Communication System may fall under the Public Information Act (Texas Government Code, Chapter 552). Furthermore, employees shall cooperate with the designated Public Information Coordinator of the Authority to provide requested information in a timely manner and all requests for information from outside the Authority shall be promptly referred to the Public Information Coordinator.
4. The Executive Director, from time to time, at his or her discretion, may provide guidelines on appropriate email and internet usage by all Authority employees.
5. Failure to adhere to any guidelines, provided by the Executive Director as authorized by this Section or the general prohibition contained herein, may lead to disciplinary action up to and including termination of employment.
6. Technological advances have made smartphones, personal digital assistants, and similar small-scale, handheld computers relatively inexpensive and widely available for business and personal use. While such devices increase productivity, features such as text, picture, and video messaging are subject to misuse in the workplace. The Authority prohibits any and all manner and means of harassment, discrimination, and otherwise inappropriate behavior, including harassing or otherwise inappropriate conduct by phone; electronic mail; and text, picture, or video message (e.g. "sexting" or "textual harassment").

7. Social media (e.g., Facebook, Twitter, LinkedIn, YouTube, Instagram, TikTok, Snapchat, and Flickr) has revolutionized the way people interact with one another online. The Authority recognizes that employees may choose to use social media. It also recognizes, however, that if improperly used, social media can result in a variety of adverse consequences, such as disclosure of sensitive or Confidential Information, copyright violations, and damage to reputation. As a result the Authority has adopted the following policy and guidelines on its employee's use of social media.

- (a) *Definition of Social Media.* As used in this policy, "social media" is any means of communicating with others over the Internet for social or business development purposes. Social media applications include, without limitation, Facebook, Twitter, LinkedIn, YouTube, Instagram, TikTok, Snapchat, and Flickr, but can also occur on user forums that are offered by television networks, newspapers, magazines, and other websites that permit readers to post comments.
- (b) *Guidelines for Postings.* Some social networking sites may provide an appropriate forum to keep current on matters of interest, to make professional connections, and to locate links to other pertinent sources. Users must be careful, however, that their online postings do not violate Authority policies or the law. Users are personally responsible for all content they post on social networking sites. Users should assume that anything posted to an internet site is impossible to modify or remove. In addition, all users should assume that their internet postings can and will be read by anyone. Finally, users should understand that material posted on an internet site may be obtained and used by litigants in both personal and professional litigation. When using social media, consider the following guidelines:
 - (1) Do not disclose the Confidential Information belonging the Midtown Entities, advertise on behalf of the Midtown Entities, or in any way suggest that you are writing on behalf of the Midtown Entities. Employees who identify their Authority affiliation should, in the same space as such identification, disclaim that the opinions expressed do not represent the views of the Authority.
 - (2) Do not post any content that could be characterized as defamation, plagiarism, unlawful harassment or a copyright violation. Identify all copyrighted or borrowed material with citations and links and obtain permissions when necessary.
 - (3) Use the same judgment in writing your postings that you would in writing any formal letter. Post only content that you would be comfortable being in the public domain.

- (c) This policy does not prohibit (i) employees' use of social media to discuss or address, for concerted activity purposes, matters concerning the employment terms and conditions, or (ii) other off-duty conduct, not involving the use of Authority's systems or devices, with respect to which employees are protected by law from adverse employment actions.

S. Workplace Searches.

1. The Authority believes that maintaining a workplace that is free of harmful materials is vital to the health and safety of employees and to the success of the Authority's business. To maintain a safe, healthy and productive work environment, the Authority reserves the right at all times to search or inspect employees' surroundings and possessions while on the premises of the Midtown Entities. This right extends to the search or inspection of offices, files, desks, credenzas, lockers, bags, briefcases, containers, packages, boxes, any employer-owned or leased vehicles and any vehicles parked on Midtown Entity property, computer files, voice mails, or similar places, whether or not the places are locked or protected by access codes. Employees should have no expectation of privacy while on the premises of the Midtown Entities.

T. Personnel Files.

1. All employee files are the property of the Authority. Active employees may view their respective files in the presence of the Executive Director. Files are available for review only. No items may be added to or removed from the personnel file by an employee. An employee may copy a document in his or her personnel file only if the employee has previously received the document. Upon termination of employment, all files will remain the property of the Authority, and terminated employees will no longer have access to their files.

U. Code of Ethics and Conflict of Interest.

1. The Authority is committed to achieving the highest standards of ethical conduct and compliance with applicable laws in their operations and activities. This policy is intended to increase awareness of potential conflicts of interest and establish a procedure for reporting them.
2. It is the policy of the Authority to prohibit employees from engaging in any business arrangements with clients, customers, vendors, suppliers, contractors, governmental authorities, and other external parties when it presents an actual or perceived conflict of interest with the Authority, unless they have prior written approval from the Executive Director. The Authority prohibits all employees from using their position with the Authority or the Authority's relationship with their clients, customers, vendors, suppliers, contractors, governmental authorities, and other external parties for private gain or to obtain benefits for themselves or members of their family.

3. For purposes of this policy, a potential conflict of interest occurs when an employee's outside interests (for example, financial interests) interfere with the interests of the Authority's or the employee's work-related duties. For example, a conflict of interest can occur when an employee is in a position to influence a decision that may result in a personal gain for the employee or the employee's family member as a result of the business dealings of the Authority. If you have a question about whether a situation is a potential conflict of interest, please contact the Executive Director.

4. If an employee becomes aware of any potential conflict of interest or ethical concern regarding his or her employment or that of another employee at the Authority, the employee must promptly speak to, write or otherwise contact his or her direct supervisor or, if the conduct involves the direct supervisor, the Executive Director as soon as possible. The Authority prohibits any form of reprisal, intimidation or retaliation for good faith reporting of a potential conflict of interest or violation of this policy or cooperating in related investigations.

V. Outside Activities.

Employees are expressly prohibited from engaging in any activity that competes with the Authority or the Midtown Entities, or compromises their interests. This prohibition includes performing any services on non-working time that are normally performed by the Authority and/or the unauthorized use or application of any of the Authority's Confidential Information or trade secrets.

Outside employment during an employee's leave of absence from the Authority is prohibited, and may result in disciplinary action, up to and including termination of employment. This rule applies to all leaves of absence from work other than military leave.

W. Gift Policy.

1. Authority employees are prohibited from accepting gifts under specific job-related circumstances. Gifts may be defined as anything of value, or the offer of a discount, rebate or privilege. For further information, consult the Executive Director and refer to the City of Houston Executive Order Regarding Gifts, Executive Order 1-28.

X. Safe Work Practices.

1. The Authority seeks to provide a safe workplace for all employees. As part of that effort, the Authority expects employees to work in a safe and responsible manner at all times. Employees must not abuse property belonging to the Authority and should use such property only for the purposes for which it is designed.

Y. Whistleblower Policy.

1. It is the policy of the Authority to timely investigate allegations of employee misconduct or other Authority impropriety.

2. If an employee becomes aware of any potential employee misconduct, conflict of interest, ethical concern, or other impropriety involving the Authority, the employee should must promptly report the concern to the employee's direct supervisor or to the Executive Director. If the conduct involves the Executive Director, the employee should report the concern to the Board. The employee should provide specific facts or circumstances giving rise to the concern.
3. Employees must cooperate fully with any investigation conducted by the Authority under this policy and must provide truthful information, written statements, documents, and related materials upon request.
4. The Authority prohibits any form of discipline, reprisal, intimidation or retaliation for reporting a violation of this policy or cooperating in related investigations.

Z. Workplace Injuries.

1. All job-related injuries, illnesses, and accidents, or any potential safety hazards or dangerous conditions, must be reported to the Authority, as soon as possible and no later than 24 hours after the incident or discovery of the hazard.
2. Any work-related injury suffered by an employee must be reported to the Employee's supervisor immediately. This applies to both injuries that require medical attention and those that do not. The supervisor should note the type of injury, date, time, place and person(s) involved, and circumstances relevant to the injury.
3. When medical attention is required, the supervisor must summarize the incident the same day of the accident and submit the summary report to the Executive Director. The supervisor should note the type of injury, date, time, place and person(s) involved, and circumstances relevant to the injury.
4. When immediate medical attention is required, supervisors should ensure that treatment is provided. If the situation is non-life-threatening, the supervisor should ensure the employee is transported to the nearest medical facility. If life-threatening, emergency responders should be contacted by dialing 9-1-1. If anyone present has proper First Aid training, that person may administer aid until responders arrive.
5. If no medical attention is required, a summary report must still be filed with the Executive Director within 24 hours of the incident.

AA. Policy Violations.

1. Any violation of the policies set forth in this Manual may result in disciplinary action, up to and including termination of employment.

Section 3. ADOPTION AND REVISION

- A. Review and Amendment. This Manual may be reviewed from time to time; and, if necessary, amended and approved by a majority vote of the Board in an open meeting. The Board, by majority vote in an open meeting, reserves the right to alter, modify, and, or terminate any provisions of this Manual.
- B. Superseding Clause. This Manual supersedes any prior policies adopted by the Board regarding policies and procedures governing employees of the Authority.
- C. Adoption. The Board officially finds, determines and declares that the policies in this Employee Policy Manual were reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of the meeting was posted at a place readily accessible and convenient to the public and on a bulletin board located at a place convenient to the public outside the City Hall of the City of Houston, Texas for the time required by law preceding the meeting, as required by Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Manual was discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Adopted on the 26th day of May, 2022.

SECRETARY'S CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

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

1. The Board convened in regular session on the 26th day of May, 2022, at the regular meeting place thereof within said Midtown Zone, and the roll was called of the duly constituted officers and members of the Board to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Abe Goren
2	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael F. Murphy	9	Zoe Middleton
5	Al Odom		

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

EMPLOYEE POLICIES MANUAL

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

2. That a true, full and correct copy of the aforesaid Manual adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Manual 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 Manual 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 Chapter 551, Texas Government Code.

SIGNED this 26th day of May 2022.

DRAFT

ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE POLICY MANUAL

I have received a copy of the Midtown Redevelopment Authority Employee Policy Manual, as amended from time to time, and I have read and understand it. I agree to follow the rules and procedures set out in the Manual. I understand that the Authority can unilaterally rescind, modify, or make exceptions to any of these policies, or adopt new policies, at any time. I also understand that the provisions of this Manual will control over any contrary statements, representations or assurances made by any supervisory personnel except for written statements signed by the Executive Director of the Authority.

I understand that this Manual is not a contract of employment. I also understand that the policies and procedures contained in this Manual do not create contractual rights regarding my terms of employment. I acknowledge and understand that my employment relationship with the Authority is at-will, which means that the Authority or I may terminate the employment relationship at any time with or without cause or reason.

Employee Signature

Printed Name

Date

Acknowledgment and Release of Drug and Alcohol Policy

I acknowledge that I have been provided a copy of the Authority's Drug and Alcohol Policy (the "Policy"). I acknowledge that I have read and understand the Policy. I understand that violation of this Policy may result in the revocation of my employment offer from, or the termination of my employment with, the Authority.

I understand that unannounced searches may be conducted of my person, and personal effects, belongings, quarters, rooms, lockers, baggage, office and desk for the purpose of determining whether drugs, paraphernalia or equipment related to illegal or unauthorized drug use, or alcohol, are in my possession while on Authority premises, while operating any Authority vehicle or equipment, or while conducting Authority business, or to determine if I am in violation of any other Authority policies.

I am aware that the Authority will conduct urinalyses, blood tests, or other tests for the purpose of determining if I am in violation of this Policy. These tests may be used in the following situations: (a) pre-employment testing, (b) testing based on reasonable cause or suspicion, (c) random or periodic testing, (d) testing following an accident or incident, and (e) testing that is consistent with the enforcement of the Authority's Policy.

I give my consent to the Authority or its authorized representative to search my person, vehicle, or personal effects, and to conduct a urinalysis, blood test, or other test for the purpose of determining my use or possession of these illegal, controlled, or unauthorized items or substances or to determine if I am in violation of any other Authority policies. I authorize the physician, nurse, or laboratory technician who conducts these tests to release the results of my tests to the Authority for the purpose of determining if I am in violation of the Authority's Drug and Alcohol Policy.

I understand that violation of this Policy, or other Authority policies, will result in disciplinary action, up to and including termination of employment. Additionally, I understand that failure to submit to testing pursuant to this Policy will result in termination of employment.

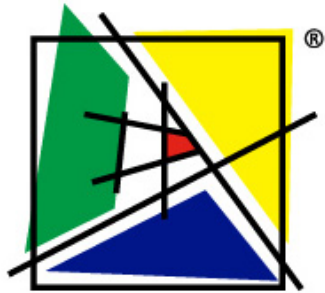
I RELEASE AND AGREE TO HOLD HARMLESS THE AUTHORITY, ITS OFFICERS, EMPLOYEES, AGENTS, AND INDEPENDENT CONTRACTORS, FROM ANY LIABILITY TO ME BASED ON ANY SEARCH OR DRUG OR ALCOHOL SCREENING PROCESS UNDERTAKEN PURSUANT TO THIS POLICY, THE RESULTS OF THE SEARCH OR PROCESS, OR ACTIONS TAKEN BASED ON THOSE RESULTS. THIS RELEASE INCLUDES, BUT IS NOT LIMITED TO, LIABILITY BASED ON NEGLIGENCE.

I understand that this Acknowledgment and Release becomes effective on the date it is signed and will continue to be effective unless revoked in writing and delivered to the Authority.

Employee Signature

Date

Employee Printed Name



midtown
HOUSTON

DRAFT

INVESTMENT POLICY

EXHIBIT A

AMENDED INVESTMENT POLICY

This Investment Policy (this “Policy”), as amended, is adopted by the Board of Directors of Midtown Redevelopment Authority (the “Authority”) pursuant to Chapter 2256 of the Texas Government Code, effective as of the date set forth on the signature page hereof.

ARTICLE I
PURPOSE

Section 1.01. Purpose.

This Policy with respect to Authority investments has been adopted to establish the principles and criteria by which the funds of the Authority should be invested and secured and to comply with various provisions of Texas law relating to the investment and security of funds of local government corporations (the “Investment Laws”). As of the date of the adoption of this Policy, the following laws are applicable to the investment of the Authority’s funds: Chapter 2256, Texas Government Code; Chapter 791, Texas Government Code; Chapter 2257, Texas Government Code; and Chapter 404.101 et seq., Texas Government Code. The Investment Laws generally provide the minimum criteria for the authorized investment and security of the Authority’s funds and require the Authority to adopt rules to ensure the investment of Authority funds in accordance with such laws. This Policy will specify the scope of authority of Authority Officials who are responsible for the investment of Authority funds.

ARTICLE II
DEFINITIONS

Section 2.01. Definitions.

Unless the context requires otherwise, the following terms and phrases used in this Policy shall mean the following:

- (a) “Authority Officials” means the Investment Officer, Authority Directors, officers, Employees, and persons and business entities engaged in handling the investment of Authority funds.
- (b) “Authorized Collateral” means any means or method of securing the deposit of Authority funds authorized by Chapter 2257, Texas Government Code.
- (c) “Authorized Investment” means any security in which the Authority is authorized to invest under Chapter 2256, Texas Government Code.
- (d) “Board” means the Board of Directors of the Authority.
- (e) “Collateral” means any means or method of securing the deposit of Authority funds under Article IV hereof.
- (f) “Collateral Act” means Chapter 2257, Texas Government Code, as amended from time to time.
- (g) “Director” means a person appointed to serve on the Board.

(h) “Employee” means any person employed by the Authority, but does not include independent contractors or professionals hired by the Authority as outside consultants, such as the Authority’s accountant, financial advisor or general counsel.

(i) “FDIC” means the Federal Deposit Insurance Corporation or any successor entity.

(j) “Investment Act” means Chapter 2256, Texas Government Code, as amended from time to time.

(k) “Investment Officer(s)” means the Director(s) or Employee(s) of the Authority (or the employee of an investing entity with whom the Authority has contracted to invest its funds) appointed from time to time by the Board to invest and reinvest the funds of the Authority held in its various accounts.

ARTICLE III INVESTMENT OFFICER

Section 3.01. Investment Officer.

From time to time, the Authority shall appoint one or more of its Directors or Employees to serve as Investment Officer(s) to handle the investment of Authority funds. The Investment Officer(s) shall be responsible for investing Authority funds in accordance with this Policy. The Investment Officer(s) shall invest the Authority’s funds, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived, with all investment decisions to be governed by the objectives set forth in Section 7.01 hereof.

Section 3.02. Training.

The Investment Officer(s) shall attend training sessions and receive the number of hours of instruction as required by the Investment Act.

Section 3.03. Reporting by the Investment Officer and Authority Officials.

Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer and Authority Officials shall prepare and submit to the Board a written report of the investment transactions for all funds of the Authority for the preceding reporting period. The report must (1) describe in detail the investment position of the Authority on the date of the report; (2) be prepared jointly by all the Investment Officers of the Authority, if the Authority appoints more than one; (3) be signed by all Investment Officers and Authority Officials who prepare the report; (4) contain a summary statement of each pooled fund group that states the beginning market value for the reporting period, ending market value for the period, and fully accrued interest for the reporting period; (5) state the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; (6) state the maturity date of each separately invested asset that has a maturity date; (7) state the Authority fund for which each individual investment was acquired; and (8) state the compliance of the investment portfolio as it relates to this Policy and the Investment Act.

Section 3.04. Assistance with Certain Duties of the Investment Officer.

The Board hereby authorizes and directs the Authority’s Accountant and any other Authority Officials requested by the Investment Officer to assist the Investment Officer(s) with any of his/her duties, including but not limited to the following:

1. Presenting a copy of this Policy to any person or business organization seeking to sell an investment to the Authority and obtaining the necessary written certification from such seller referred to in this section;

2. Handling investment transactions;
3. Preparing and submitting to the Board the written report of all investment transactions for the Authority as required by this section;
4. Researching investment options and opportunities;
5. Obtaining written depository pledge agreements as required herein;
6. Obtaining safe-keeping receipts from the Texas financial institution which serves as a depository for pledged Collateral; and
7. Reviewing the market value of the Authority's investments and of the Collateral pledged to secure the Authority's funds.

ARTICLE IV
PROCEDURES FOR INVESTMENT OF AUTHORITY MONIES

Section 4.01. Qualified Broker/Dealers.

The Board hereby adopts the list of broker/dealers attached hereto as **Exhibit A**, as the qualified broker/dealers with whom the Authority may engage in investment transactions. In addition to annual review and adoption of such list each year pursuant to the adoption of this Policy, the Board may, by written resolution, revise, amend or supplement such list of qualified broker/dealers.

As authorized in the Investment Act, the Board hereby designates the Executive Director of the Authority and one other member of the Board as the "designated investment committee" (the "Designated Investment Committee"). The Designated Investment Committee shall, at its discretion, approve any successors or assigns of those certain broker/dealers listed in **Exhibit A** hereto.

Section 4.02. Disclosures of Relationships with Entities Offering to Enter into Investment Transactions with the Authority.

The Investment Officer(s) and the Authority Officials shall disclose in writing (a) any "personal business relationship" with a business organization offering to engage in an investment transaction with the Authority and (b) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, to any individual seeking to sell an investment to the Authority, as required by the Investment Act. The existence of a "personal business relationship" shall be determined in accordance with the Investment Act. Such disclosure statement shall be filed with the Board and the Texas Ethics Commission.

Section 4.03. Certifications from Sellers of Investments.

The Investment Officer(s) or the Authority Officials shall present this Policy to any person or business organization offering to engage in an investment transaction with the Authority and obtain a certificate stating that such potential seller has reviewed the Policy as provided in the Investment Act. This certificate shall be in a form acceptable to the Authority and shall state that the potential seller has received and reviewed the Policy and has acknowledged that the potential seller has implemented reasonable procedures and controls in an effort to preclude investment transactions with the Authority that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Authority's entire portfolio or requires an interpretation of subjective investment standards. Neither the Investment Officer nor the Authority Officials shall purchase or make any investment from a potential seller that has not delivered to the Authority this required certification. A form of certificate acceptable to the Authority is attached hereto as **Exhibit B**.

Section 4.04. Solicitation of Bids for Certificates of Deposit.

Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods.

Section 4.05. Settlement Basis.

All purchases of investments, except investment in investment pools or in mutual funds, shall be made on a delivery versus payment basis. The safekeeping entity for all Authority investments and for all Collateral pledged to secure Authority funds shall be one approved by the Investment Officer(s).

Section 4.06. Monitoring of the Market Value of Investments and Collateral.

The Investment Officer(s), with the help of such Authority Officials as needed, shall determine the market value of each investment and of all Collateral pledged to secure deposits of Authority funds at least quarterly and at a time as close as practicable to the closing of the reporting period for investments. Such values shall be included on the investment report. The following methods shall be used:

- (a) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
- (b) Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest.
- (c) Other investment securities with a remaining maturity of one year or less may be valued in any of the following ways:
 - (1) the lower of two bids obtained from securities broker/dealers for such security;
 - (2) the average of the bid and asked prices for such investment security as published in The Wall Street Journal or The New York Times;
 - (3) the bid price published by any nationally recognized security pricing service; or
 - (4) the market value quoted by the seller of the security or the owner of such Collateral.
- (d) Other investment securities with a remaining maturity greater than one year shall be valued at the lower of two bids obtained from securities broker/dealers for such security, unless two bids are not available, in which case the securities may be valued in any manner provided in 4.06(c) hereof.

Section 4.07. Monitoring the Rating Changes in Investments.

Consistent with Section 2256.021 of the Investment Act, the Investment Officer shall monitor all investments that require a minimum rating under subchapter A of Chapter 2256, Texas Government Code, as amended, such that any such investment that does not have the minimum rating shall no longer constitute an authorized investment. Such investments that do not have the required minimum rating shall be liquidated within 30 days of the investment's failure to maintain its required minimum rating.

ARTICLE V
PROVISIONS APPLICABLE TO ALL FUNDS

Section 5.01. Provisions Applicable to All Fund Groups.

A. All funds of the Authority shall be invested only in accordance with this Policy and shall comply with any additional requirements imposed by bond resolutions or trust indentures of the Authority and applicable state law or federal tax law, including the Investment Laws.

B. The Board, by separate resolution, may provide that the Authority's Executive Director or Investment Officer may withdraw or transfer funds from and to accounts of the Authority only in compliance with this Policy.

C. No fund groups shall be pooled for the purposes of investment, e.g. the funds in the Tax Increment Revenue Fund and in the Surplus Fund shall not be commingled or pooled for purposes of investment.

Section 5.02. Policy of Securing Deposits of Authority Funds -- Applicable to All Deposited Authority Funds.

A. The Authority recognizes that FDIC (or its successor) insurance is available for Authority funds deposited at any one Texas Financial Institution (including branch banks) only up to a maximum of \$250,000¹ (including accrued interest) for each of the following: (i) demand deposits, (ii) time and savings deposits, and (iii) deposits made pursuant to an indenture or pursuant to law in order to pay bondholders or noteholders. It is the policy of the Authority that all deposited funds in each of the Authority's accounts shall be insured by the FDIC, or its successor, and to the extent the deposit surpasses the FDIC Deposit Insurance Coverage limit at any given time, shall be secured by Collateral pledged to the extent of the fair market value of the principal amount deposited plus accrued interest as required by the Collateral Act.

B. If it is necessary for the Authority's depositories to pledge Collateral to secure the Authority's deposits, (1) the Collateral pledge agreement must be in writing, (2) the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (4) the Collateral pledge agreement must be kept in the official records of the depository. The depository must provide to the Investment Officer or Authority Officials with written proof of the depository's approval of the pledge agreement as required herein in a form acceptable to the Authority. A signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement or other written documentation of such approval acceptable to the Investment Officer will be accepted. It is the preference of the Board that all requirements of this section be met prior to the deposit of any Authority funds in such financial institution when a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer and Authority Officials to proceed diligently to have such agreement approved and documented to assure protection of the Authority's funds. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the Authority's Executive Director shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

C. Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the Authority's administrator or Investment Officer shall obtain safekeeping receipts from the Texas financial institution or the safe-keeping institution that reflect that Collateral as allowed by this Investment Policy and in the amount required was pledged to the Authority. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance limits

¹ The \$250,000 limit is temporary and may change from time to time under applicable law.

or the market value of the Collateral pledged as security for the Authority's deposits. It shall be acceptable for the Authority's administrator or Investment Officer to periodically receive interest on deposits to be deposited to the credit of the Authority if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of the Board that there be no sharing, splitting or cotenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and Authority Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The Authority's Executive Director or Investment Officer shall monitor the pledged Collateral to assure that it is pledged only to the Authority, review the fair market value of the Collateral to ensure that the Authority's funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.

D. The Authority's funds deposited in any Texas financial institution, to the extent that they are not insured, may be secured by the pledge of any of the following:

1. Surety bonds;
2. An obligation that in the opinion of the Attorney General of the United States is a general obligation of the United States and backed by its full faith and credit;
3. A general or special obligation that is (a) payable from taxes, revenues, or a combination of taxes and revenues **and** (b) issued by a state or political or governmental entity, agency, instrumentality or subdivision of the state, including a municipality, an institution of higher education as defined by Section 61.003, Texas Education Code, a junior college, a district created under Article XVI, Section 59, of the Texas Constitution, and a public hospital;
4. A fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a "high-risk mortgage security" under the Collateral Act;
5. A floating-rate collateralized mortgage obligation that does not constitute a "high-risk mortgage security" under the Collateral Act;
6. A letter of credit issued by a federal home loan bank; or
7. A security in which a public entity may invest under the Investment Act. As of the date of this Policy, the following are the securities in which a public entity may invest under the Investment Act and, therefore, may be used as Collateral:
 - a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
 - b. Direct obligations of the State of Texas or its agencies and instrumentalities;
 - c. Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
 - d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or the State of Texas or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States;

e. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

f. Certificates of deposit issued by a depository institution that has its main office or a branch office in the State of Texas that are (i) guaranteed by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor, (ii) secured by the obligations in which the Authority may invest under the Investment Act, or (iii) secured in any other manner and amount provided by law for deposits of the Authority;

g. Certificates of deposit made in accordance with the following conditions: (i) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority; (ii) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (iii) the broker or the depository institution selected by the Authority under clause (i) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (v) the depository institution selected by the Authority under clause (ii), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) acts as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;

h. Repurchase agreements that comply with the Investment Act;

i. Bankers' acceptances that comply with the Investment Act;

j. Commercial paper that complies with the Investment Act;

k. No-load money market mutual funds that comply with the Investment Act;

l. No-load mutual funds that comply with the Investment Act; and

m. Guaranteed investment contracts that comply with the Investment Act.

E. Notwithstanding anything to the contrary provided above, the following may not be used as Collateral and are not authorized as investments for the Authority under the Investment Act:

a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

c. Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years other than those listed in Section 5.02.D.4 and 5.02.D.5 above; or

d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 5.03. Diversification.

The Investment Officer may invest up to 100% of the funds of the Authority in any investment instrument authorized in this Policy.

ARTICLE VI
AUTHORIZED INVESTMENTS

Section 6.01. Authorized Investments.

Unless specifically prohibited by law or elsewhere by this Policy, Authority monies in any of its fund groups may be invested and reinvested only in investments under the Investment Act:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Bonds issued, assumed, or guaranteed by the State of Israel;
7. Interest-bearing banking deposits that are guaranteed or insured by:
 - a. The Federal Deposit Insurance Corporation or its successor; or
 - b. The National Credit Union Share Insurance Fund or its successor;
8. Interest-bearing banking deposits other than those described by Subsection 7 if:
 - a. The funds invested in the banking deposits are invested through (i) a broker with a main office or branch in this state and is selected from a list adopted by the Authority, or (ii) a depository institution with a main office or branch office in this state that the authority selects;
 - b. The broker or depository institution selected as described by Subsection (a) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the Authority's account;
 - c. The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
 - d. The Authority appoints as the Authority's custodian of the banking deposits issued for the Authority's account: (i) the depository institution selected as described by Subsection (1); (ii) and entity described by Section 2257.041(d) of the Texas Government Code, as amended; or (iii) a clearing broker dealer registered with the

Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-03.

9. Certificates of deposit issued by a depository institution that has its main or a branch office in the State of Texas and that are (i) guaranteed by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor, (ii) secured by the obligations in which the Authority may invest under the Investment Act, or (iii) secured in any other manner and amount provided by law for deposits of the Authority;

10. Certificates of deposit made in accordance with the following conditions: (i) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority; (ii) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (iii) the broker or the depository institution selected by the Authority under clause (i) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (v) the depository institution selected by the Authority under clause (ii), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) acts as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;

11. Repurchase agreements that comply with the Investment Act;

12. Bankers' acceptances that comply with the Investment Act;

13. Commercial paper that complies with the Investment Act;

14. No-load money market mutual funds that comply with the Investment Act; and

15. No-load mutual funds that comply with the Investment Act;

16. Investment Pools which meet the requirements set forth in Section 2256.016 and Section 2256.019 of the Texas Government Code, as amended and which are specifically authorized by a resolution that is approved by the Board; and

17. With respect to bond proceeds, guaranteed investment contracts that comply with the Investment Act.

Section 6.02. Prohibited Investments.

Notwithstanding anything to the contrary stated herein, no funds of the Authority may be invested in the following or in any other type of investment prohibited by the Investment Act or other applicable law:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);

2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);

3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and

4. Collateralized mortgage obligations the interest rate of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).

Section 6.03. Investment of Funds Related to Authority.

Anything in this Policy to the contrary notwithstanding, to the extent that any funds are held by a trustee under a trust indenture relating to the Authority's debt, such funds may be invested as provided by the Investment Act and the resolution authorizing the issuance of the bonds or the related trust indenture.

ARTICLE VII
INVESTMENT STRATEGIES

Section 7.01. Strategy Applicable to All Funds.

The Authority's general investment strategy for all fund groups shall be to invest such monies from such fund groups so as to accomplish the following objectives, which are listed in the order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the Authority;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

Section 7.02. Investment Strategy for the Tax Increment Revenue Fund.

Funds in the Tax Increment Revenue Fund shall be invested to meet the operating and cash flow requirements of the Authority as determined by the annual operating budget adopted by the Board. Operating funds shall not be invested for longer than three (3) years.

Section 7.03. Investment Strategy for the Surplus Fund.

Funds in the Surplus Fund shall be invested to meet the operating and cash flow requirements of the Authority as determined by the annual operating budget adopted by the Board. Surplus funds shall not be invested for longer than three (3) years.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Annual Review.

The Authority shall review this Investment Policy at least annually and adopt a resolution confirming the continuance of the Investment Policy without amendment or adopt an Amended Investment Policy.

Section 8.02. Superseding Clause.

This Policy supersedes any prior policies adopted by the Board regarding investment or securitization of Authority Funds.

Section 8.03. Open Meeting.

The Board officially finds, determines and declares that this Investment Policy was reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted at a place readily accessible and convenient to the public within the boundaries of the City of Houston Tax Increment Reinvestment Zone Number 2 and on a bulletin board located at a place convenient to the public at the City Hall of the City of Houston, Texas for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy was discussed, considered and acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

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Adopted on the 22nd day of July, 1998.

Ratified on the 29th day of April, 1999, amended and ratified on the 27th day of February, 2003, amended and ratified on the 26th day of August, 2004, amended and ratified on the 25th day of August, 2005, amended and ratified on the 27th day of April, 2006, amended and ratified on the 28th day of June, 2007, amended and ratified on the 29th day of May, 2008, amended and ratified on the 27th day of August, 2009, amended and ratified on the 29th day of April, 2010, ratified on the 28th day of April, 2011 amended and ratified on the 8th day of December, 2011, reviewed and confirmed on the 26th day of July, 2013, reviewed and confirmed on the 26th day of June, 2014, reviewed and confirmed on the 28th day of May, 2015, reviewed and confirmed on the 25th day of August, 2016, amended and ratified on the 28th day of September 2017, reviewed and confirmed on the 26th day of July, 2018, reviewed and confirmed on the 12th day of December, 2019, amended and ratified on the 28th day of January, 2021, amended and ratified on the 26th day of May, 2022.

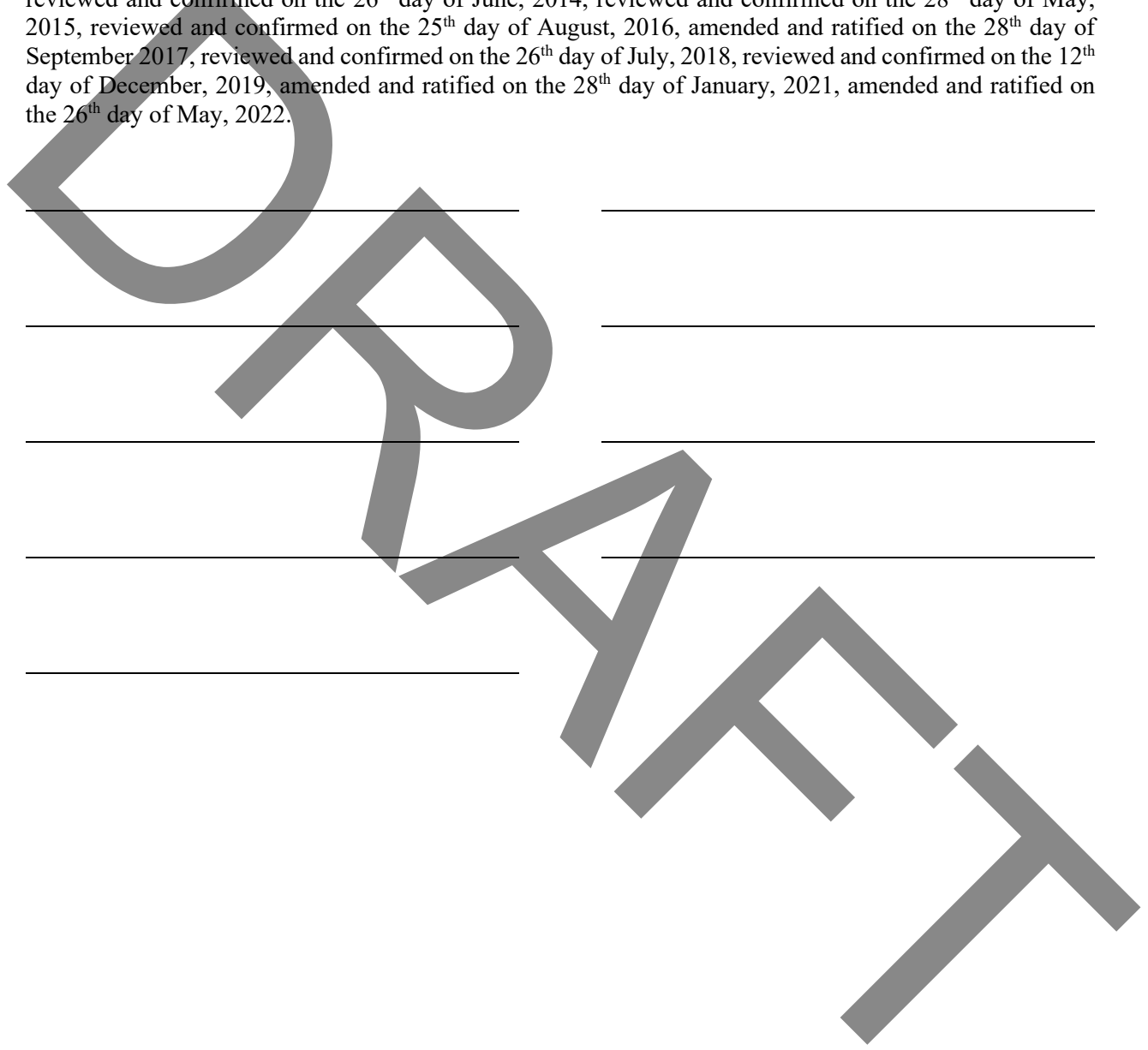


Exhibit A

LIST OF AUTHORIZED BROKER/DEALERS

Allegiance Bank
Allegiance Bank of Texas
Amegy Bank of Texas (Amegy Bank, N.A.)
American First National Bank
Bank of America Corporation
Bank of America, N.A.
Bank of Houston
Bank of OZK
Bank of Texas (BOKF, NA)
Bank of Texas, N.A.
Beal Bank
BOKF Financial
Capital Bank, N.A.
Capital Markets Group, Inc.
Capital One Financial Corp.
Capital One, N.A.
Cathay Bank
Central Bank
Chase Bank, N.A.
Chase Investments Services Corp.
Chasewood Bank (Inc)
Citibank
City Bank
Coastal Securities, Inc.
Comerica Bank
Commercial State Bank
Community State Bank
CommunityBank of Texas, N.A.
Crosby State Bank
CUNA
Edward Jones
Encore Bank
Enterprise Bank & Trust
First Bank
First Bank & Trust Company (Inc)
First Bank of Conroe
First Bank of Texas
First Bank Texas
First Choice Bank
First Citizens Bank
First Community Bank
First Financial Bank
First International Bank & Trust
First National Bank
First National Bank of Bastrop
First National Bank Texas
First Texas Bank
FirstBank & Trust Company
Fiserv Investor Services, Inc.
Fiserv, Inc.
Frost Bank
FTN Financial
Golden Bank, National Association
Green Bank, N.A.
Guaranty Bank and Trust
Hanmi Bank
Herring Bank
Hilltop Securities
HomeTown Bank, N.A.
Houston Community Bank, N.A.
IBC Bank
Icon Bank
Independence Bank
Independent Bank
Integrity Bank
International Bank of Commerce
Invesco
Ironstone Bank
JP Morgan Securities LLC
JPMorgan Chase & Co.
JPMorgan Chase Bank, N.A.
Legacy Texas Bank
Legg Mason
LOGIC (Local Government Investment
Cooperative)
Lone Star Bank, s.s.b.
Lone Star Investment Pool
Lone Star National Bank
LPL Financial Services
Main Street Bank
Masterson Advisors
Memorial City Bank
Mercantil Commercebank, National Association
Merchants Bank, N.A.
Merrill Lynch & Co., Inc.
Metro Bank, N.A.
Midkiff & Stone Capital Group, Inc.
MidSouth Bancorp, Inc.
MidSouth Bank
Moody National Bank
Morgan Keegan & Co., Inc.
Morgan Stanley
Morgan Stanley Smith Barney
Morgan Stanley Wealth Management
New First National Bank
Northern Trust, National Association
Northwest Investment Services, Inc.
Omnibank, National Association
Patriot Bank
Plains State Bank

PNC Bank
Post Oak Bank
Preferred Bank
Prime Way Federal Credit Union
Prosperity Bank/Prosperity Bancshares, Inc.
Prudential Equity Group
Prudential Securities Group, Inc.
Raymond James
Raymond James & Associates, Inc.
RBC Capital Markets
RBC Wealth Management USA
Regions Bank
Regions Financial Corporation
Security State Bank
Southwest Securities, Inc.
Southwestern National Bank
Spirit of Texas Bank
State Bank of Texas
State Street Bank & Trust Co.
Sterling Bank/Sterling Bancshares, Inc.
Sun America Securities, Inc.
Tex STAR Investment Pool
Texan Bank
Texas Capital Bank, N.A.
Texas Citizens Bank
Texas CLASS
Texas Community Bank
Texas First Bank
Texas Gulf Bank
Texas Independent Bank
Texas Savings Bank, s.s.b.
Texas State Bank
TexPool/TexPool Prime
TexSTAR
The Bank of River Oaks
TIB – The Independent BankersBank
Tradition Bank
Tri Star Financial
Trustmark National Bank
U.S. Bank National Association
UBS Financial Services, Inc.
Union Planters Bank
Unity National Bank
Veritex Bank
Vista Bank
Wachovia Bank, N.A.
Wallis State Bank
Wells Fargo Advisors, LLC
Wells Fargo Bank, N.A.
Wells Fargo Brokerage Services, LLC
Westbound Bank
Whitney Bank
Woodforest National Bank

Exhibit B

CERTIFICATE OF COMPLIANCE FROM SELLERS OF INVESTMENTS
AS REQUIRED BY THE PUBLIC FUNDS INVESTMENT ACT

To: Midtown Redevelopment Authority (the "Authority")

From:

[Name of the person offering or the "qualified representative of the business organization" offering to engage in an investment transaction with the Authority]

[Office such person holds]

of:

_____ (the "Business Organization")
[name of financial institution, business organization or investment pool]

Date: _____, 20____

In accordance with the provisions of Chapter 2256 of the Texas Government Code, I hereby certify that:

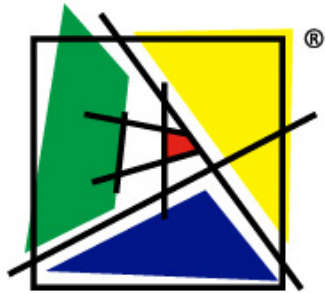
1. I am an individual offering to enter into an investment transaction with the Authority or a "qualified representative" of the Business Organization offering to enter an investment transaction with the Authority, as applicable, as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Investment Act"), and that I meet all requirements under such act to sign this Certificate.
2. I or the Business Organization, as applicable, anticipate selling to the Authority investments (the "Investments") that comply with the Investment Act and the Authority's Investment Policy as amended and restated last on September 28, 2017 (collectively, the "Investment Policy").
3. I or a registered investment professional that services the Authority's account, as applicable, have received and reviewed the Investment Policy, which the Authority has represented is the complete Investment Policy of the Authority now in full force and effect. The Authority has further acknowledged that I or the Business Organization, as applicable, may rely upon the Investment Policy until the Authority provides me or the Business Organization, as applicable, with any amendments to or any newly adopted form of the Investment Policy.
4. I or the Business Organization, as applicable, have/has implemented reasonable procedures and controls in an effort to preclude investment transactions between the Authority and me or the Business Organization, as applicable, that are not authorized by the Investment Policy, except to the extent that this authorization is dependent upon an analysis of the Authority's entire portfolio or requires an interpretation of subjective investment standards.
5. I or the Business Organization, as applicable, have/has reviewed or will review prior to sale, the terms, conditions and characteristics of the investments to be sold to the Authority and determined (i) that each of the Investments is an authorized investment for local governments under the Investment Act and (ii) each of the Investments is an authorized investment under the Investment Policy. The Business Organization makes no

representation as to whether any limits on the amount of Authority monies to be invested in the Investments exceeds or in any way violates the Investment Policy.

- 6. The Business Organization makes no representations or guarantees regarding the prudence, reasonableness or adequacy of the Investment Policy.
- 7. The Business Organization has attached hereto, for return to the Authority, or will provide a prospectus or disclosure document for each of the Investments other than certificates of deposit and direct obligations of the United States.

DRAFT

By: _____
Name: _____
Title: _____



midtown
H O U S T O N

**AUDIT
ENGAGEMENT
LETTER**

May 20, 2022

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

We are pleased to confirm our understanding of the services we are to provide Midtown Redevelopment Authority (the Authority) for the years ending June 30, 2022 and 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of Midtown Redevelopment Authority as of and for the years ended June 30, 2022 and 2023. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedule – All Funds

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Operating Expenses and Capital Expenditures
- 2) Schedule of Estimated Project Costs to Actual Expenditures (Project Plan Reconciliation)
- 3) Schedule of Properties Held – Land Held for Resale
- 4) Schedule of Capital Assets

The objectives of our audits are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audits in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audits, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audits, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Although planning has not been completed, we have identified the following significant risks of material misstatement from our prior audit that remain relevant to these audits:

- Risk of management override of controls
- Improper revenue recognition

It is possible that modifications may be made to this list as planning and our audits are completed, in which case we will communicate these modifications in writing.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audits will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will assist in preparing the financial statements and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will also assist in preparing the fixed asset rollforward to present information on the full accrual basis of accounting, the retainage payable schedule, any adjustments to recognize gain or loss from sale or granting of affordable housing properties, and to present financial information on the two basis of accounting.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services, preparing the fixed asset rollforward to present information on the full accrual basis of accounting, the retainage payable schedule, any adjustments to recognize gain or loss from sale or granting of affordable housing properties, and to present financial information on the two basis of accounting previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for financial statement preparation services, fixed assets rollforward, retainage payable, adjusting entries to recognize gain or loss from sale or granting of affordable housing properties, to present the two basis of accounting, and any other nonattest services we provide; oversee these services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audits will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audits; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

Governing Law; Venue

This agreement and performance hereunder shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Coffee County, Alabama, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including *forum non conveniens*.

Statute of Limitations

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any requests for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

Disclosure

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account including service providers located outside of the United States. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers. By signing this letter, you consent to allow us to disclose your financial information, if applicable, or other information to our service providers located abroad. If you want to limit the amount of information that may be disclosed to any third-party service provider, please notify us in writing as an attachment to this letter.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your Authority, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your Authority may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In

using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools.

While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

Alyssa Hill is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audits in August of each year, as long as you have provided to us substantially all of the schedules, documents, confirmations and other information requested from you in preparation for the audits. If the information requested is not substantially ready and provided to us by the scheduled due dates, we may delay the start of our audit until such time as the information is ready.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, etc.) except that we agree that our audit fee will not exceed \$36,000 for 2022 audit and \$37,500 for 2023 audit. Additional out-of-pocket expenses are estimated to be \$375. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work

may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Carr, Riggs & Ingram, LLC reserves the right to assess finance charges on past due balances up to the maximum amount allowed under State law. If we must place your account with a collection agency or attorney because you are seriously overdue, you agree to pay their reasonable fees and expenses. If for any reason you are unable to pay your account balance in a timely fashion, we urge you to call our Accounts Receivable department to make alternate arrangements.

Reporting

We will issue a written report upon completion of our audits of the Authority's financial statements. Our report will be addressed to the Board of Directors of Midtown Redevelopment Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audits. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return this signed letter to us.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

Houston, Texas

RESPONSE:

This letter correctly sets forth the understanding of Midtown Redevelopment Authority.

Management signature: _____

Title: _____

Governance signature: _____

Title: _____

May 20, 2022

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for Midtown Redevelopment Authority (the Authority).

We will apply the procedures listed in the attachment to this letter to the contracts and agreements related to the Authority's Capital Improvement Plan and Affordable Housing projects. By signing this engagement letter, you agree to those procedures and acknowledge that the procedures to be performed are appropriate for the intended purpose of the engagement, which is to evaluate compliance with contracts and agreements related to the Authority's Capital Improvement Plan and Affordable Housing projects (the Projects) as of and for the years ending June 30, 2022 and 2023. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain your written agreement to the procedures to be applied and your acknowledgment that those procedures are appropriate for the intended purpose of the engagement, as described in this letter. A refusal to provide such agreement and acknowledgment will result in our withdrawal from the engagement. We make no representation that the procedures we will perform are appropriate for the intended purpose of the engagement or for any other purpose.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination or review, we will not express an opinion or conclusion on the Projects. In addition, we have no obligation to perform any procedures beyond those to which you agree.

We plan to begin our procedures in November of each year and, unless unforeseeable problems are encountered, the engagement should be completed by January 31st of each year.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to Midtown Redevelopment Authority. If we encounter restrictions in performing our procedures, we will discuss the matter with you. If we determine the restrictions are appropriate we will disclose the restrictions in our report. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

There may exist circumstances that, in our professional judgment, will require we withdraw from the engagement. Such circumstances include the following:

- You refuse to provide written agreement to the procedures and acknowledge that they are appropriate for the intended purpose of the engagement.
- You fail to provide requested written representations, or we conclude that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or we conclude that the written representations provided are otherwise not reliable.

- We determine that the description of the procedures performed or the corresponding findings are misleading in the circumstances of the engagement.
- We determine that restrictions on the performance of procedures are not appropriate.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, should any such matters come to our attention, we will communicate them in accordance with professional standards and applicable law. In addition, if, in connection with this engagement, matters come to our attention that contradict the Projects, we will communicate such matters to you.

You agree to the procedures to be performed and acknowledge that they are appropriate or the intended purpose of the engagement.

You are responsible for identifying the contracts and agreements related to the Projects. In addition, you are responsible for providing us with (1) access to all information of which you or the appropriate party are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the Projects.

Alyssa Hill is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will be \$11,000 for 2022 and \$11,500 for 2023. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Additional expenses are estimated to be \$200 each year. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation.

The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

Governing Law; Venue

This agreement and performance hereunder shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Coffee County, Alabama, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including *forum non conveniens*.

Statute of Limitations

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any requests for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

Disclosure

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account including service providers located outside of the United States. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers. By signing this letter, you consent to allow us to disclose your financial information, if applicable, or other information to our service providers located abroad. If you want to limit the amount of information that may be disclosed to any third-party service provider, please notify us in writing as an attachment to this letter.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your Authority, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your Authority may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools.

While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, or the procedures need to be modified, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we may require that they acknowledge in writing their agreement with the procedures performed, or to be performed, and their acknowledgment that the procedures are appropriate for their purposes.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas

RESPONSE:

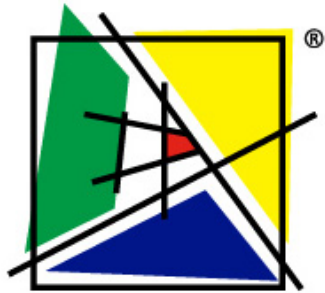
This letter correctly sets forth the understanding of Midtown Redevelopment Authority.

By:

Title:

Agreed-Upon Procedures

1. Obtain a listing of all construction and related contracts/agreements and affordable housing grant agreements, as identified by the Authority, to be included in the scope of the agreed-upon procedures engagement for the years ending June 30, 2022 and 2023.
2. Obtain all construction and related contract/agreements and amendments for contracts and agreements identified in procedure one.
3. Inspect supporting documentation (including original invoices, certificates for payment, and cancelled checks) for amounts paid to architects, engineers, construction contractors, and other professionals for each contract identified in procedure one for compliance with contract terms and mathematical accuracy.
4. Obtain and compare certificates of insurance coverage for compliance with executed contracts/agreements.
5. Inspect change orders and other modifications to contracts/agreements for proper approval.
6. Inspect support documentation (including invoices, certificates for payment, and cancelled checks) for compliance with terms of grant agreements for affordable housing projects identified in procedure one, if any.



midtown
H O U S T O N

**AGREED UPON
PROCEDURES
AUDIT**



Midtown Redevelopment Authority

Agreed-Upon Procedures

June 30, 2021



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Procedures and Findings	2
Exhibit 1 – Schedule of Construction Expenditures	3

DRAFT

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Midtown Redevelopment Authority
Houston, Texas

We have performed the procedures enumerated in the attached listing of procedures and findings to the contracts and agreements related to Midtown Redevelopment Authority's (the Authority) Capital Improvement Plan and Affordable Housing projects (the Projects) as of and for the year ended June 30, 2021. The Authority's management is responsible for the Projects.

Midtown Redevelopment Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance with contracts and agreements related to the Authority's Capital Improvement Plan and Affordable Housing projects. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by Midtown Redevelopment Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Projects. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Midtown Redevelopment Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Midtown Redevelopment Authority and is not intended to be and should not be used by anyone other than these specified parties.

Houston, Texas
May XX, 2022

**Midtown Redevelopment Authority
Agreed-Up Procedures
Procedures and Findings**

Procedures and Findings

1. Procedure

Obtain a listing of all construction and related contracts/agreements, as identified by the Authority, to be included in the scope of the agreed-upon procedures engagement for the year ended June 30, 2021.

Findings

Obtained from the Authority. See Exhibit 1- Schedule of Construction Expenditures (“Exhibit 1”).

2. Procedure

Obtain all construction and related contracts/agreements and amendments for contracts and agreements identified in procedure one.

Findings

Obtained from the Authority.

3. Procedure

Inspect supporting documentation (including original invoices, certificates for payment, and cancelled checks) for amounts paid to architects, engineers, construction contractors, and other professionals for each contract included on Exhibit 1 for compliance with contract terms and mathematical accuracy.

Findings

No exceptions were found as a result of applying the procedure.

4. Procedure

Obtain and compare certificates of insurance coverage for compliance with executed contracts/agreements.

Findings

No exceptions were found as a result of applying the procedure.

5. Procedure

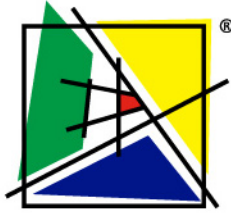
Inspect change orders and other modifications to contracts/agreements for proper approval.

Findings

No exceptions were found as a result of applying the procedure.

Midtown Redevelopment Authority
Agreed-Upon Procedures
Exhibit 1 – Schedule of Construction Expenditures

Project Description/ Consultants or Contractor	Source of Funding	Contract Amount	Amount Expended During Prior Fiscal Year(s)	Amount Expended During Fiscal Year Ended June 30, 2021	Total Expended	Contract Amount Remaining
T-0220 Affordable Housing: Operations Center						
Martin Construction	Operating	\$ 435,340	\$ 227,225	\$ 168,070	\$ 395,295	\$ 40,045
Kirksey Architecture	Operating	1,540,990	1,107,986	182,923	1,290,909	250,081
ALL-TERRA Engineering	Operating	159,509	81,105	17,802	98,907	60,602
Arch-Con Corporation	Operating/ Bonds	27,864,995	13,968,099	12,374,115	26,342,214	1,522,781
TLC Engineering	Operating	232,938	69,938	138,701	208,639	24,299
Total Affordable Housing: Operations Center		30,233,772	15,454,353	12,881,611	28,335,964	1,897,808
T-0214 Caroline Street @ HCCS						
ESPA Corporation/KCI Technologies of Texas	Operating/ Bonds	1,619,568	1,383,453	161,705	1,545,158	74,410
Texas Department of Transportation	Operating	8,497,183	8,497,183	-	8,497,183	-
TLC Engineering	Operating/ Bonds	693,120	526,551	96,128	622,679	70,441
Total Caroline Street @ HCCS		10,809,871	10,407,187	257,833	10,665,020	144,851
T-0234 Parks and Open Spaces - Midtown Entry Portals						
Walter P. Moore and Associates, Inc.						
Midtown Entry Portals WO#3	Operating/ Bonds	171,447	127,512	43,274	170,786	661
TLC Engineering	Operating/ Bonds	182,307	85,713	-	85,713	96,594
B&D Contractors, Inc.	Operating/ Bonds	1,462,269	1,451,330	-	1,451,330	10,939
Total Parks and Open Spaces - Midtown Entry Portals		1,816,023	1,664,555	43,274	1,707,829	108,194
T-0221 and T-0233 Midtown Park and Garage:						
Walter P. Moore and Associates, Inc. (park and garage)						
	Operating	3,869,100	3,610,607	-	3,610,607	258,493
T-0221 Midtown Park:						
Millis Construction	Operating/ Bonds	18,338,990	18,110,718	139,885	18,250,603	88,387
IDS Engineering	Operating/ Bonds	2,630,107	2,487,645	-	2,487,645	142,462
Total Midtown Park		20,969,097	20,598,363	139,885	20,738,248	230,849
Total Midtown Park and Garage		24,838,197	24,208,970	139,885	24,348,855	489,342
T-0236 Bagby Park						
IDS Engineering	Operating	140,508	69,754	49,705	119,459	21,049
Walter P. Moore and Associates, Inc.	Operating	107,423	86,891	20,156	107,047	376
Jerdon Enterprises, L.P.	Operating	767,900	461,183	306,717	767,900	-
Total Bagby Park		1,015,831	617,828	376,578	994,406	21,425
T-0239 Brazos Street Reconstruction						
Walter P. Moore and Associates, Inc.	Bonds	1,635,773	716,066	-	716,066	919,707
TOTAL		\$ 70,349,467	\$ 53,068,959	\$ 13,699,181	\$ 66,768,140	\$ 3,581,327



midtown
HOUSTON

DRAFT

**MIDTOWN AFFORDABLE HOUSING
PROGRAM**

One Emancipation Center – Interior Buildout (Levels 2 & 5)

Midtown Redevelopment Authority solicited sealed Statement of Qualifications (SOQ) and proposals for construction of interior build out of four suites within One Emancipation Center. On Level 2, there will be three suites, and on Level 5, there will be one suite. The scope will include HVAC, plumbing, electrical, IT, and typical interior finish out.

The contractor will be selected in a two-step process. In step one, the Respondents' SOQ is ranked based on the criteria included in the RFQ. Statements of Qualifications were received on April 5, 2022 from the following firms:

	Average Score
Arch-Con Corporation	92.7875
Harvey Builders	89.725
CMC Development & Construction	80.9375
Nash Industries, Inc.	75.2625
ERC Environmental & Construction Services, Inc.	67.525

After reviewing the Respondents' qualifications, MRA ranked the submittals and short-listed the top three firms to participate in the Request For Competitive Sealed Proposals which included proposed rates for construction phase services.

The bids received on April 26, 2022 are as follows:

Harvey Builders	\$1,587,983.00
CMC Development & Construction	\$1,740,000.00
Arch-Con	\$1,928,367.00

Staff along with design and construction management consultants examined the bids to verify bid packages were submitted in accordance with the terms and conditions of the bid documents.

May 2, 2022

Marlon Marshall
Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002

RE: Proposal for Professional Architectural Services – 4th Floor Tenant Build Out at the Emancipation Building at 3131 Emancipation Ave.

Dear Marlon:

The office of **Smith & Company Architects Inc. (S&C)** appreciates the opportunity to provide this proposal for professional architectural and engineering consulting services to Midtown Redevelopment Authority (MRA) for the above referenced project. By selecting the S&C team, MRA will benefit from working with a firm that upholds the principals of quality service.

PROJECT UNDERSTANDING

MRA plans to build out approximately 13,000 SF of existing shell space on the 4th floor of the Emancipation Building at 3131 Emancipation Ave. The space will be fully constructed for the tenant Change Happens. A conceptual layout has been completed. However, the tenant has requested significant changes to the conceptual layout. A programming study will need to be completed prior to design services that defines space needs and verifies existing office conditions as well as furniture and equipment. It is expected that construction costs will be in the \$1 to \$1.3 million range, not including FF&E. It is anticipated that the project will be competitively bid.

SCOPE OF WORK

The Smith & Company team will provide complete comprehensive architectural and engineering basic services as follows:

- Review of existing office usage, furniture, and equipment
- Programming and confirmation of space needs both present and future
- Architecture
- Interior Design
- Mechanical, Electrical, Plumbing & Fire Protection Engineering
- Low Voltage / Technology Design
- Bidding / Negotiation
- Construction Administration (Includes one site visit per month, RFI and Submittal responses.)
- Furniture, Fixtures, and Equipment Design (This includes selection and design of FF&E but does not include procurement or installation services.)

COMPENSATION

Smith & Company Architects will provide basic design services based on our current understanding of the project, for the following fees per phase.

<u>Phase</u>	<u>Fee</u>
Predesign / Programming	\$7,500
Schematic Design	\$14,700
50% Construction Documents	\$24,500
Permit Drawings / Bid Documents	\$44,100
Furniture, Fixtures, & Equipment	\$16,500
Bidding & Negotiation	\$4,900
<u>Construction Admin</u>	<u>\$9,800</u>
Total Fee	\$122,000

Reimbursable Expenses are in addition to the fees stated above and include expenses incurred by S&C, and our consultants, directly related to the Project. Reimbursable expenses include:

- Fees paid for securing approval of authorities having jurisdiction over the project including building permits and ADA reviews;
- Reproductions, plots, postage, handling and delivery services
- Renderings, models, mock-ups, professional photography, and any other presentation materials requested by the owner

Reimbursable expenses shall be computed as a multiple of one (1.1) times the amount billed the architect. Reimbursable expenses should not exceed \$5,000.00.

Anticipated services will be performed and billed monthly based on percentage of design or construction completed.

PROJECT SCHEDULE

The fees stated above are based on the following proposed project schedule. Significant changes to the schedule below shall be considered an additional service if through no fault of the architect.

Predesign / Programming – 10 days
Schematic Design – 2 weeks
SD Owner Review and Approval – 1 week
50% Construction Documents – 3 weeks
50% CD Owner Review and Approval – 1 week
Permit / Bid Documents - 3 weeks

We will submit for permit application to the City of Houston but cannot adequately estimate the timeline for the approval of the permit.

ADDITIONAL SERVICES

S&C shall be entitled to an appropriate adjustment in schedule and/or compensation for any of the following circumstances:

- Change in the instructions or approvals previously given by the Owner that necessitate revisions in Instruments of Service.
- Enactment or revisions of codes, laws or regulations or official interpretations, which necessitate changes to previously prepared Instruments of Service.
- Significant change in the Project including, but not limited to, size, quality, complexity, the Owner's schedule or budget, or procurement method.

S&C shall be entitled to an appropriate adjustment in schedule and/or compensation for any of the following requested services:

1. Environmental Consulting
2. Cost Consulting
3. Value Engineering Services resulting from changes by the owner
4. Post Occupancy Services
5. Construction / Project Management
6. Materials Testing
7. Furniture, Fixtures, and Equipment Procurement and Installation Services
8. Additional design reviews above those described above
9. Design of any spaces outside of the tenant improvement area

We are excited regarding the opportunity to work with MRA on this project. S&C looks forward to the commencement and successful completion of this project. Please contact me should you have any questions or comments regarding this proposal.

Sincerely,



Terry D. Smith AIA
President

GRANT AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

HOUSTON HABITAT FOR HUMANITY, INC.

May 26, 2022

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GRANT AGREEMENT

This Grant Agreement (the “Agreement”), effective as of May 26, 2022, 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 “Grantor” or “Authority”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and HOUSTON HABITAT FOR HUMANITY, INC. (the “Grantee or Developer”), a Texas 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 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 June 7, 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 III(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 III(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 development of Affordable Housing; and

WHEREAS, the Authority owns certain unimproved real property described on **Exhibit D** attached hereto and incorporated herein by reference, which is located within the boundaries of the City of Houston, Harris County, Texas; and

WHEREAS, the Authority seeks to facilitate the development of such land as Affordable Housing by entering into this Agreement with Grantee as part of a pilot project, and

model for future projects, designed to expand the supply of safe, sanitary and affordable housing for low and moderate income persons within the City; and

WHEREAS, to stimulate the development of affordable housing, the Grantee has requested that the Authority grant up to two (2) parcel(s) of real property within the City at no cost (except for required closing costs) to Grantee in order to provide for construction of 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, the Zone 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 Grantee 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 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 for profit local government corporation created and organized under provisions of Chapter 431, Texas Transportation Code.

"Authority's Representative" means 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 Zone, Authority or Grantee 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 two (2) special warranty deeds executed by the Authority conveying 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.

"Executive Director" shall mean the person serving as the Executive Director of the Authority or any agent designated in writing by the Executive Director.

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

“**Person**” for purposes of this Agreement means an individual, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.

“**Project**” means the development of affordable single family housing on the Property by the Grantee, as described in Article III hereof.

“**Property**” means the parcel(s) of real property described in Exhibit D, which have been previously acquired by the Authority and are eligible to be conveyed to the Grantee hereunder.

“**Property Grant**” means the grant of land approved by this Agreement and evidenced by the execution of the Deed conveying such Property to the Grantor

“**Qualified Homebuyer(s)**” means those purchasers that meet the requirements to purchase the single family residences to be 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 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 obtained.

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 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 Grantee. The Grantee hereby represents to the Authority 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 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 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 Property in a manner consistent with this Agreement and related Affordable Housing requirements.

(e) The Grantee shall complete the Project and shall pay or cause to be paid all costs and expenses associated with the Project. The Grantee 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 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"). Notwithstanding the foregoing sentence, the Parties acknowledge that in connection with the development of the Project, Grantee will seek to have the City approve a replat the Property. The Authority and the Grantee agree that if, in connection with the replating of the Property, the City determines that fewer than five (5) affordable single family residences can be constructed on the Property, then Grantee shall only be obligated to construct four (4) affordable single family residences on the Property. Grantee shall notify the Authority immediately after the City makes a determination on the replat of the Property and shall provide the Authority with satisfactory evidence of such determination by the City.

(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 A 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 to develop and construct five (5) single family residences thereon,

(iii) all single family residences developed on the Property shall qualify as Affordable Housing at all times for a term of not less than the Affordability Period as defined in the Deed.

(iv) upon request by the Executive Director, Grantee shall provide the Authority with sufficient and complete financial data, as well as any other information, regarding the Project.

(v) upon completion of construction of the single family residences contemplated hereunder, the Grantee shall cause such single family residences to be sold to Qualified Homebuyers for not more than \$175,000.00 each (exclusive of land cost) or such other amount as the Executive Director may designate in writing.

(vi) Grantee shall sell the single family residences constructed on the Property only to Qualified Homebuyers as provided herein, and use customary documentation, in form and substance acceptable to the Authority, to evidence each such transaction, including but not limited to a Deferred Payment Forgivable Promissory Note and Subordinate Lien Deed of Trust to secure the performance of the Qualified Homebuyer's obligations with respect to such single family residences.

(e) Certain 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 all or any portion of the Property, as further described in Section 4.01 hereof and in the Deed.

Section 3.02. Modification of the Project. The Project and Project Specifications may be altered or amended by the Grantee upon written notice to the Authority and subsequent approval by the Executive Director 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 the Property. Upon written request by the Grantee, the Executive Director, in his sole discretion, may extend the Completion Date for an additional period up to 120 days. To be effective, any such extension must be in writing and signed by the Executive Director. The Project will not be deemed complete until the Authority has received all necessary documentation from the Grantee evidencing completion as described herein, and the Executive Director 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 low and moderate income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed attached hereto as **Exhibit C**, 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 Grantee and the Authority substantially in the form attached hereto as **Exhibit B**. The Parties

agree that the Executive Director shall have the sole right to determine when to enter into such Unimproved Property Contract with Grantee.

Section 4.02. Funding for the Project. The Parties agree that Grantee shall be solely responsible for securing any and all funding and financing necessary to purchase the Property and complete construction of the Project in accordance with the terms of this Agreement. Upon request therefor, Grantee shall provide evidence satisfactory to the Authority of sufficient funding to complete the Project. 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 GRANTEE REGARDING THE PROJECT

Section 5.01. Conflict of Interest. The Grantee has disclosed all Conflicts of Interest. The Authority reserves the right to deny the Property Grant 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 Authority that:

- (a) the Grantee 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 Grantee's name and of an equal size as that if any other Project participants being recognized. All such marketing materials, public awareness campaigns or signage, including social media postings, shall be provided to Grantor for review and comment at least forty-eight (48) hours in advance of publication or distribution of same;
- (c) the Grantor shall have the right to release information regarding the Project to any public media outlet. Grantee hereby grants Grantor permission to use any and all information and details (not marked confidential) contained in this Agreement or otherwise provided to Grantor for press releases, public awareness, public reporting, and/or public announcements. Grantee agrees to provide Grantor with an advance copy of any press release, public reporting, and/or public announcements regarding the Project for review and comment at least forty-eight (48) hours prior to release of same.
- (d) 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 Grantee;
- (e) the Project shall be completed and the Grantee shall pay all costs associated with the Project; and

(f) the Property shall at all times be maintained in a clean, 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 of the event occurring:

- (a) Grantee fails to take title to the Property as contemplated under this Agreement, within 120 days, unless such time period is extended by the Executive Director;
- (b) Grantee fails to complete construction of any one or more of the single family residences within the time requirements set forth in Section 3.03;
- (c) 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.
- (d) 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;
- (e) Grantee 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) Grantee fails to comply with the covenants detailed throughout this Agreement.
- (g) 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 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 Grantee under this Agreement, the Grantee may terminate this Agreement or enforce specific performance.
- (b) Upon the occurrence of an Event of Default by the Grantee 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 convey the Property to the Grantee.

ARTICLE VII INDEMNIFICATION AND RELEASE

Section 7.01. Indemnification.

(a) To the fullest extent permitted by law, Grantee 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 Grantee'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 Grantee's (or any of its contractors', sub-subcontractors', suppliers', materialmen's, 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 Grantee, 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, Grantee'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 Grantee or the Authority. For example, but not by way of limitation, "*third party claimants*" includes all Indemnitors (other than Grantee) as well as the City and the Zone. Grantee's indemnity obligations set forth in this ARTICLE VII shall survive the expiration or termination of this Agreement.

(d) Grantee's obligations pursuant to this ARTICLE VII shall apply regardless of the amount of insurance coverage held by Grantee, 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 Grantee, and shall not be limited by any insurance carried or provided by Grantee in accordance with this Agreement or otherwise. Grantee'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. Grantee shall include provisions in its subcontract agreements which obligate each subcontractor to Grantee to the same extent that Grantee is obligated to the Indemnified Parties pursuant to this ARTICLE VII.

Section 7.02. Release. Grantee 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 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 Authority, or by state and federal law or regulation. The Grantee shall allow the Authority reasonable access to documents and records in the Grantee's possession, custody or control relating to the Project that the Authority deems necessary to assist the Authority in determining the Grantee's compliance with this Agreement. Grantee 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 Grantee notice at least 24 hours in advance thereof.

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 (30) 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 (45) 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 (15) 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 (20) 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 (10) years' experience in construction, engineering, and/or architecture. The mediation shall be conducted within thirty (30) 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 Habitat for Humanity, Inc.
3750 N. McCarty
Houston, Texas 77029
Attention: Executive Director

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 receipted for by, or actually received by the Zone, the Authority 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 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 Grantee and its successors and assigns. The Grantee may **not** assign its rights and obligations under this Agreement or any interest herein, without the prior written consent of the Authority. If any rights and/or obligations are assigned, any such 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/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. 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.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the _____ day of _____, 2022.

**MIDTOWN REDEVELOPMENT
AUTHORITY**

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

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

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

**HOUSTON HABITAT FOR
HUMANITY, INC.**

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Exhibit A
to
Grant Agreement

Project Specifications

Houston Habitat for Humanity, Inc. shall construct five (5) single-family homes on the Property, each with a minimum of three (3) bedrooms, two (2) bathrooms, and an attached 2-car garage. When complete, each home shall have a gross living area ranging from approximately _____ to _____ square feet. Construction shall be in compliance with Plans and Specifications approved by the Midtown Redevelopment Authority.

Each single family home will have the following design features: SEE ATTACHED.



Exhibit B
to
Grant Agreement

UNIMPROVED PROPERTY CONTRACT

1. **PARTIES:** The parties to this contract are MIDTOWN REDEVELOPMENT AUTHORITY, a Texas not-for-profit local government corporation or (Seller) and _____ (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. **PROPERTY:** Lot _____, Block _____, _____ Addition, City of Houston, County of Harris, Texas, known as _____ (address/zip code), or as described on **Exhibit A** attached hereto, and consisting of approximately _____ square feet, together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property). Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.

3. **SALES PRICE:**

A. Cash portion of Sales Price payable by Buyer at closing \$ _____

B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ _____

C. Sales Price (Sum of A and B) \$ _____

D. The Sales Price will be adjusted based on the latest survey obtained under Paragraph 6C. The Sales Price is calculated on the basis of \$__n/a____ per square foot of total area. "Total area" means the total land area within the perimeter boundaries of the Property. If the Sales Price is adjusted by more than 5% of the stated Sales Price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the Sales Price automatically will be made to the cash portion of the Sales Price payable by Buyer without the necessity of an amendment to this contract.

4. **FINANCING:** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

A. **THIRD PARTY FINANCING:** One or more third party mortgage loans in the total amount of \$ _____ (excluding any loan funding fee or mortgage insurance premium).

(1) **Property Approval:** If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and

lender required repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.

(2) Credit Approval: (Check one box only)

(a) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.

(b) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached Texas Real Estate Commission (TREC) Loan Assumption Addendum.

C. SELLER FINANCING: A promissory note from Buyer to Seller of \$ n/a, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. **EARNEST MONEY:** Within 3 days after the Effective Date, Buyer must deliver \$ as earnest money to Thomas Hartman as escrow agent, at Old Republic National Title Insurance Company, 1225 North Loop West, Suite 1020, Houston, Texas 77008. Buyer shall deliver additional earnest money of \$ n/a to the escrow agent within n/a days after the Effective Date of this contract. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday. **Time is of the essence for this paragraph.** References in this contract to the "**Effective Date**" shall mean and refer to the date the escrow agent receipts this contract after execution by all parties.

6. **TITLE POLICY AND SURVEY:**

A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Buyer's expense an owner policy of title insurance (Title Policy) issued by Old Republic National Title Insurance Company (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

(1) Easements, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other matters of record (excluding prior conveyances of the surface estate) in the Official Public Records of Harris County, Texas, which are applicable to the Property.

(2) The standard printed exception for standby fees, taxes and assessments.

(3) Liens created as part of the financing described in Paragraph 4.

(4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.

- (5) Visible and apparent easements and other matters not appearing of record, but that are depicted on the survey of the Property and described in the Commitment (hereafter defined).
- (6) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (7) The standard printed exception as to marital rights.
- (8) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (9) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have this exception amended to read "shortages in area."
- (10) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.

B. COMMITMENT: Within 20 days after the effective date of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)

- (1) Within 14 days after the Effective date, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit) **If Seller fails to furnish the existing survey or affidavit within the time prescribed, or** if the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at Seller's Buyer's expense no later than 3 days prior to Closing Date.
- (2) Within 30 days after the Effective date, Buyer shall obtain a new survey at Buyer's expense; provided however, if the period of time for delivery of the Commitment and Exception Documents is extended pursuant to Paragraph 6.B., the period of time for obtaining the survey shall be extended for the same period of time. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- (3) Within n/a days after the Effective date, Seller, at Seller's expense shall furnish a new survey to Buyer.

- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (8) above; or disclosed in the Commitment other than items 6A(1) through (10) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions or restrictions which prohibit or impair the following use or activity:
development, use and occupancy of the Property for residential housing purposes.

Buyer must object the earlier of (i) the Closing Date or (ii) 10 days after Buyer receives the Commitment, Exception Documents, and the survey; provided however, if the Commitment, Exception Documents and survey are not delivered to Buyer until the Closing Date, the time for Buyer to object to the same will be automatically extended to 10 days after the Closing Date and the Closing Date will be extended for the period of time for such objections to be made and Seller's cure of such objections as provided below. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) MEMBERSHIP IN PROPERTY OWNERS' ASSOCIATION(S): The Property is is not subject to mandatory membership in a property owners' association(s). If the Property is subject to mandatory membership in a property owners' association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners' association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners' association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including,

but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners' Association should be used.

- (3) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due

annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.

- (8) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property is is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.

7. PROPERTY CONDITION:

- A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. The Property shall be restored substantially to its present condition after any such inspections, surveys or tests at Buyer's sole expense. **Buyer hereby indemnifies and holds Seller harmless from any claims, costs, expenses, attorney's fees, bodily injuries, accidents or damage and shall repair any physical damage, to or on the Property caused by Buyer or Buyer's inspections, tests or surveys. Buyer's covenants pursuant to this Section 7.A. shall survive the Closing or any termination of this contract.**

NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

- B. ACCEPTANCE OF PROPERTY CONDITION: (Check one box only)

- (1) Buyer accepts the Property in its present condition.
- (2) Buyer accepts the Property in its present condition provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: _____
_____. (Do not insert general phrases, such as "subject to inspections," that do not identify specific repairs.)

NOTICE TO BUYER AND SELLER: Buyer's agreement to accept the Property in its present condition under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

- C. **COMPLETION OF REPAIRS:** Unless otherwise agreed in writing, Seller shall not complete any repairs prior to the Closing Date. All required permits must be obtained, and repairs and treatments, if any, must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 15 days, if necessary, for Seller to complete repairs and treatments.
- D. **ENVIRONMENTAL MATTERS:** Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. During the Option Period, Buyer and Buyer's agents shall have access to the Property to conduct such tests, assessments and inspections as Buyer deems necessary with respect to environmental matters.
- E. **SELLER'S DISCLOSURES:** Except as otherwise disclosed in this contract, Seller has no knowledge of the following:
- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
 - (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property.
 - (3) any environmental hazards that materially and adversely affect the Property;
 - (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
 - (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
 - (6) any threatened or endangered species or their habitat affecting the Property.

Seller's knowledge shall mean the current actual knowledge of Todd Edwards, Real Estate Asset Manager of Seller, after performing reasonable inspections of his files regarding the Property, but with no further inspections, investigations or inquiries.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements. NONE

9. **CLOSING:**

- A. The closing of the sale will be on or before 60 days after the Effective date, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.
- B. At closing:

- (1) Seller shall execute and deliver a special warranty deed conveying title to the Property to Buyer substantially in the form and content substantially similar to the Special Warranty Deed attached hereto as **Exhibit B** and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy and any documents required or described in Paragraph 11. Special Provisions.
- (4) There shall be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer, and assumed loans will not be in default.
- (5) If the Property is subject to a lease which will be assumed by Buyer, Seller shall (i) deliver to Buyer the lease(s) and the move-in condition form signed by the tenant, if any, and (ii) transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has received the security deposit and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

10. **POSSESSION:** Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

11. **SPECIAL PROVISIONS:**

A. Within 14 days after the effective date, Seller shall deliver to Buyer copies of the following items, to the extent that the items are in Seller's possession or are readily available to Seller: (1) all leases pertaining to the Property, including all modifications thereto; (2) all licenses and permits related to the Property; (3) utility capacity letters from the Property's water and sewer service provider; (4) all previous environmental assessments or studies; and (5) all surveys and plats of the Property.

B. The Property, and any improvements constructed on the Property, shall (i) be solely used to provide Affordable Housing for a period of not less than the Affordability Period as defined in the Form of Special Warranty Deed attached hereto as **Exhibit B** and (ii) comply with the Project Specifications, attached to the Form of Special Warranty Deed as **Appendix B**. The restrictions contained in (i) and (ii) of this sub-paragraph B, (collectively the "Restrictions") shall run with the Property, shall be binding on the Buyer, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of the Seller, its successors and assigns for the term of the Restrictions.

C. Buyer may **not** assign this contract without the written consent of Seller.

D. Buyer, at Buyer's expense, may conduct a Phase I environmental assessment of the Property and any other tests, inspections or assessments related to environmental matters of the Property (collectively, the Phase I) during the Option Period and as provided in Paragraphs 7.A and 7.D. If Buyer gives Seller written notice of termination of this contract based on matters disclosed in the Phase I or other environmental tests, inspections or assessments of the Property, Buyer shall provide Seller with a copy of the Phase I with the written notice of termination.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed \$ n/a to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; owner title policy and any endorsements or modifications thereto, loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; escrow fees; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. Obligations imposed by this paragraph will survive closing.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Buyer may (a) terminate this contract and the earnest money will be

refunded to Buyer or (b) accept the Property in its damaged condition without reduction to the Sales Price.

- 15. DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default after the expiration of 10 days' notice and opportunity to cure, and Seller then may (a) seek such relief as may be provided at law or in equity or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default after the expiration of 10 days' notice and opportunity to cure, and Buyer then may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract.
- 16. MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.
- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.
- 18. ESCROW:**
- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
 - B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
 - C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.
 - D. **NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

- 19. REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back-up offers.
- 20. FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by the Internal Revenue Code and regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.
- 21. NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows and to the attorney representing each party, if any, designated in Paragraph 25:

To Buyer at:

Telephone: () _____

Facsimile () _____

E-mail: _____

To Seller at:

410 Pierce St., Suite 355
Houston, Texas 77002

Telephone: (713) 526-7577 _____

Facsimile: (713) 526-7519 _____

Email: kandis@houstonmidtown.com &

todde@houstonmidtown.com

- 22. AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- | | |
|--|---|
| <input type="checkbox"/> Third Party Financing Addendum for Credit Approval | <input type="checkbox"/> Addendum for "Back-Up" Contract |
| <input type="checkbox"/> Seller Financing Addendum | <input type="checkbox"/> Addendum for Coastal Area Property |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners' Association | <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal |
| <input type="checkbox"/> Buyer's Temporary Residential Lease | <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Seller's Temporary Residential Lease | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals | <input type="checkbox"/> Addendum for Sale of Other Property by Buyer |
| | <input checked="" type="checkbox"/> Other (list): <u>Form of Special Warranty Deed.</u> |

- 23. TERMINATION OPTION:** For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$100.00 (Option Fee) within 3 days after the Effective Date, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 15 days after the effective date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination under this Paragraph 23 within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**
- 24. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts this offer by 5:00 p.m. Central Standard Time on _____, the offer will lapse and become null and void.
- 25. CONSULT AN ATTORNEY:** TREC rules prohibit real estate licensees from giving legal advice **READ THIS CONTRACT CAREFULLY.** If you do not understand the effect of this contract, consult an attorney **BEFORE** signing.

Buyer's Attorney is:

Telephone: () _____

Facsimile () _____

E-mail: _____

Seller's Attorney is:

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

Telephone: (713) 526-6404 _____

Facsimile: (832) 615-3410 _____

Email: pforeman@burneyandforeman.com _____

EXECUTED the _____ day of _____, 20____. (BROKER: FILL IN DATE OF FINAL ACCEPTANCE.)

BUYER:

By: _____

Name: _____

Title: _____

SELLER:

Midtown Redevelopment Authority

By: _____

Name: _____

Title: _____

BROKER INFORMATION

Other Broker Firm _____ License No. _____

Represents Buyer only as Buyer's agent
 Seller as Listing Broker's subagent

Licensed Supervisor of Associate _____ Telephone _____

Associate _____ Telephone _____

Other Broker's Address _____ Facsimile _____

City _____ State _____ Zip _____

Associate Email Address _____

Listing Broker Firm _____ License No. _____

Represents Seller and Buyer as an intermediary
 Seller only as Seller's agent

Licensed Supervisor of Listing Associate _____ Telephone _____

Listing Associate _____ Telephone _____

Listing Broker's Office Address _____ Facsimile _____

City _____ State _____ Zip _____

Listing Associate's Email Address _____

Selling Associate Telephone _____

Selling Associate's Office Address Facsimile _____

City _____ State _____ Zip _____

Selling Associate's Email Address _____

Listing Broker has agreed to pay Other Broker _____% of the total sales price when the Listing Broker's fee is received. Escrow Agent is authorized and directed to pay other Broker from Listing Broker's fee at closing.

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of Contract and \$ _____ Earnest Money in the form of _____ is acknowledged.

Title Company: Old Republic National Title Insurance Company

By: _____
 Thomas Hartman, Escrow Agent/Officer

Address: 1225 North Loop West, Suite 750

Houston Texas 77008
 City State Zip

Date: _____

Email Address: _____

Telephone: 713-766-7192

Facsimile: 713-583-7930

Exhibit A

to

Unimproved Property Contract

Property Description

[See attached Exhibit D to the Grant Agreement]

DRAFT

Exhibit B

to
Unimproved Property Contract

Form of Special Warranty Deed

[See attached Exhibit C to the Grant Agreement]

DRAFT

Exhibit C
to
Grant Agreement

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

THAT MIDTOWN REDEVELOPMENT AUTHORITY, a public not for profit local government corporation ("**Grantor**"), for and in consideration of the sum of TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, and CONVEYED and by these presents does GRANT, BARGAIN, SELL, AND CONVEY unto HOUSTON HABITAT FOR HUMANITY, INC., a non-profit corporation created and organized under the laws of the State of Texas ("**Grantee or Developer**"), whose address is 3750 N. McCarty, Houston, Texas 77029, that certain tract or parcel of land in Harris County, Texas more particularly described in **Appendix A** attached hereto and incorporated herein by this reference, together with all improvements thereon and all rights and interests appurtenant thereto (such land, improvements, rights and interests are hereinafter collectively referred to as the "**Property**").

This Special Warranty Deed and the conveyance hereinabove set forth is executed by Grantor and accepted by Grantee subject to all matters of record in the office of the County Clerk of Harris County, Texas, and all matters that a true and correct on-the-ground survey of the Property would reveal, to the extent the same are validly existing and applicable to the Property (hereinafter referred to collectively as the "**Permitted Encumbrances**").

RESTRICTION TO AFFORDABLE HOUSING USE

1. **Definitions.** Unless a particular word or phrase is otherwise defined or the context otherwise requires, capitalized words and phrases used in this Special Warranty Deed shall have the following meanings:

"Affordable Housing" means

- (i) housing that is for purchase by a family if the housing has an initial purchase price that does not exceed ninety-five (95%) percent of the median purchase price for the type of single family housing (1 to 4 family

residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) for the City of Houston as determined by the Department of Housing and Urban Development (“HUD”) and has an estimated appraised value at acquisition, if standard, or after any repair needed to meet property standards set out in 24 CFR 92.251, that does not exceed ninety-five (95%) percent of the median purchase price described above;

- (ii) housing that is the principal residence of an owner whose family qualifies as a Very Low, Low, or Moderate Income Family at the time of purchase; and
- (iii) housing in which a Qualified Homebuyer is paying no more than thirty percent (30%) of gross income for housing costs, including utilities, at the time of purchase; and
- (iii) housing that is subject, for the Affordability Period, to restrictions or recapture provisions as provided in the Restrictions herein.

“Affordability Period” means the minimum period of time during which a Qualified Homebuyer must own and occupy a particular single-family residence built on the Property (“Affordable Housing Unit”) as his/her principal residence, which period shall be:

- (i) twenty (20) years for Property receiving assistance under this Agreement, provided, however, that if the Qualified Homebuyer receives federal HOME Program assistance in an amount over \$40,000.00, then the Affordability Period shall be twenty-five (25) years; unless,
- (ii) the Zone is no longer in existence, in which case, the period shall end the first day that the Zone is no longer in existence.

“Low Income Family” means a family whose annual income exceeds 50% but does not exceed 80% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Moderate Income Family” means a family whose annual income exceeds 80% but does not exceed 120% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Qualified Homebuyer” means:

- (i) a Very Low Income Family;
- (ii) a Low Income Family; or
- (iii) a Moderate Income Family.

“Very Low Income Family” means a family whose annual income does not exceed 50% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Zone” means Reinvestment Zone Number Two, City of Houston, Texas, a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code.

2. Restrictions. As a material portion of the consideration for this Special Warranty Deed and the conveyance hereinabove set forth, this Special Warranty Deed is executed by Grantor and accepted by Grantee subject to the following restrictions (the “Restrictions”), which are hereby adopted and established for, imposed upon and made applicable to the Property:

(a) The Property, and any improvements constructed on the Property, shall (i) be used exclusively to provide Affordable Housing for a period of not less than the Affordability Period as defined in this Special Warranty Deed, (ii) be owned and occupied by a Qualified Homebuyer at all times during the Affordability Period, (iii) not be used as a rental house, lodging house, rooming house, hotel, "bed and breakfast", listed on AIRBNB or other similar listing services for short-term or long-term lease or rental or for any commercial, business or professional purpose, and (iv) comply with the Project Specifications, attached hereto as **Appendix B**.

(b) Any holder of a first lien deed of trust on any portion of the Property owned by a Qualified Homebuyer (a “First Lien Deed of Trust”), shall provide Grantor with: (i) 30 days written notice prior to pursuing remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and/or (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust.

The Restrictions shall run with the Property, shall be binding on Grantee, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of Grantor, its successors and assigns for the term of the Restrictions.

3. Covenants Running with the Land. All of the agreements, conditions, and restrictions contained in this Special Warranty Deed shall be deemed covenants running with the land and shall inure to the benefit of Grantee as the owner of the Property and each successor owner of any of the Property and the Grantor and its successors and assigns (the “Benefitted Party(ies)”).

4. Reconveyance Right. If at any time during the Affordability Period, the Property is not being used in compliance with the Restrictions, Grantor reserves and shall have the right (the “Reconveyance Right”), but not the obligation, to require Grantee or its successors and assigns to reconvey the Property (together with all improvements thereon and appurtenances thereto) to Grantor. Closing upon such reconveyance transaction shall be completed within 30 days from the date of Grantor's notice to Grantee or its successors and assigns of its election to exercise its Reconveyance Right. The Property shall be reconveyed by Grantee or its successors and assigns free and clear of any and all monetary liens and any other exceptions to title other than the Permitted Encumbrances and such other encumbrances to title that are reasonably acceptable to Grantor. This Reconveyance Right shall automatically terminate upon the expiration of the term of the Restrictions. This Reconveyance Right shall be subordinate to the rights of any holder of a First Lien Deed of Trust on the Property provided such holder of a First Lien Deed of Trust, shall provide Grantor with: (i) 30 days written notice prior to pursuing

remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust prior to the day of foreclosure.

5. Recapture Upon Sale During the Affordability Period. If at any time during the Affordability Period, the Developer or its successors and assigns enters into a contract to sell or otherwise transfers the Property (together with all improvements thereon and appurtenances thereto) either voluntarily or involuntarily to a third party other than the initial Qualified Homebuyer (the "Third Party Purchaser"), Grantor shall recapture from the available net proceeds of such sale an amount equal to THOUSAND DOLLARS AND NO/\$100 (\$ _____) (the "Recapture Amount"). Within 14 business days of receipt of the Recapture Amount, Grantor shall release the Restrictions imposed hereunder. The obligations established under this Special Warranty Deed shall be secured by a Promissory Note and Subordinate Lien Deed of Trust. Available net proceeds are the funds remaining after payment of any superior liens and any closing costs.

6. Right of First Refusal. If, at any time during the Affordability Period (as defined herein) the Grantee or its successors and assigns desires to sell the Property (together with all improvements thereon and appurtenances thereto) to a Third Party Purchaser (as defined herein), Grantee or its successors and assigns shall deliver to the Grantor, at the address provided in Section 12 hereof (or such organization's then current address), written notice specifying the sales price and other relevant terms and conditions of the proposed sale. The Grantor shall have thirty (30) days to notify Grantee or its successors and assigns whether Grantor will exercise its option to purchase the Property at fair market value and under the same terms and conditions, provided that Grantor's offer may include non-material terms and conditions which do not cause any delay or expense to Grantee or its successors and assigns. If Grantor delivers written notice to Grantee or its successors and assigns within such thirty (30) day period that Grantor elects to exercise its option, then Grantee or its successors and assigns shall sell the Property to Grantor at the specified sales price and under the conditions specified by Grantor. If Grantor fails to deliver written notice to Grantee or its successors and assigns within such thirty (30) day period, then Grantor shall be deemed to have elected not to exercise its right of first refusal. The foregoing process shall apply only with respect to Grantor's right of first refusal to buy the Property, and shall not constitute approval of any sale of all or a portion of the Property to any third party for any purpose. Grantee or its successors and assigns shall be bound by the terms and conditions of this Right of First Refusal for each and every new, bonafide offer received by Grantee to purchase all or any part of the property. Notices required by this Section shall be given in accordance with the provisions of Section 12 hereof.

7. Attorneys' Fees. In the event any party or parties shall institute any action or proceeding, excluding any arbitration proceeding, against the other party or parties relating to the provisions of the Restrictions set forth in this Special Warranty Deed, or any default hereunder, then, and in that event, the non-prevailing party or parties in such action or proceeding shall reimburse the prevailing party or parties for the reasonable expenses of attorneys' fees and disbursements incurred in connection with such action or proceeding.

8. Governing Law. The Restrictions shall be governed by and construed in accordance with the laws of the State of Texas.

9. Injunctive Relief. In the event of any violation or threatened violation by any person of any of the terms, restrictions, or conditions of this Special Warranty Deed, any of the Benefitted Parties shall have the right to seek an injunction to enjoin such violation or threatened violation in a court of competent jurisdiction.

10. Waiver of Default. No waiver of any violation of the Restrictions shall be implied from any omission by any Benefitted Party to take any action in respect of such violation if such violation continues or is repeated. No express waiver of any violation shall affect any violation or cover any period of time other than the violation and period of time specified in such express waiver. One or more waivers of any violation of any term contained in this shall not be deemed to be a waiver of any subsequent violation of the same term contained in the Restrictions. The consent or approval by any party to or of any act or request by any other party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests. The rights and remedies given to any party by the Restrictions shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity, which any such party might otherwise have by virtue of a violation under the Restrictions, and the exercise of one such right or remedy by any such party shall not impair such party's standing to exercise any other right or remedy.

11. Amendments. The Restrictions may be amended or modified only by a written instrument executed by all of the then owners of the Property, their respective Mortgagees, if any, and the Grantor. Except as otherwise provided herein, any termination of the Restrictions will require the prior written consent of all owners of the Property, their respective Mortgagees, if any, and the Grantor. Each of such owners will provide the name and address of applicable Mortgagees upon receipt of a written request therefor from any owner seeking to amend the Restrictions. As used in the Restrictions, the term "Mortgagee" means the trustee and beneficiary under a Mortgage, and the term "Mortgage" means any deed of trust encumbering all or any portion of the Property.

12. Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed sufficiently given for all purposes when delivered personally, when sent by certified or registered mail, postage prepaid, return receipt requested or by private courier service, in each case, with the address as indicated below; provided that any such notices, demands or other communications shall be deemed effective only upon receipt. Each party may, by written notice given to the other party, designate any other address or addresses to which notices, demands and other communications to them shall be sent as contemplated in this Special Warranty Deed. Until otherwise so provided, by the respective parties, all notices, demands and communications to each of them shall be addressed as follows:

GRANTOR:

Midtown Redevelopment Authority
410 Pierce Street, Suite 355

Houston, Texas 77002
Attn: Executive Director

GRANTEE:

Houston Habitat for Humanity, Inc.
3750 N. McCarty
Houston, Texas 77029
Attention: Executive Director

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the title to the Property unto the said Grantee, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, BY, THROUGH, OR UNDER GRANTOR, BUT NOT OTHERWISE subject to the Permitted Encumbrances, the Restrictions and the matters herein stated.

[Execution Page to Follow]

EXECUTED this the ____ day of _____, 20__.

“GRANTOR”

MIDTOWN REDEVELOPMENT
AUTHORITY, a public not for profit local
government corporation

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on this ____ day of _____,
20__, by _____, _____ of MIDTOWN
REDEVELOPMENT AUTHORITY, a public not for profit local government corporation, on
behalf of said entity.

Notary Public in and for the State of Texas

My commission expires: _____

[SEAL]

Grantee's Acceptance of Special Warranty Deed

Grantee accepts this Special Warranty Deed and consents to its form and substance. Grantee expressly agrees to the terms and conditions set forth herein and acknowledges that it has read and accepts the obligations imposed on it by the terms hereof. Grantee further acknowledges that the provisions of this Special Warranty Deed are binding on and inure to the benefit of Grantor and Grantee and their respective heirs, successors and assigns.

EXECUTED this _____ day of _____, 20__.

“GRANTEE”

HOUSTON HABITAT FOR HUMANITY, INC., a Texas non-profit corporation

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 20__, by _____, _____ of Houston Habitat for Humanity, Inc., a Texas non-profit corporation, on behalf of said entity.

Notary Public in and for the State of Texas

My commission expires: _____

[SEAL]

Appendix A
to
Special Warranty Deed

Property Description

DRAFT

Appendix B
to
Special Warranty Deed

DRAFT

Exhibit D

*to
Grant Agreement*

Description of Property Being Conveyed to Grantee

Tract 1: (Commonly known as 5820 Grace Lane, Houston, Texas 77021)

A TRACT OF LAND CONTAINING 0.2295 ACRE; BEING LOTS 5 AND 6, BLOCK 1 OF GRIGGS TERRACE ADDITION; AN UNRECORDED SUBDIVISION, OUT OF THE WEST ONE-HALF, OF THE WEST ONE-HALF, OF THE NORTHWEST ONE-FOURTH, OF THE NORTHWEST ONE-FOURTH OF SECTION ONE, IN THE WASHINGTON COUNTY RAILROAD SURVEY, ABSTRACT 936, HARRIS COUNTY, TEXAS; DEEDED TO EDDIE D. JONES AS RECORDED IN CFN 0. P955446, HARRIS COUNTY DEED RECORDS (H.C.D.R.); DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING: at a calculated point, from which a 1 inch iron pipe found bears S 23°47'08° E, a distance of 0.73 feet; said point being the Northwest common corner of herein described tract and the southwest common corner of Lot 4, of the aforesaid Griggs Terrace Subdivision;

THENCE: South 70°00'00" East, a distance of 100.00 feet; along the southeast common line of Lot 4, of the aforesaid subdivision, also called Canaan L. Harris as recorded in CF No. 20110303666, H.C.D.R, and the Northeast common line of herein described tract; to a calculated point, from which a capped iron rod found bears, N 75°17'28" W, a distance of 2.47 feet; being the Northeast corner of herein described tract and the most southerly common corner of the said Harris tract (Lot 4);

THENCE: South 20°00'00" West, a distance of 100.00 feet; along the westerly common line of Grace Lane (50 foot wide right-of-way) and the Southeasterly common line of herein described tract; to a calculated point, from which a 3 inch iron pipe found bears N 34°00'32" E, a distance of 2.36 feet being the Southeast corner of herein described tract and the common northeast corner of Lot 7;

THENCE: North 70°00'00" West, a distance of 100.00 feet; along the northeasterly common line of said Lot 7, also called Dalfred Green, et ux, as recorded in CF No. C804645 H.C.D.R; to a point; being the Southwest corner of herein described tract and the northwest common corner of said Lot 7;

THENCE: North 20°00'00" East, a distance of 100.00 feet; along the southeasterly common line of a tract called 6.294 acres, CES Environmental Services, Inc. as recorded in CF No. V8716559 H.C.D.R. and the Northwesterly common line of herein described tract; to POINT OF BEGINNING, and containing 0.2295 acres, more or less.

Tract 2: (Commonly known as 5049 Ventura Lane, Houston, Texas 77021)

Lot Fifteen (15), in Block Ninety-three (93) of Riverside Terrace, Section 22, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 22, Page 46 of the Map Records of Harris County, Texas.

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 26th day of May, 2022, 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 | Camille Foster | Director |
| 2 | Donald Bond | Director |
| 3 | Vacant | Director |
| 4 | Michael F. Murphy | Director |
| 5 | Al Odom | Chair |
| 6 | Abe S. Goren | Vice Chair |
| 7 | Caton M. Fenz | Assistant Secretary |
| 8 | John Thomas | Director |
| 9 | Zoe Middleton | 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 OR ITS AGENT TO ENTER INTO A GRANT AGREEMENT WITH WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC. 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 _____, 2022.

Secretary, Midtown Redevelopment Authority

RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY OR ITS AGENT TO ENTER INTO A GRANT AGREEMENT WITH WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC. 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 June 7, 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 City for such purpose, and now desires to enter into a grant agreement (the "Grant Agreement"), between and among the Authority, the Zone and William A. Lawson Institute for Peace and Prosperity, Inc. (the "Grantee"), pursuant to which the Authority will convey to the Grantee certain tracts of land in the City, as more particularly described in Exhibit A attached hereto (the "Property"), at a consideration that is less than the fair market value of such land, to be developed as affordable multi-family housing in order to provide decent, safe, sanitary and affordable housing for low and moderate income persons; and

WHEREAS, the Board believes it is in the best interest of the Authority to enter into a Grant Agreement and to convey the Property to the Grantee for the purposes described herein and the Board desires hereby to authorize and approve a Grant Agreement and provide for the conveyance of the Property to the Grantee.

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 authorizes a Grant Agreement including forms of an Unimproved Property Contract and Special Warranty Deed attached thereto, and hereby authorizes the execution by the officers of the Board, or the Executive Director or any agent of the Executive Director with delegated authority, of the Grant Agreement and any Unimproved Property Contract and Special Warranty Deed to be entered into by the Authority pursuant to such Grant Agreement, and authorizes and approves the conveyance of the Property for a consideration of \$10.00, which is less than the fair market value of such land.
3. That the Board hereby further authorizes the officers of the Board, the Executive Director, and Authority staff and consultants to make any necessary modifications and revisions to the Grant Agreement and exhibits thereto. The Board hereby further authorizes the officers of the Board and/or the Executive Director to approve the final terms and conditions and provisions of such Grant Agreement and exhibits thereto as they determine are consistent with the intent and purposes of this Resolution and to take the steps necessary to execute and carry out the terms of such Grant 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 Grant Agreement and the conveyances described therein.

PASSED AND APPROVED this 26th day of May, 2022.

Al Odom
Chair, Midtown Redevelopment Authority

ATTEST:

Caton M. Fenz
Assistant Secretary, Midtown Redevelopment Authority

DRAPET

EXHIBIT A

**Form of
Grant Agreement with
William A. Lawson Institute for Peace and Prosperity, Inc.**

(See attached)

DRAFT

GRANT AGREEMENT

By and Among

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

MIDTOWN REDEVELOPMENT AUTHORITY

and

WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC.

May 26, 2022

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- Exhibit A – Description of Property
- Exhibit B – Form of Unimproved Property Contract
- Exhibit C – Form of Special Warranty Deed

GRANT AGREEMENT

This Grant Agreement (the “Agreement”), dated as of May 26, 2022, 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 WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC. (the “Grantee”), a Texas not for profit corporation (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 plans to develop a multi-family affordable housing project for households headed by persons 55 years of age and older to be located in the southeast section of Houston, Harris County, Texas in an area commonly known as 3rd Ward.

WHEREAS, the Authority owns certain unimproved real property described on **Exhibit A** attached hereto and incorporated herein by reference, which is located in the City.

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**” means that 51% of the Units are leased to lessees (a) whose gross annual income at initial occupancy does not exceed 80% of the Median Income and (b) whose housing costs, including utilities, does not exceed thirty percent (30%) of such lessees’ gross annual income. For purposes of clarification, in the event a resident of a Unit meets the applicable Median Income thresholds of Affordable Housing definition set forth above at the time of Grantee’s underwriting thereof, it shall not be a violation of the terms of these Restrictions if such resident’s Median Income thereafter exceeds the applicable Median Income thresholds during the term of such resident’s lease and occupancy of the Unit (as such lease may be amended, extended or renewed from time to time).

“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 the special warranty deed executed by the Grantor conveying the property to the Grantee with the restrictive covenants contained thereon, and which shall be substantially in the form attached as Exhibit C to this Agreement.

“Grant Project” or “Project” means the development of a multi-family affordable housing project for households headed by persons 55 years of age and older to be located in the southeast section of Houston, Harris County, Texas in an area commonly known as 3rd Ward consisting of approximately 69 one bedroom rental units of affordable housing for seniors, or such other number of rental units as permitted by the City of Houston.

“HUD” means the United States Department of Housing and Urban Development.

“Median Income” means the median income for the area in which the Zone is located, as determined by the Secretary of HUD, with adjustments for smaller and larger families, as of the date this Deed is recorded and thereafter as updated annually by the Secretary of HUD.

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

“Property Grant” means the grant approved pursuant to this Agreement and evidenced by the execution of the Deed conveying the Property to the Grantor.

“Property” means the parcels of real property described in **Exhibit A**, which have been previously acquired by the Grantor and will be granted to the Grantee.

“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 (the “State”) 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 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 perform the obligations 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, the form of which is attached hereto as Exhibit C.

(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 Grant Project.

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

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

ARTICLE III THE GRANT 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 in connection with or upon completion of the Grant Project and upon the performance by the Grantee of its obligations hereunder, as of the date hereof and the date of completion.

(b) The Grant Project shall consist of the development, construction, financing, leasing, ownership and operation of a multi-family rental affordable housing complex for households headed by persons 55 years of age and older containing approximately 69 rental units and certain common areas for supportive services, consistent with the approved specifications (the “Project Specifications”).

(c) Grantee shall prepare or cause to be prepared Project Specifications and submit the same to the Authority’s Representative for approval. The Authority’s Representative shall

promptly approve, reject, or make comments or queries to the Project Specifications. The Project Specifications once approved by the Authority's Representative shall be the Project Specifications for the Grant Project.

(d) Grantee covenants and agrees that:

(i) the Grant 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 to develop and construct the Grant Project described in Section 3.01(b) hereof,

(iii) at least 51% of all rental units within the Grant Project developed on the Property shall qualify as Affordable Housing at all times for a term of not less than the Affordability Period as defined in the Deed.

(iv) upon request by the Executive Director, Grantee shall provide the Authority with reports regarding the Project, including sufficient and complete financial data, occupancy data, as well as any other information reasonably related to the Grant Project to ensure Grantees' compliance with the terms of this Agreement.

(e) Grantee covenants and agrees that the Grant Project shall be used to provide affordable rental housing and certain common areas for supportive services for a term of not less than the Affordability Period as defined in the Deed.

(f) The terms and conditions of this Section 3.01 shall be deemed "covenants running with the land," shall be binding on Grantee, its successors and assigns for the Affordability Period, and shall inure to the benefit of Grantor, its successors and assigns for the duration of Affordability Period. Notwithstanding any provision of the Deed or applicable law to the contrary, this restriction shall automatically terminate without the requirement of further action of any party upon the expiration of the Affordability Period.

Section 3.02. Modification of the Grant Project. The Grant Project may be modified, altered or amended by the Grantee upon written notice to the Grantor; provided that such proposed modifications, alterations or amendments are consistent with the then-current City policy for affordable housing and are approved in writing by the Executive Director or other authorized representative of the Grantor.

Section 3.03. Completion of Grant Project. The Project shall reach completion no later than 36 months from the date of this Grant Agreement, unless otherwise extended. The Grant Project will not be deemed complete until the Authority has received all necessary documentation from the Grantee evidencing completion as described herein, and the Executive Director of the Authority provides written confirmation that the Authority deems the Grant Project completed.

**ARTICLE IV
CONVEYANCE, GRANT 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. In connection herewith, the Authority agrees to execute and record a deed, substantially similar to the Deed attached hereto as **Exhibit C**, in the Harris County Clerk's Records.

Section 4.02. Funding for the Grant Project. The Parties agree that Grantee shall be solely responsible for securing all funding and financing necessary to acquire the Property (including all closing costs and Grantor's legal fees) and develop, construct, lease and operate the Grant 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 Grant 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 Property Grant 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) the 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 Grant 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 name of the City or any other entity providing funding for the Grant Project;

(c) Grantor shall have the right to release information regarding this Property Grant and the Grant Project to any public media including Grantor's various social media platforms. Grantee hereby grants Grantor permission to use any and all information and details (not marked confidential) contained in this Agreement or otherwise provided to Grantor for press releases, public awareness, public reporting, and/or public announcements. Grantee agrees to provide Grantor with an advance copy for review of any press releases, public reporting, and/or public announcements regarding the Grant Project at least forty-eight (48) business hours prior to release of same.

(d) 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;

(e) the Grant Project shall be completed, and the Grantee shall pay or cause to be paid all costs associated with the Grant Project; and

(f) 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 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 18 months of the date of execution hereof;

(b) Grantee fails to complete construction of the Grant Project within 36 months of the date of this Agreement, unless the Completion Date is extended by Grantor;

(c) Grantee is in default under any other agreement related to the Project, including but not limited to any agreements with the City, any tax credit investor agreements and any other grant agreements, as default is defined therein. In the event of any such default, the Grantee shall promptly notify the Grantor of the default within ten (10) days of the default occurring;

(d) Grantee fails to comply with the covenants relating to Affordable Housing further detailed in Section 3.01 and in the Deed;

(e) Grantee fails to comply with any of the covenants detailed throughout this Agreement; and

(f) 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 Grantor under this Agreement, Grantor may exercise the Reconveyance Right or its right to the Recapture Amount, each as created in the Deed and incorporated herein, or Grantor may enforce specific performance of this Agreement, seek actual damages incurred for any such default, terminate this Agreement, and/or enforce any other remedies provided under the Deed. If Grantor 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 the Property to the Grantee.

(b) Upon the occurrence of an Event of Default by the Grantor, 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 Grantor and 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. *Intentionally Deleted.*

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 alleged 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, 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 negotiate a resolution of such dispute or disagreement, which resolution shall be subject to a majority vote of each Parties' board of directors. 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 Grantor.

(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 Grantor, 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 Grantor, Grantee hereby expressly, clearly and unequivocally agrees that the Grantor 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 Grantor 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 Grantor. Work on the Project shall not be delayed or postponed pending

resolution of any disputes or disagreements, except as the Grantor 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 Grantor, the Zone 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:

To Grantee: William A. Lawson Institute for Peace and Prosperity, Inc.
5220 Scott Street, Suite 108
Houston, Texas 77004
Attention: Executive Director

With a copy to: William A. Lawson Institute for Peace and Prosperity, Inc.
P.O. Box 88327
Houston, Texas 77288-0327
Attention: Chairman, Board of Directors

To Grantor: Midtown Redevelopment Authority
410 Pierce Street
Suite 355
Houston, TX 77002
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, Texas 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 may **not** assign its rights and obligations under this Agreement or any interest herein, without the prior written consent of the Grantor. If Grantor consents to any assignment of Grantee's rights and obligations under this Agreement, any such 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; INSURANCE); 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 _____, 2022.

**MIDTOWN REDEVELOPMENT
AUTHORITY**

**WILLIAM A. LAWSON INSTITUTE
FOR PEACE AND PROSPERITY, INC.
a Texas non-profit corporation**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Exhibit A

Legal Description of Property

Tract 1

Tr 21 Abst 75 H Tierwester

(Commonly known as 5134 Grantwood, Houston, Texas 77004, HCAD Account #: 0410310340140)

Tract 2

Tr 20 Abst 75 H Tierwester

(Commonly known as 5141 Grantwood, Houston, Texas 77004, HCAD Account #: 0410310340134)

Tract 3

LT 1 BLK 1 Grantwood Manors

(Commonly known as 0 Grantwood, Houston, Texas 77004, HCAD Account #: 1296710010001)

Tract 4

LT 2 BLK 1 Grantwood Manors

(Commonly known as 0 Grantwood, Houston, Texas 77004, HCAD Account #: 1296710010002)

Tract 5

LT 3 BLK 1 Grantwood Manors

(Commonly known as 0 Grantwood, Houston, Texas 77004, HCAD Account #: 1296710010003)

Exhibit B

Form of Unimproved Property Contract

(See Attached)

DRAFT

UNIMPROVED PROPERTY CONTRACT

1. **PARTIES:** The parties to this contract are MIDTOWN REDEVELOPMENT AUTHORITY, a Texas not-for-profit local government corporation or (Seller) and **WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC.**, a Texas not for profit corporation (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. **PROPERTY: SEE ATTACHED EXHIBIT A**, for a description of parcels of land, together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property). Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.

3. **SALES PRICE:**

A. Cash portion of Sales Price payable by Buyer at closing \$ 10.00

B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ 0.00

C. Sales Price (Sum of A and B) \$ 10.00

D. The Sales Price will be adjusted based on the latest survey obtained under Paragraph 6C. The Sales Price is calculated on the basis of \$ n/a per square foot of total area. "Total area" means the total land area within the perimeter boundaries of the Property. If the Sales Price is adjusted by more than 5% of the stated Sales Price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the Sales Price automatically will be made to the cash portion of the Sales Price payable by Buyer without the necessity of an amendment to this contract.

4. **FINANCING:** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

A. **THIRD PARTY FINANCING:** One or more third party mortgage loans in the total amount of \$ _____ (excluding any loan funding fee or mortgage insurance premium).

(1) **Property Approval:** If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and lender required repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.

(2) **Credit Approval:** (Check one box only)

(a) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.

(b) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

- B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached Texas Real Estate Commission (TREC) Loan Assumption Addendum.
- C. SELLER FINANCING: A Note from Buyer to Seller in the amount of \$ n/a _____, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. **EARNEST MONEY:** Within 3 days after the Effective Date, Buyer must deliver \$0.00 as earnest money to Thomas Hartman as escrow agent, at Old Republic National Title Insurance Company, 1225 North Loop West, Suite 750, Houston, Texas 77008. Buyer shall deliver additional earnest money of \$ n/a to the escrow agent within n/a days after the Effective Date of this contract. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday. **Time is of the essence for this paragraph.** References in this contract to the "**Effective Date**" shall mean and refer to the date the escrow agent receipts this contract after execution by all parties.

6. **TITLE POLICY AND SURVEY:**

- A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Buyer's expense an owner policy of title insurance (Title Policy) issued by Old Republic National Title Insurance Company (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
- (1) Easements, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other matters of record (excluding prior conveyances of the surface estate) in the Official Public Records of Harris County, Texas, which are applicable to the Property.
 - (2) The standard printed exception for standby fees, taxes and assessments.
 - (3) Liens created as part of the financing described in Paragraph 4.
 - (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
 - (5) Visible and apparent easements and other matters not appearing of record, but that are depicted on the survey of the Property and described in the Commitment (hereafter defined).
 - (6) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
 - (7) The standard printed exception as to marital rights.

- (8) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (9) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have this exception amended to read "shortages in area."
- (10) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.
- B. COMMITMENT: Within 20 days after the effective date of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)
- (1) Within 14 days after the Effective date, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit) **If Seller fails to furnish the existing survey or affidavit within the time prescribed, or if the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at Seller's Buyer's expense no later than 3 days prior to Closing Date.**
- (2) Within 30 days after the Effective date, Buyer shall obtain a new survey at Buyer's expense; provided however, if the period of time for delivery of the Commitment and Exception Documents is extended pursuant to Paragraph 6.B., the period of time for obtaining the survey shall be extended for the same period of time. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- (3) Within n/a days after the Effective date, Seller, at Seller's expense shall furnish a new survey to Buyer.
- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (8) above; or disclosed in the Commitment other than items 6A(1) through (10) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions or restrictions which prohibit or impair the following use or activity: development, use and occupancy of the Property for affordable multi-family residential rental housing.
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Buyer must object the earlier of (i) the Closing Date or (ii) 10 days after Buyer receives the Commitment, Exception Documents, and the survey; provided however, if the Commitment, Exception Documents and survey are not delivered to Buyer until the Closing Date, the time for Buyer to object to the same will be automatically extended to 10 days after the Closing Date and the Closing Date will be extended for the period of time for such objections to be made and Seller's cure of such objections as provided below. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) MEMBERSHIP IN PROPERTY OWNERS' ASSOCIATION(S): The Property is is not subject to mandatory membership in a property owners' association(s). If the Property is subject to mandatory membership in a property owners' association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners' association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners' association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners' Association should be used.

- (3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.

- (8) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property is is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.

7. PROPERTY CONDITION:

- A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. The Property shall be restored substantially to its present condition after any such inspections, surveys or tests at Buyer's sole expense. **Buyer hereby indemnifies and holds Seller harmless from any claims, costs, expenses, attorney's fees, bodily injuries, accidents or damage and shall repair any physical damage, to or on the Property caused by Buyer or Buyer's inspections, tests or surveys. Buyer's covenants pursuant to this Section 7.A. shall survive the Closing or any termination of this contract.**

NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

- B. ACCEPTANCE OF PROPERTY CONDITION: (Check one box only)

- (1) Buyer accepts the Property in its present condition.
- (2) Buyer accepts the Property in its present condition provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: _____
_____ (Do not insert general phrases, such as "subject to inspections," that do not identify specific repairs.)

NOTICE TO BUYER AND SELLER: Buyer's agreement to accept the Property in its present condition under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

- C. COMPLETION OF REPAIRS: Unless otherwise agreed in writing, Seller shall not complete any repairs prior to the Closing Date. All required permits must be obtained, and repairs and treatments, if any, must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 15 days, if necessary, for Seller to complete repairs and treatments.

- D. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. During the Option Period, Buyer and Buyer's agents shall have access to the Property to conduct

such tests, assessments and inspections as Buyer deems necessary with respect to environmental matters.

E. SELLER'S DISCLOSURES: Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property.
- (3) any environmental hazards that materially and adversely affect the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

Seller's knowledge shall mean the current actual knowledge of Todd Edwards, Real Estate Asset Manager of Seller, after performing reasonable inspections of his files regarding the Property, but with no further inspections, investigations or inquiries.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements. NONE

9. **CLOSING:**

A. The closing of the sale will be on or before 60 days after the Effective date, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a special warranty deed conveying title to the Property to Buyer substantially in the form and content substantially similar to the Special Warranty Deed attached hereto as **Exhibit B** and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy and any documents required or described in Paragraph 11. Special Provisions.

- (4) There shall be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer, and assumed loans will not be in default.
- (5) If the Property is subject to a lease which will be assumed by Buyer, Seller shall (i) deliver to Buyer the lease(s) and the move-in condition form signed by the tenant, if any, and (ii) transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has received the security deposit and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

10. **POSSESSION:** Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

11. **SPECIAL PROVISIONS:**

A. Within 14 days after the effective date, Seller shall deliver to Buyer copies of the following items, to the extent that the items are in Seller's possession or are readily available to Seller: (1) all leases pertaining to the Property, including all modifications thereto; (2) all licenses and permits related to the Property; (3) utility capacity letters from the Property's water and sewer service provider; (4) all previous environmental assessments or studies; and (5) all surveys and plats of the Property.

B. The Property, and any improvements constructed on the Property, shall (i) be solely used to provide Affordable Housing for a period of not less than the Affordability Period as defined in the Form of Special Warranty Deed attached hereto as **Exhibit B** and (ii) comply with the Project Specifications, attached to the Form of Special Warranty Deed as **Appendix B**. The restrictions contained in (i) and (ii) of this sub-paragraph B, (collectively the "Restrictions") shall run with the Property, shall be binding on the Buyer, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of the Seller, its successors and assigns for the term of the Restrictions.

C. Buyer may **not** assign this contract without the written consent of Seller.

D. Buyer, at Buyer's expense, may conduct a Phase I environmental assessment of the Property and any other tests, inspections or assessments related to environmental matters of the Property (collectively, the Phase I) during the Option Period and as provided in Paragraphs 7.A and 7.D. If Buyer gives Seller written notice of termination of this contract based on matters disclosed in the Phase I or other environmental tests, inspections or assessments of the Property, Buyer shall provide Seller with a copy of the Phase I with the written notice of termination.

E. Notwithstanding anything herein to the contrary, Buyer agrees to pay all costs of Closing, including Seller's attorney fees, provided however, such attorney fees shall not exceed \$15,000.00.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed \$ n/a to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; owner title policy and any endorsements or modifications thereto, loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; escrow fees; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. Obligations imposed by this paragraph will survive closing.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Buyer may (a) terminate this contract and the earnest money will be

refunded to Buyer or (b) accept the Property in its damaged condition without reduction to the Sales Price.

- 15. DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default after the expiration of 10 days' notice and opportunity to cure, and Seller then may (a) seek such relief as may be provided at law or in equity or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default after the expiration of 10 days' notice and opportunity to cure, and Buyer then may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract.
- 16. MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.
- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.
- 18. ESCROW:**
- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
- B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
- C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.
- D. **NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. **REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back-up offers.
20. **FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by the Internal Revenue Code and regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.
21. **NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows and to the attorney representing each party, if any, designated in Paragraph 25:

To Buyer at:

WILIAM A. LAWSON INSTITUTE FOR
PEACE AND PROSPERITY, INC.
5220 Scott Street, Suite 108
Houston, Texas 77004
Telephone: (713) 741-3603

Facsimile _____

Email: clawson@walipp.org

To Seller at:

MIDTOWN REDEVELOPMENT AUTHORITY
410 Pierce St., Suite 355
Houston, Texas 77002

Telephone: (713) 526-7577

Facsimile: (713) 526-7519

Email: kandis@houstonmidtown.com &
todde@houstonmidtown.com

22. **AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- | | |
|--|---|
| <input type="checkbox"/> Third Party Financing Addendum for Credit Approval | <input type="checkbox"/> Addendum for "Back-Up" Contract |
| <input type="checkbox"/> Seller Financing Addendum | <input type="checkbox"/> Addendum for Coastal Area Property |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners' Association | <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal |
| <input type="checkbox"/> Buyer's Temporary Residential Lease | <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Seller's Temporary Residential Lease | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals | <input type="checkbox"/> Addendum for Sale of Other Property by Buyer |

Other (list): Form of Special Warranty Deed.

- 23. TERMINATION OPTION:** For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$100.00 (Option Fee) within 3 days after the Effective Date, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 15 days after the effective date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination under this Paragraph 23 within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**
- 24. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts this offer by 5:00 p.m. Central Standard Time on _____, the offer will lapse and become null and void.
- 25. CONSULT AN ATTORNEY:** TREC rules prohibit real estate licensees from giving legal advice **READ THIS CONTRACT CAREFULLY.** If you do not understand the effect of this contract, consult an attorney **BEFORE** signing.

Buyer's Attorney is:

Telephone: () _____

Facsimile () _____

E-mail: _____

Seller's Attorney is:

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

Telephone: (713) 526-6404 _____

Facsimile: (832) 615-3410 _____

Email: pforeman@burneyandforeman.com _____

EXECUTED the _____ day of _____, 20___. (BROKER: FILL IN DATE OF FINAL ACCEPTANCE.)

BUYER:

WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC.

By: _____

Name: _____

Title: _____

SELLER:

MIDTOWN REDEVELOPMENT AUTHORITY

By: _____

Name: _____

Title: _____

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BROKER INFORMATION

Other Broker Firm _____ License No. _____

Represents Buyer only as Buyer's agent
 Seller as Listing Broker's subagent

Licensed Supervisor of Associate _____ Telephone _____

Associate _____ Telephone _____

Other Broker's Address _____ Facsimile _____

City _____ State _____ Zip _____

Associate Email Address _____

Listing Broker Firm _____ License No. _____

Represents Seller and Buyer as an intermediary
 Seller only as Seller's agent

Licensed Supervisor of Listing Associate _____ Telephone _____

Listing Associate _____ Telephone _____

Listing Broker's Office Address _____ Facsimile _____

City _____ State _____ Zip _____

Listing Associate's Email Address _____

Selling Associate Telephone _____

Selling Associate's Office Address Facsimile _____

City _____ State _____ Zip _____

Selling Associate's Email Address _____

Listing Broker has agreed to pay Other Broker _____% of the total sales price when the Listing Broker's fee is received. Escrow Agent is authorized and directed to pay other Broker from Listing Broker's fee at closing.

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of Contract and \$ _____ Earnest Money in the form of _____ is acknowledged.

Title Company: Old Republic National Title Insurance Company

By: _____
 Thomas Hartman, Escrow Agent/Officer

Address: 1225 North Loop West, Suite 750

Houston Texas 77008
 City State Zip

Date: _____

Email Address: _____

Telephone: 713-766-7192

Facsimile: 713-583-7930

Exhibit A

to
Unimproved Property Contract

Property Description

Tract 1

Tr 21 Abst 75 H Tierwester

(Commonly known as 5134 Grantwood, Houston, Texas 77004, HCAD Account #: 0410310340140)

Tract 2

Tr 20 Abst 75 H Tierwester

(Commonly known as 5141 Grantwood, Houston, Texas 77004, HCAD Account #: 0410310340134)

Tract 3

LT 1 BLK 1 Grantwood Manors

(Commonly known as 0 Grantwood, Houston, Texas 77004, HCAD Account #: 1296710010001)

Tract 4

LT 2 BLK 1 Grantwood Manors

(Commonly known as 0 Grantwood, Houston, Texas 77004, HCAD Account #: 1296710010002)

Tract 5

LT 3 BLK 1 Grantwood Manors

(Commonly known as 0 Grantwood, Houston, Texas 77004, HCAD Account #: 1296710010003)

Exhibit B

to

Unimproved Property Contract

Form of Special Warranty Deed

[See attached]

DRAFT

Exhibit C

Form of Special Warranty Deed

(See Attached)

DRAFT

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

KNOW ALL MEN BY THESE PRESENTS:

THAT **MIDTOWN REDEVELOPMENT AUTHORITY**, a Texas non-profit local government corporation (“*Grantor*”), whose address is 410 Pierce Street, Suite 355, Houston, Texas 77002 for and in consideration of the sum of TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, and CONVEYED and by these presents does GRANT, BARGAIN, SELL, AND CONVEY unto **WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC.**, a Texas non-profit corporation, created and organized under the laws of the State of Texas (“Grantee or Developer”), whose address is 5220 Scott Street, Suite 108, Houston, Texas 77004, those certain tracts or parcels of land in Harris County, Texas more particularly described in **Appendix A** attached hereto and incorporated herein by this reference, together with all improvements thereon and all rights and interests appurtenant thereto (such land, improvements, rights and interests are hereinafter collectively referred to as the “Property”).

This Special Warranty Deed (the “*Deed*”) and the conveyance hereinabove set forth is executed by Grantor and accepted by Grantee subject to the following matters (hereinafter referred to collectively as the “*Permitted Encumbrances*”):

- a. All easements, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other matters of record (excluding prior conveyances of the surface estate) in the Official Public Records of Harris County, Texas which are applicable to and enforceable against the Property;
- b. Any discrepancies, conflicts or shortages in area or boundary lines or any encroachments or any overlapping of improvements which a current survey of the Property would show;
- c. Visible or apparent easements which encumber or affect the Property and do not appear of record in the Official Public Records of Harris County, Texas; and
- d. Ad valorem taxes and assessments applicable to the Property for the current year, if any.

This Deed is additionally executed by Grantor and accepted by Grantee subject to the use restrictions set forth below which shall encumber the Property and constitute covenants running with the land (the “*Restrictions*”).

RESTRICTION TO AFFORDABLE HOUSING USE

1. Definitions. Unless a particular word or phrase is otherwise defined or the context otherwise requires, capitalized words and phrases used in this Deed shall have the following meanings:

“*Affordable Housing*” means that 51% of the Units are leased to lessees (a) whose gross annual income at initial occupancy does not exceed 80% of the Median Income and (b) whose housing costs, including utilities, does not exceed thirty percent (30%) of such lessees’ gross annual income. For purposes of clarification, in the event a resident of a Unit meets the applicable Median Income thresholds of Affordable Housing definition set forth above at the time of Grantee’s underwriting thereof, it shall not be a violation of the terms of these Restrictions if such resident’s Median Income thereafter exceeds the applicable Median Income thresholds during the term of such resident’s lease and occupancy of the Unit (as such lease may be amended, extended or renewed from time to time).

“*Affordability Period*” means the minimum period of time during which the Restrictions apply to the occupied residential units to be built on the Property (“*Units*”), which period shall be forty (40) years after the date this Deed is recorded, unless the Zone is no longer in existence, in which case, the period shall end the first day that the Zone is no longer in existence.

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

“*Median Income*” means the median income for the area in which the Zone is located, as determined by the Secretary of HUD, with adjustments for smaller and larger families, as of the date this Deed is recorded and thereafter as updated annually by the Secretary of HUD.

“*Zone*” means Reinvestment Zone Number Two, City of Houston, Texas, a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code.

2. Restrictions. As a material portion of the consideration for this Deed and the conveyance hereinabove set forth, this Deed is executed by Grantor and accepted by Grantee subject to the following Restrictions which are hereby adopted and established for, imposed upon and made applicable to the Property:

The Property, and any improvements constructed on the Property, shall be used to provide Affordable Housing for a period of not less than the Affordability Period as defined in this Deed. The Restrictions shall run with the Property, shall be binding on Grantee, its successors and assigns for the Affordability Period, and shall inure to the benefit of Grantor, its successors and assigns for the Affordability Period. Notwithstanding any provision of this Deed or applicable law to the contrary, these Restrictions shall automatically terminate without the requirement of further action of any party upon the expiration of the Affordability Period.

3. Covenants Running with the Land. All of the agreements, conditions, and restrictions contained in this Deed shall be deemed covenants running with the land and shall inure to the benefit of Grantee as the owner of the Property and each successor owner of any of the Property and the Grantor.

4. Reconveyance Right. If during the Affordability Period the Reconveyance Right Trigger Event occurs, Grantor reserves and shall have the right (the “**Reconveyance Right**”), but not the obligation, to require Grantee to reconvey the Property (together with all improvements thereon and appurtenances thereto) to Grantor in accordance with the terms and conditions of this Section 4.

(a) For purposes hereof, “**Reconveyance Right Trigger Event**” shall mean the failure of Grantee to complete the construction of the Units by May 26, 2025 (the “**Completion Date**”). For purposes of this Deed, completion of construction of the Units shall mean that construction of the Units is substantially complete and Grantee has obtained all permits and governmental authorizations required by applicable law for the use and occupancy of the Units, which shall be deemed satisfied by Grantee’s receipt of a temporary certificate of occupancy (or local equivalent).

(b) Upon the occurrence of a Reconveyance Right Trigger Event, Grantor may elect to exercise the Reconveyance Right by giving written notice to Grantee (to be delivered by hand or by national overnight carrier to the address set forth in the introductory paragraph of this Deed). Closing under the valid exercise of the Reconveyance Right shall be completed within thirty (30) days from the date of Grantor’s notice to Grantee of its election to exercise its Reconveyance Right. Such closing shall occur at Grantor’s option, at the offices of the Grantor’s legal counsel or at a title company selected by Grantor, and at closing, the Property shall be reconveyed by Grantee to Grantor by special warranty deed, subject only to the Permitted Encumbrances and the Restrictions, but otherwise free and clear of any and all monetary liens and encumbrances incurred or permitted by Grantee. In the event Grantee fails to comply with the terms of this subparagraph (b) upon the valid exercise of the Reconveyance Right, Grantor shall have the right to pursue an action for specific performance of Grantee’s obligation to close in accordance with this Section 4 (b).

(c) The Reconveyance Right is and shall be subject and subordinate to any indebtedness secured by a first lien mortgage encumbering all of the Land (“**First Lien Mortgage**”) without the requirement for further action or documentation of any party to this Deed or the beneficiary of such First Lien Mortgage (“**First Lien Mortgagee**”). Without limiting the generality of the foregoing, in the event Grantee incurs any such First Lien Mortgage, Grantee or the First Lien Mortgagee may give Grantor written notice thereof, and upon receipt of such notice, Grantor agrees to the following: (i) deliver any notices given by Grantor to Grantee hereunder simultaneously to such First Lien Mortgagee, (ii) afford any such First Lien Mortgagee an additional sixty (60) days beyond the notice and cure periods set forth herein to cure any default by Grantee under the Restrictions, (iii) accept performance by any such First Lien Mortgagee of any of Grantee’s cure rights hereunder as performance by Grantee, and (iv) enter into an estoppel certificate or subordination agreement, in form acceptable to Grantor, within thirty (30) days after

written request by Grantee or such First Lien Mortgagee (which notice shall be accompanied by such First Lien Mortgagee's proposed reasonable form thereof).

(d) The Reconveyance Right (i) is personal to Grantor, (ii) shall not be assignable by Grantor except to the City of Houston, and (iii) shall automatically terminate upon the completion of construction of the Units without further action of the parties burdened or benefited thereby. Without limiting the foregoing, upon the request of either party hereto after the completion of construction of the Units, the other shall promptly execute and deliver (and have notarized) an acknowledgement of the completion of construction of the Units and the termination of the Reconveyance Right in recordable form.

(e) Grantor agrees not to exercise the Reconveyance Right if the construction of the Units is not completed by Completion Date due to the occurrence of a Force Majeure Event (hereafter defined) provided that Grantee resumes and diligently pursues the completion of the construction of the Units after the Force Majeure Event has abated. "**Force Majeure Event**" shall mean any period or periods of delay caused by strikes, lockouts or other labor disputes; fire or other casualty; storms, floods or other inclement weather; terrorism, riots, insurrection or demonstrations; or any other causes (other than financial) beyond the reasonable control of the Grantee.

5. Recapture Upon Sale During the Affordability Period. As herein limited, if at any time during the Affordability Period, the Grantee or its successors and assigns conveys the Property under a contract to sell which includes the release of the Restrictions as a condition of such contract or otherwise transfers the Property (together with all improvements thereon and appurtenances thereto) either voluntarily or involuntarily without the transfer being made subject to the Restrictions, Grantor shall recapture from the available net proceeds of such sale an amount equal to the fair market value of the **land** as of the date of such conveyance or other transfer as determined by an independent appraisal (the "Recapture Amount"). Within 14 business days of receipt of the Recapture Amount, Grantor shall release the Restrictions imposed hereunder. Available net proceeds are the funds remaining after payment of any superior liens and any closing costs. Payment of a Recapture Amount under this Section 5 is not required for any transfer made expressly subject to the Restrictions remaining in effect for the Affordability Period following such transfer.

6. Right of First Refusal. If, at any time during the Affordability Period (as defined herein) the Grantee or its successors and assigns desires to sell the Property (together with all improvements thereon and appurtenances thereto) to a third party, Grantee or its successors and assigns shall deliver to the Grantor, at the address provided in Section 12 hereof (or such organization's then current address), written notice specifying the sales price and other relevant terms and conditions of the proposed sale. The Grantor shall have thirty (30) days to notify Grantee or its successors and assigns whether Grantor will exercise its option to purchase the Property at fair market value and under the same terms and conditions, provided that Grantor's offer may include non-material terms and conditions which do not cause any delay or expense to Grantee or its successors and assigns. If Grantor delivers written notice to Grantee or its successors and assigns within such thirty (30) day period that Grantor elects to exercise its option, then Grantee or its successors and assigns shall sell the Property to Grantor at the specified sales price and under

the conditions specified by Grantor. If Grantor fails to deliver written notice to Grantee or its successors and assigns within such thirty (30) day period, then Grantor shall be deemed to have elected not to exercise its right of first refusal. The foregoing process shall apply only with respect to Grantor's right of first refusal to buy the Property, and shall not constitute approval of or consent to any sale of all or a portion of the Property to any third party for any purpose. Grantee or its successors and assigns shall be bound by the terms and conditions of this Right of First Refusal for each and every new, bonafide offer received by Grantee to purchase all or any part of the property. Notices required by this Section shall be given in accordance with the provisions of Section 12 hereof.

7. Attorney's Fees. In the event any Party or Parties shall institute any action or proceeding, excluding any arbitration proceeding, against the other Party or Parties relating to the provisions of these Restrictions, then, and in that event, the non-prevailing Party or Parties in such action or proceeding shall reimburse the prevailing Party or Parties for the reasonable expenses of attorney's fees and disbursements incurred in connection with such action or proceeding.

8. Governing Law. The Restrictions shall be governed by and construed in accordance with the laws of the State of Texas.

9. Remedies. After completion of construction of the Units and during the Affordability Period, in the event the Property fails to be used or operated to provide Affordable Housing for a period of greater than 180 days after written notice by Grantor to Grantee (and any First Lien Mortgagee, if applicable), Grantor shall have the right to seek (a) an injunction to enjoin the future leasing of the Units to residents who do not meet the Median Income thresholds of Affordable Housing definition set forth above, or (b) any and all other remedies at law or in equity to which Grantor is entitled. Notwithstanding any provision hereof to the contrary, (x) in no event shall Grantor be entitled to seek damages or other legal or equitable remedies for a violation of the Restrictions, unless Grantee violates the Restrictions for a period of greater than 180 days after written notice by Grantor to Grantee (and any First Lien Mortgagee, if applicable); (y) any claim for damages arising from a violation of the Restrictions shall be limited to actual damages, and (z) in no event shall any party to this Deed be subject to a claim for punitive, special or consequential damages.

10. Waiver of Default. No waiver of any violation of the Restrictions shall be implied from any omission by any benefited party to take any action in respect of such violation if such violation continues or is repeated. No express waiver of any violation shall affect any violation or cover any period of time other than the violation and period of time specified in such express waiver. One or more waivers of any violation of any term contained in this shall not be deemed to be a waiver of any subsequent violation of the same term contained in the Restrictions. The consent or approval by any party to or of any act or request by any other party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests. The rights and remedies given to any party by the Restrictions shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity, which any such party might otherwise have by virtue of a violation under the Restrictions, and the exercise of one such right or remedy by any such party shall not impair such party's standing to exercise any other right or remedy.

11. Amendments. The Restrictions may be amended or modified only by a written instrument executed by all of the then owners of the Land, their respective First Lien Mortgagees, if any, and the Grantor or its successors and assigns. Any early termination of the Restrictions (as opposed to termination upon expiration of the Affordability Period) will require the prior written consent of all owners of the Land, their respective First Lien Mortgagees, if any, and the Grantor or its successors and assigns. Each of such owners will provide the name and address of applicable First Lien Mortgagees upon receipt of a written request therefor from any owner seeking to amend the Restrictions or from Grantor or its successors and assigns.

12. Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed sufficiently given for all purposes when delivered personally, when sent by certified or registered mail, postage prepaid, return receipt requested or by private courier service, in each case, with the address as indicated below; provided that any such notices, demands or other communications shall be deemed effective only upon receipt. Each party may, by written notice given to the other party, designate any other address or addresses to which notices, demands and other communications to them shall be sent as contemplated in this Special Warranty Deed. Until otherwise so provided, by the respective parties, all notices, demands and communications to each of them shall be addressed as follows:

GRANTOR:

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002
Attn: Executive Director

GRANTEE:

WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC.
5220 Scott Street, Suite 108
Houston, Texas 77004
Attention: Executive Director

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the title to the Property unto the said Grantee, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, BY, THROUGH, OR UNDER GRANTOR, BUT NOT OTHERWISE subject to the Permitted Encumbrances, the Restrictions and the matters herein stated.

THE PROPERTY IS BEING ACQUIRED “AS IS, WHERE IS, AND WITH ALL FAULTS. GRANTOR MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, VALUE OR QUALITY OF ANY OF THE PROPERTY, OR THE USE OR SUITABILITY THEREOF

FOR ANY INTENDED PURPOSE, OR THE ABSENCE OF ANY LATENT OR PATENT DEFECTS THEREIN. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED BY THE PARTIES HERETO AFTER DUE CONSIDERATION AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED OR STATUTORY, WITH RESPECT TO THE PROPERTY AND RIGHTS THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT, OR OTHERWISE. GRANTEE HAS BEEN GIVEN THE OPPORTUNITY TO PERFORM THE DUE DILIGENCE IT DEEMS NECESSARY IN ORDER TO MAKE AN INFORMED DECISION AS TO WHETHER TO ACQUIRE THE PROPERTY.

Ad valorem taxes on the Property, if any, for the year in which this Deed is recorded (“*Current-Year Taxes*”) have been prorated as of the date hereof, with Grantor giving a credit to Grantee of its proportionate share of any such Current-Year Taxes. Grantee, by its acceptance of this Special Warranty Deed assumes the payment of any Current-Year Taxes, taxes for subsequent years, and, solely to the extent the same are due to Grantee’s change in usage of the Property, any ad valorem taxes on the Property for years prior to the Current-Year Taxes; provided, however, Grantee by its acceptance of this Special Warranty Deed does not assume payment of any ad valorem taxes on the Property for prior years due to changes in land usage of the Property by Grantor or denial of a special use valuation on the Property claimed by Grantor, nor delinquent taxes for any year prior to Current-Year Taxes, each of which shall remain the obligation of Grantor.

[Execution Pages to Follow]

EXECUTED this the ____ day of _____, 20__.

GRANTOR

MIDTOWN REDEVELOPMENT
AUTHORITY, a Texas non-profit local government
corporation

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on this ____ day of _____, 20__, by _____ of MIDTOWN REDEVELOPMENT AUTHORITY, a Texas non-profit local government corporation, on behalf of said entity.

Notary Public in and for the State of Texas

My commission expires: _____

[SEAL]

Grantee's Acceptance of Special Warranty Deed

Grantee accepts this Special Warranty Deed and consents to its form and substance. Grantee expressly agrees to the terms and conditions set forth herein and acknowledges that it has read and accepts the obligations imposed on it by the terms hereof. Grantee further acknowledges that the provisions of this Special Warranty Deed are binding on and inure to the benefit of Grantor and Grantee and their respective heirs, successors and assigns.

EXECUTED this _____ day of _____, 20__.

GRANTEE:

WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC., a Texas non-profit corporation

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 20__, by _____ of WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC., a Texas non-profit corporation, on behalf of said entity.

Notary Public in and for the State of Texas

My commission expires: _____

[SEAL]

Appendix A
to
Special Warranty Deed

Property Description

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Appendix B
to
Special Warranty Deed

Project Specifications

[TO BE UPDATED]

WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, INC. shall construct approximately 69 one bedroom units of affordable rental housing for households headed by persons 55 years of age and older on the Property. Construction shall be in accordance with Plans and Specifications approved by the Executive Director of Midtown Redevelopment Authority or his authorized representative.

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 26th day of May, 2022, 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 | Camille Foster | Director |
| 2 | Donald Bond | Director |
| 3 | Vacant | Director |
| 4 | Michael F. Murphy | Director |
| 5 | Al Odom | Chair |
| 6 | Abe S. Goren | Vice Chair |
| 7 | Caton M. Fenz | Assistant Secretary |
| 8 | John Thomas | Director |
| 9 | Zoe Middleton | 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 OR ITS AGENT TO ENTER INTO A PARKING MANAGEMENT AGREEMENT WITH WINPARK MANAGEMENT, LLC. PROVIDING FOR THE OPERATION AND MANAGEMENT OF THE AFFORDABLE HOUSING OPERATIONS CENTER PARKING GARAGE IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AUTHORIZING THE AUTHORITY OR ITS AGENT TO TAKE ALL NECESSARY ACTIONS REGARDING SAME; AND APPROVING VARIOUS FINDINGS AND OTHER MATTERS INCIDENTAL TO SUCH AGREEMENT

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 _____, 2022.

Secretary, Midtown Redevelopment Authority

RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY OR ITS AGENT TO ENTER INTO A PARKING MANAGEMENT AGREEMENT WITH WINPARK MANAGEMENT, LLC. PROVIDING FOR THE OPERATION AND MANAGEMENT OF THE AFFORDABLE HOUSING OPERATIONS CENTER PARKING GARAGE IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AUTHORIZING THE AUTHORITY OR ITS AGENT TO TAKE ALL NECESSARY ACTIONS REGARDING SAME; AND APPROVING VARIOUS FINDINGS AND OTHER MATTERS INCIDENTAL TO SUCH AGREEMENT

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 June 7, 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 previously authorized the construction by the Authority of the Affordable Housing Operations Center, a 5-story office building containing approximately 58,000 net rentable square feet, located at 3131 Emancipation Avenue, Houston, Texas 77004 and commonly known as One Emancipation Center (the “AHOC”), for the purpose of furthering affordable housing and economic development and achieving the goals of the Project Plan (the “AHOC Mission”); and

WHEREAS, the Board has previously authorized the construction by the Authority of a multi-level parking garage containing approximately 200 parking spaces (the “Parking Garage”) to provide on-site parking for the AHOC, as well as additional off-site parking for Emancipation Park and the Emancipation Avenue economic corridor; and

WHEREAS, the Board has determined that it is in the best interest of the Authority to enter into a parking management agreement to operate and manage the Parking Garage; and

WHEREAS, the Board now desires to enter into a parking management agreement to operate and manage the Parking Garage.

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 authorizes a Parking Management Agreement substantially in the form attached hereto as Exhibit A. Further, the Board hereby authorizes the execution by the officers of the Board, or the Executive Director or any agent of the Executive Director with delegated authority, of the Parking Management Agreement.
3. That the Board hereby further authorizes the officers of the Board, the Executive Director, and Authority staff and consultants to make any necessary modifications and revisions to the Parking Management Agreement. The Board hereby further authorizes the officers of the Board and/or the Executive Director to approve the final terms and conditions and provisions of such Parking Management Agreement as they determine are consistent with the intent and purposes of this Resolution and to take the steps necessary to execute and carry out the terms of such Parking Management Agreement, including the payment of any associated costs and legal fees, and to execute any certificates, receipts, affidavits, notices and necessary related documents pertaining to the Parking Management Agreement.

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PASSED AND APPROVED this 26th day of May, 2022.

Al Odom
Chair, Midtown Redevelopment Authority

ATTEST:

Caton M. Fenz
Assistant Secretary, Midtown Redevelopment Authority

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EXHIBIT A

Form of Parking Management Agreement with WinPark Management, LLC.

(See attached)

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PARKING MANAGEMENT AGREEMENT

THIS AGREEMENT (the “Agreement”) entered into as of this ___ day of May 2022, by and between Midtown Redevelopment Authority, a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code (the “Owner”), which has an office located at 410 Pierce Street, Suite 355, Houston, Texas 77002 and is the Owner of the parking garage known as 3131 Emancipation (the “Parking Facility” or the “Garage”) located at 3131 Emancipation Avenue, Houston, Texas 77004 and Winpark Management, LLC, a Delaware limited liability company having its place of business at 1001 McKinney Street, Suite 450, Houston, Texas 77002 (“Winpark”). Owner and Winpark shall be collectively known as the “Parties” or singularly as a “Party.” In consideration of the mutual agreements and conditions set forth in this Agreement, the Parties hereby agree as follows:

WITNESSETH:

1. Agreement Purpose. Owner hereby contracts with Winpark under the terms, conditions, and provisions set forth in this Agreement for Winpark to provide first-class and professionally operated parking facility management (as defined further in Section 4 below, collectively the “Services”) for the Parking Facility. The Parking Facility currently has two hundred (200) on-site parking spaces available for Winpark to provide the Services.

2. Term. This Agreement shall commence June 1, 2022 and shall continue until May 21, 2025 (the “Term”). Upon expiration of the term provided there are not unresolved disputes or uncured defaults and this Agreement has not been terminated, this Agreement shall automatically be extended upon the same terms and conditions, covenants and provisions as set forth herein for additional and consecutive one (1) year extension terms unless and until written notice of non-renewal is given by either party no less than thirty (30) days prior to the expiration of the initial Term or then current extension term.

3. Termination. Either party may terminate this Agreement under the following circumstances:

- a. Either party may terminate this Agreement without cause and without penalty, given thirty (30) days prior written notice to the other party;
- b. Either party may terminate this Agreement in the event the other party files a voluntary petition or similar pleading for bankruptcy, insolvency, receivership or makes an assignment for the benefit of creditors, with such termination to be effective upon giving notice;
- c. Upon the breach by the other party of any covenant, term or condition hereof provided the breaching party first receives written notice of such breach and fails to remedy same as follows: i) within fifteen (15) days if a monetary breach; ii) within thirty (30) days if a non-monetary breach.

4. Winpark’s Obligations and Services.

- a. The “Services” shall include, but not be limited to the following: (1) 24 hours a day 7 days a week commercial parking facility management, (2) parking facility cleaning and porter services, (3) remote parking facility management via Cloud Park, (4) payroll and staffing management, (5) rate strategy and revenue management for monthly parking and transient

parking, (6) developing and deploying marketing strategy for the Parking Facility, and (7) addressing parking customer complaints, requests and inquiries.

- b. Winpark Services will be operated by uniformed attendants. Uniforms will be provided by Winpark and will be kept and maintained in a clean, pressed and tidy manner. Winpark employees shall be clean and professional in appearance, shall speak sufficient English for effective communication and shall treat all parking patrons in a professional, courteous manner.
- c. Winpark shall provide Services in a prompt and safe manner. Self-Park services and remote management services via Cloud Park shall be available to Owner's patrons twenty-four (24) hours per day seven (7) days per week. Porter services will be available from 7:00 am to 10:00 am, Monday through Friday.
- d. Winpark shall provide remote parking management services to the Parking Facility via Winpark's Cloud Park Remote Management service as further described in Schedule "D," attached to the Agreement and incorporated by reference herein. Owner shall participate in the Cloud Park Silver plan.
- e. Winpark shall be available to conduct bi-weekly meetings with Owner or its principal representatives, to facilitate communication and address concerns upon request.
- f. Winpark shall manage, direct, supervise, promote and operate the Services and shall perform all necessary and customary duties in connection therewith in conformity with good commercial practices that are customary within the industry. Winpark shall provide courteous, efficient and prompt service to the Parking Facility patrons. Without limiting the foregoing, Winpark agrees to observe and comply with, and cause its employees to observe and comply with, all reasonable written rules and regulations adopted from time to time by the Owner with respect to the Services, provided such rules and regulations are communicated in advance to Winpark.
- g. Winpark shall recruit, employ, train and properly supervise all employees necessary for the smooth and efficient operation of the Services pursuant to this Agreement and in a manner that is customary to the industry. Winpark shall provide staffing levels to be mutually agreed to by the Parties. Additional staff shall be provided as needed to accommodate fluctuations in business, as mutually agreed upon by the Owner and Winpark.
- h. Standards of Conduct: All employees of Winpark shall conduct themselves in a manner consistent with the standards, quality and image of the Parking Facility. Owner in its sole discretion, from time to time, may require Winpark to remove an employee from providing services at the Parking Facility as Owner delegates.
- i. Non-Discrimination: All parties affirm that they each shall comply with all applicable laws and regulations prohibiting employment discrimination in the performance of this Agreement.
- j. Licenses and Permits: Winpark shall comply with and observe all applicable federal, state and local laws and regulations. Winpark shall procure all license and permits required to

provide the Services, except for any applicable parking facility licenses which shall be the responsibility of Owner.

5. Owner's Obligations.

- a. Owner, its management, employees and agents, shall at all times use reasonable efforts to facilitate, assist and promote the services provided by Winpark.
- b. Rates for all parking at the Parking Facility shall be controlled by Owner; such rates shall not be varied without written notice and subsequent approval by Winpark.
- c. Any structural, mechanical, electrical or other installations or any alterations required by statutes or regulations pertaining to air quality, environmental protection, provisions for persons with disabilities or other similar governmental requirements shall be the sole responsibility of Owner.
- d. Owner shall be responsible for all snow and ice removal and/or mitigation in and around the Parking Facility. Owner shall also be responsible for all normal maintenance and repairs of the Parking Facility and repairs of a structural nature.

6. Definition of Gross Revenues, Operating Expenses and Net Operating Income. Gross Revenues, Operating Expenses and Net Operating Income are defined as follows:

- a. "Gross Revenues" shall include all parking revenues, if any, derived by Winpark or Owner from the Services. Any Gross Revenue from the Services collected directly by Owner shall be accurately reported to Winpark.
- b. "Operating Expenses" shall include all ordinary direct expenses of operating the Services at the Parking Facility, including, but not limited to:
 - i. Wages of personnel assigned to the Services including supervisors, parking attendants, maintenance personnel, cloud park employees, clerical, audit staff, and any security or off-duty police officers allocated for the Parking Facility as needed;
 - ii. Labor Burden costs which shall include the costs of employee monetary fringe benefits, health insurance, severance, pension costs, paid time off and statutorily required payments for workers' compensation insurance, unemployment insurance and social security of wages listed in 6.b.i;
 - iii. General business services costs of the wages listed in 6.b.i;
 - iv. Related telephone and data expenses of the Services;
 - v. Taxes, other than franchise taxes on income or profits, related to the Services;
 - vi. Licenses and permits required for Services;
 - vii. Advertising, marketing and promotion costs;
 - viii. The costs of insurance required of the Winpark in this Agreement;
 - ix. Sundry items such as uniforms, tickets, PPE supplies, and janitorial supplies;
 - x. Normal maintenance and repairs of the Parking Facility parking access and revenue control equipment, and replacement or repair of signs;
 - xi. Payroll processing fees, bank charges incurred by Winpark, credit card processing fees incurred by Winpark, secret shopper fees, administrative and bookkeeping fees including monthly parker and accounts payable processing;

- xii. Legal or audit charges directly attributable to the operation of the Services other than those services performed by the staff of Owner or Winpark, if approved in advance in writing by Owner;
- xiii. The cost of special audits to be performed from time to time by Winpark's staff auditor for the mutual benefit of Owner and Winpark; provided, however, that the time and manner of the taking of the audit is approved in writing by Owner in advance. Costs qualifying as audit expenses shall be limited to a mutually agreed upon per diem rate and the actual out-of-pocket expenses of the auditor during the period of an approved special audit;
- xiv. Debt service of loans or lease financing for the acquisition of approved parking revenue equipment (if applicable);
- xv. Voluntary settlement of claims for damage, personal injury, or loss of personal property provided that (i) such settlement has been authorized by Owner and approved by Winpark which approval shall not be unreasonably withheld, and (ii) the claim is not an excluded expense;
- xvi. Payment of any deductible amount of insurance claims settlement and payment of claims in excess of policy limits except to the extent such claim is an Excluded Expense as defined below or is due to the gross negligence or willful misconduct of an employee or agent of Winpark;
- xvii. Monthly Base Management Fees, and Cloud Park Fees.

In the event any government-mandated cost (such as a required wage, minimum wage, payroll tax, insurance premium, assessment, contribution, benefit, or fee) is imposed, increased, adjusted, or newly introduced with respect to work performed by Winpark for Owner, Winpark will notify Owner and add it as an Operating Expense, unless and until Owner and Winpark adopt a new rate or fee schedule.

Operating Expenses shall not include any capital improvements, maintenance or repair costs required of Owner per the terms of this Agreement. Those costs shall be considered an Excluded Expense (as defined below) and shall be the sole responsibility of Owner.

- c. "Excluded Expenses" are those designated expenses arising from the operation of the Services which shall not be deemed Operating Expenses, and which shall therefore be borne by the respective parties. The Excluded Expenses of the Winpark are those set forth in Schedule "A" to the Agreement and incorporated by reference herein. The Excluded Expenses of Owner are set forth in Schedule "B" attached to the Agreement and incorporated by reference herein.
- d. Net Operating Income shall be defined as Gross Revenue minus the Operating Expenses.

7. Collection of Receipts. Winpark covenants that it will collect or cause to be collected all fees and charges for use of the Parking Facility and its Services (hereafter "Receipts") that are not otherwise collected directly by Owner. Owner shall notify Winpark of any Receipts collected directly by Owner. The fees and charges collected by Winpark shall be promptly deposited into Winpark's bank account and a duly validated deposit receipt shall be provided to Owner. Winpark shall thereafter, on or before the twentieth (20th) day of the month, disperse the Receipts for each prior month's operation as follows:

- a. Winpark shall pay all Operating Expenses as defined in Section 6b and as further defined in Section 8 below;

- b. Winpark shall pay on behalf of Owner, from Receipts it receives, all city and county parking taxes prior to the date such payment(s) become delinquent which may be due and owing in connection with the operation of the Parking Facility as a public parking garage. In the event Receipts are not sufficient to pay such taxes, Owner shall be responsible to pay the amount of any shortage;
- c. After payment of the amounts as directed in a and b above, the balance of the Receipts from the Parking Facility shall be paid to Owner.

8. Payments to Winpark. Winpark shall be paid according to the following:

- a. Effective upon execution of this Agreement Winpark shall receive a monthly parking management fee equal to one thousand dollars (\$1,000.00) per month (the "Management Fee").
- b. Effective June 1, 2023 and upon each anniversary thereafter, the Management Fee shall increase by either the Consumer Price Index for All Urban Customers (CPI-U) for Houston – The Woodlands – Sugarland, TX or three percent (3%), whichever is greater.

9. Winpark's Report. Winpark agrees that it will keep complete records of all receipts and disbursements pertaining to the Services. Winpark shall render to the Owner a complete accounting (the "Winpark's Report") of all disbursements for the preceding month and render an invoice to Owner under Paragraph 7 of this Agreement. Reports shall contain detailed information pertaining to the Services provided during the reporting period. Owner shall have the right to audit Winpark's books and records relating to the Services upon reasonable notice. On the twentieth (20th) day following the termination or expiration of this Agreement Winpark shall render to Owner a preliminary Winpark's Report and invoice with the final Winpark's Report and invoice due within sixty (60) days following the termination or expiration date. Additionally, on a weekly basis, Winpark will provide Owner with a summary of the weekly Gross Revenues of the Parking Facility including a breakdown of transient parking revenue by rate period and other reports that Owner may reasonably request.

10. Insufficiency of Receipts. If the Receipts for any month are insufficient to make the payments required by Section 7, subparagraphs a and b above, Owner agrees to remit to Winpark the amount of such deficit within ten (10) days after receipt of Winpark's Report of Receipts. In the event Owner fails to reimburse Winpark within said ten (10) day period, and Owner does not remedy such failure within five (5) days of receipt of written notice from Winpark, interest on the amount owed shall accrue at a monthly rate of 1.5% and Winpark shall have the right to terminate this Agreement with immediate effect.

11. Budget. Winpark shall submit to Owner an initial budget for approval no later than 45 days prior to the beginning of the subsequent calendar year for such subsequent calendar year. Winpark and Owner shall agree on any modifications to such budget with such modified budget being the "Approved Budget" for the forthcoming calendar year.

12. Permits and Licenses. Winpark shall use commercially reasonable efforts to obtain under Winpark's name and maintain, in full force and effect, throughout the term hereof any and all permits and licenses required by any public or quasi-public authority for the use of the Parking Facility. This Agreement shall automatically terminate in the event any licenses or permits lapse.

13. Relationship of Parties. Nothing in this Agreement shall be construed as creating a partnership, employer/employee relationship or joint venture between Owner and Winpark. Except as set forth in the Agreement, neither party hereto shall have the right or authority to bind or obligate the other party in any manner whatsoever or expressly or impliedly incur any liability or obligation on behalf of the other party, nor shall Owner be liable for any debts incurred by Winpark.

14. Additional Responsibilities of the Parties.

- a. Owner agrees to maintain the sidewalks and curbs adjacent to the Parking Facility in accordance with applicable municipal statutes. Owner is responsible for all snow and ice removal and/or mitigation for the Parking Facility, including sidewalks and curbs adjacent to the Parking Facility.
- b. Owner shall also be responsible for all Parking Facility repairs of a structural nature, including but not limited to: electrical, drainage, sewage, plumbing, pavement repair, painting of the structure, repairs to the walls and floors of the Parking Facility, and maintenance of the ventilation system and elevators.
- c. Owner acknowledges that Winpark is not a security company and does not employ personnel for that purpose. Winpark assumes no liability or responsibility with respect to injuries, damage or costs sustained to any person or property as a result of its alleged failure to warn, guard or protect persons or property in or about the Parking Facility from and against intentional threats, harm or injury except for the negligent or intentionally committed acts of or by Winpark or its employees.
- d. Any structural, mechanical, electrical or other installations or any alterations required by statutes or regulations pertaining to air quality, environmental protection, provisions for persons with disabilities or other similar governmental requirements shall be the sole responsibility of Owner.
- e. Winpark agrees to use best efforts to notify Owner of any unusual conditions which may develop in the operation of the Parking Facility such as, but not limited to, fire, flood, breakage, or casualty damage to the Parking Facility, as well as any visible unusual conditions to the structural nature of the of the Parking Facility, including but not limited to surface and wall cracks, unusual expansion joint deterioration, or atypical degradation of parking surfaces.
- f. Winpark further agrees to comply with all government laws, ordinances and regulations pertaining to the conduct of Winpark's business thereon.

15. Insurance Carried by Winpark. Winpark agrees to carry public liability insurance in such amounts as shown below, to pay all premiums thereon when due, and cause such insurance to include the Owner as additional insured.

- a. Commercial General Liability: \$2,000,000 combined single limit each occurrence for bodily injury and property damage. These limits may be supplemented by an Umbrella Policy.
- b. Garage Keepers Legal Liability: \$1,000,000 combined single limit each occurrence
- c. Worker's Compensation:

Policy Limits: As Required by Law

Winpark is not responsible for any personal injury or damage claims due to Owner's maintenance of or structural issues of the Parking Facility. Winpark shall not be liable for any snow or ice related personal injury or property damage claims.

16. Indemnification.

- a. Winpark shall defend, indemnify and hold Owner, its affiliated entities, and the employees and agents of Owner, and their affiliated entities and employees and invitees thereof (collectively, the "Indemnified Parties") from all losses, claims, suites, actions, damages, fines, penalties, costs, expenses and liabilities, including, but not limited to costs and expenses of defending against any of the foregoing, arising directly or indirectly from either of the following circumstances (the "Indemnity Circumstances"):
 - i. Any injury or death of any person (including, without limitation, injury or death of Winpark's employees, agent, invitees, assignees, contractors or subcontractors) or damage or destruction of the property of any person or entity which occurs in connection with Winpark's or Winpark's agents, employees', invitees', contractors', or assignees' performance of services under the Agreement or otherwise provided by Winpark or Winpark's agents, employees, invitees, contractors, or assignees to the Parking Facility, or any other act or omission of such parties; and
 - ii. Any alleged or actual violations by Winpark or Winpark's agents, employees, invitees, contractors, or assignees of any law, ordinance, rule or regulation governing or otherwise affecting the business operations of Winpark or Winpark's performance of services and obligations under the Agreement.
- b. Owner shall indemnify, defend and hold Winpark harmless from all claims, costs, attorneys' fees, expenses and liabilities arising directly or indirectly from any breach or default in the performance of any obligation to be performed by Owner under the terms of this Agreement or arising as a consequence of any defect in the physical plant or structure of the Facility that Owner is required to maintain or repair, except to the extent such defect is caused by the act, neglect, fault or omission of Winpark or its agents, contractors, or employees. This Section 16 shall survive the termination of this Agreement.

17. Parking Facility. It is agreed that any actions, costs, claims, losses, expenses, and/or damages resulting from the Parking Facility's design, structural faults or defects are the responsibility of the Owner.

18. Compliance with Laws. Winpark agrees to manage, operate, and promote the use of the Services in accordance with all local state and federal laws and government regulations.

19. Employees. Owner and Winpark agree that, during the Term of this Agreement, all personnel employed by Winpark to operate the Service shall be solely the employees of Winpark and shall have no contractual relationship with Owner. Winpark shall provide experienced and qualified personnel to run its operations. Consequently, Owner conveys and agrees that it shall not hire any of Winpark's personnel during the duration of this Agreement and for a period of six (6) months after the date of termination of this Agreement, except with respect to any employees who have previously worked at the Parking Facility for an organization other than Winpark.

20. Post-Termination Obligations. In the event of any termination of this Agreement Winpark and Owner agree to the following:

- a. Any funds or other amounts received by Winpark with respect to the Parking Facility following the termination of this Agreement shall promptly be delivered to Owner, and Winpark shall take all actions necessary to ensure that thereafter Owner directly receives all such amounts;
- b. Winpark shall do all acts and execute and deliver all documents reasonably requested by Owner which involves no third-party out of pocket cost or expense to Winpark (unless Owner agrees to pay any of the same) to insure or facilitate an orderly continuation of the business of the Parking Facility and to accomplish an orderly transfer of the operation and management of the Parking Facility to Owner or to any entity designated by Owner;
- c. The rights and liabilities of the parties having accrued prior to the termination shall continue, it being acknowledged and agreed that this shall include payment to Winpark of all compensation and incurred operating expenses owing to Winpark, and payment by Winpark of all amounts owing to Owner, hereunder through the date of such termination;
- d. Any funds due or owing to Winpark of this Agreement shall be paid by Owner no later than the last day that Winpark is physically present at the Parking Facility;
- e. No later than thirty (30) days following the termination date Winpark shall invoice Owner for all costs and expenses associated with the termination not otherwise defined herein, such as, but not limited to, accounting, legal, clerical, storage, transportation, protection and disposition of property acquired or produced under this Agreement as required by the terms of this Agreement, Owner and/or applicable laws, regulations, or orders;
- f. As required under applicable law, Owner shall notify the appropriate licensing authorities of the termination of the Winpark, and Winpark shall surrender and assign to Owner, to the extent assignable, any and all licenses, permits and other authorizations required for the operation of the Parking Facility in accordance with the directions of the Owner and with applicable laws, regulations, or orders;
- g. Winpark agrees that it will keep records of Gross Revenue and Operating Expenses pertaining to the operation of the Parking Facility for a period of three (3) years after termination of this Agreement;
- h. This Section 20 shall survive the termination of this Agreement.

21. General.

- a. **Assignment.** Neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party except for a Permitted Transfer by the Owner which shall not require consent of Winpark. Such consent shall not be unreasonably withheld. A “Permitted Transfer” shall be an assignment by Owner to a party who acquires all or substantially all of the Parking Facility.
- b. It is understood that this Agreement shall be binding upon and inure to the benefits of the heirs, personal representatives, successors and assigns of the parties.

- c. Notwithstanding all provisions of this Agreement, it is mutually understood between the parties hereto, that this Agreement shall not in any way be construed to be a lease but is merely a recitation of contract provisions.
- d. Notice to both Owner and Winpark shall be sent by certified mail, return receipt requested, to the following addresses:

If to Owner: Midtown Redevelopment Authority
Attn: Matt Thibodeaux
410 Pierce Street, Suite 355
Houston, TX 77002

If to Winpark: Chief Administrative Officer
Winpark Management, LLC
1001 McKinney Street, Suite 450
Houston, TX

- e. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Texas.
- f. Modifications. No modification, amendment, supplement to or waiver of this Agreement or any Schedule hereunder, or any of their provisions shall be binding upon the parties hereto unless made in writing and duly signed by both parties.
- g. Waiver. A failure of either party to exercise any right provided for herein, shall not be deemed to be a waiver of any right hereunder.
- h. Complete Agreement. This Agreement and each Schedule attached hereto set forth the entire understanding of the parties as to the subject matter therein and may not be modified except in a writing executed by both parties.
- i. Severability. In the event any one or more of the provisions of this Agreement or of any Schedule is invalid or otherwise unenforceable, the enforceability of remaining provisions shall be unimpaired.
- j. Limited Agent. Winpark shall act as the limited agent of Owner for the sole purpose of procuring services, supplies, materials and other tangible personal property from third party suppliers, regardless of whether such services or items of property are delivered to Owner or are used or consumed in the course of the Winpark's services rendered hereunder. Winpark shall procure such services and items of tangible personal property using a written agreement, purchase order or similar documentation that identifies Owner as the principal and Winpark as the agent in procuring such services or property on Owner's behalf, and any such tangible personal property procured by Winpark in its capacity as limited agent shall be the property of Owner.
- k. Confidentiality. Each of the parties shall keep the terms of this Agreement strictly confidential and shall not disclose the terms of this Agreement to any third party provided that they may disclose the party as required by applicable law or to any lenders, attorneys, accountants and/or capital providers.

1. Force Majeure. Winpark shall not be liable for any delay or default in rendering service hereunder where occasioned by any cause beyond its reasonable control; including, but not limited to: armed conflict or economic dislocation resulting therefrom; strikes; civil disorders of any kind; action of civil or military authorities (including priorities and allocations); global or national pandemic; fires, floods, earthquakes and any other natural disasters.

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed this Agreement as of the date first written above.

Winpark:

Owner:

ITS: Managing Partner, duly authorized

ITS:

Date:

Date:

Winpark Management, LLC
Corporation

Midtown Improvement and Development

SCHEDULE "A"

EXCLUDED EXPENSES OF WINPARK

1. Salaries, travel and accommodation expenses of all executive personnel of Winpark.
2. General and administrative expenses of Winpark not allocable directly to Services.
3. Personal property taxes of Winpark's property.
4. Settlements, payments or awards on claims arising from the gross misconduct of Winpark's employees, servants or agents.

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SCHEDULE "B"

EXCLUDED EXPENSES OF OWNER

1. Real and personal property taxes of Owner's property.
2. All claims, expenses and/or damages arising from, or caused by structural or design deficiencies or by improper work or supervision during construction including, without limitation, settlement, collapse or inadequacy of structure or equipment, and all repairs related thereto.
3. Debt service with respect to land, building and equipment.
4. Costs of legal and auditing fees of Owner.
5. Salaries and wages of all employees of Owner.
6. Costs incurred by Owner in the supervision of obligations of Winpark.
7. Costs of maintaining elevators, sprinkler and ventilation systems.
8. Utilities expense of the Parking Facility.
9. Capital expenditures, improvements, alterations, additions and all new equipment, including all architectural and engineering fees in connection therewith, excluding cosmetic alterations to the garage as well as parking equipment added or changed for purposes of repair or revenue enhancement.
10. Cost of payroll and equipment of Owner's security personnel.
11. Costs of premiums for fire and extended coverage insurance.

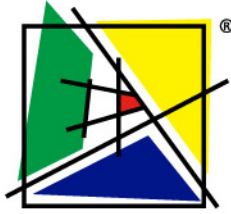
SCHEDULE "C"
PRO FORMA BUDGET

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SCHEDULE "D"

Cloud Park Remote Parking Management Services

1. Winpark shall provide Call Center Services for the vehicle parking at the Parking Facility (the "Parking Facility") which shall include providing assistance to parking patrons as may be required, twenty-four (24) hours per day, seven (7) days per week. Such Services shall include but are not necessarily limited to assisting patrons with the proper use of the parking access and revenue control equipment for parking fee payment; providing pertinent information relating to the Parking Facility such as parking rates, hours of operation, etc., and local driving directions; and providing a direct link to Winpark's staff assigned to the parking facility.
2. Winpark's call center shall maintain a permanent daily log ensuring that running reports are made of events that occur at the Parking Facility, including but not necessarily limited to: customer assistance call summary; gate vend summary; customer assistance calls and vends per hour, per day; total incidents; any interruption of service in the Parking Facility; problems with the parking equipment; repairs made to the parking equipment by Winpark or a vendor; service calls made to repair the equipment; and any other significant matters that are useful to Owner and Winpark for managing a seamless and professional operation.
3. Winpark shall use commercially reasonable efforts to operate the self-park Parking Facility in a first-class, safe and business-like manner without limitation by establishing effective customer service standards, revenue and cash control procedures, and equipment maintenance protocols.
4. Winpark will recruit, employ, train and properly supervise all call center employees necessary for the smooth and efficient operation of the self-park parking Services.
5. Winpark will provide and designate an account manager who will oversee and supervise the Services and field inquiries from Owner's management.
6. Winpark will work with Owner to integrate the Parking Facility intercom, cameras, access control and revenue payment equipment with the command center. Owner is responsible for all costs and logistics for onsite equipment to include repairs, internet to all equipment including intercoms.
7. Winpark shall provide, at Owner's request, a monthly and/or annual report analyzing all relevant parking data collected through the Call Center Service and shall offer suggestions and strategic insight into how Owner can maximize future profitability of the Parking Facility based on past performance and trends.



midtown
HOUSTON

DRAFT

**MIDTOWN CAPITAL IMPROVEMENTS
PROGRAM**

Capital Improvements Program

Baldwin Park

- Baldwin Park Improvements Project includes installation of playground equipment, perimeter lighting, electrical infrastructure, and expansion of the detention pond in the park.
- Installation of new playground equipment and fall surface scheduled to be completed in mid-June.
- Upcoming work includes installation of landscaping and irrigation repairs.
- Light poles and fixtures installation will begin in late July pending delivery of materials delayed due to supply chain issues.
- The park will remain open during project; however, access to the playground area and construction zones will be restricted during the project.
- Project completion expected in August 2022.

Change Orders

- CO #1 – Installation of bicycle amenities and sidewalk improvements at Glover Park.
 - o Amount: \$44,704.77

Construction Contract Budget

- Original Contract Amount: \$463,558.31
- Net Change Orders: \$44,704.77
- Contract Amount to Date: \$508,263.08

Caroline Street Reconstruction

- Contractor continues installation of pavers, rain garden amenities, and streetscape amenities (trash receptacles, bike racks, signage, seating) along corridor.
- Ongoing coordination with utility companies to resolve remaining conflicts with sidewalk and intersection ramp installations.
- Upcoming work includes installation of signage and pavement markings.

Change Orders

- CO #61 – Revisions to signage and pavement markings to incorporate the latest City of Houston bike lane design standards into the project.
 - o Amount: \$164,715.91
 - o TxDOT fee (4.95%): \$8,153.44
 - o Total: \$172,869.35
- CO #62 – Additional work to break concrete at sign location conflicts such as inlets, trees, or sidewalks.
 - o Amount: \$5,654.93
 - o TxDOT fee (4.95%): \$279.92
 - o Total: \$5,934.85

Construction Contract Budget

- Original Contract Amount: \$12,380,276.54
- Net Change Orders (including TxDOT fee): \$1,657,335.22
- Contract Amount to Date: \$14,037,611.76
- Change Order Time Adjustment Total – 173 days



Landscape Art, Inc.
 2303 Dickinson Avenue
 League City, Texas 77573
 Phone: (281) 309-0500

Project: 4814 - Baldwin Park
 1701 Elgin St.
 Houston, Texas 77004

Prime Contract Potential Change Order #001: Glover Park

TO:	Midtown Redevelopment Authority 410 Pierce, Suite 355 Houston, Texas 77002	FROM:	Landscape Art, Inc. 2303 Dickinson Ave League City, Texas 77573
PCO NUMBER/REVISION:	001 / 0	CONTRACT:	1 - Baldwin Park Improvements
REQUEST RECEIVED FROM:		CREATED BY:	Rebecca Dubiski (Landscape Art, Inc.)
STATUS:	Pending - In Review	CREATED DATE:	5/17/2022
REFERENCE:		PRIME CONTRACT CHANGE ORDER:	None
FIELD CHANGE:	No	CHANGE ORDER REQUEST:	None
LOCATION:		ACCOUNTING METHOD:	Amount Based
SCHEDULE IMPACT:		PAID IN FULL:	No
EXECUTED:	No	SIGNED CHANGE ORDER RECEIVED DATE:	
		TOTAL AMOUNT:	\$44,704.77

POTENTIAL CHANGE ORDER TITLE: Glover Park

CHANGE REASON: Client Request

POTENTIAL CHANGE ORDER DESCRIPTION: *(The Contract Is Changed As Follows)*
 Glover Park Sidewalk Improvements
 See attached bid form for details.

ATTACHMENTS:

#	Budget Code	Description	Amount
1	O Other	Glover Park Sidewalk Improvements- Site Preparation	\$13,229.36
2	O Other	Glover Park Sidewalk Improvements- Hardscape	\$16,258.77
3	O Other	Glover Park Sidewalk Improvements- Landscape	\$5,700.23
4	O Other	Glover Park Sidewalk Improvements- Extra Work Items	\$484.74
5	O Other	Glover Park Sidewalk Improvements- Allowances	\$5,120.00
6	O Other	Glover Park Sidewalk Improvements- Alternate 1	\$3,911.67
Grand Total:			\$44,704.77

Walter P. Moore and Associates, Inc.

Midtown Redevelopment Authority
 410 Pierce, Suite 355
 Houston, Texas 77002

Landscape Art, Inc.
 2303 Dickinson Ave
 League City, Texas 77573

 SIGNATURE DATE

 SIGNATURE DATE

 SIGNATURE DATE



BID FORM - UNIT PRICES GOVERN

SITE PREPARATION						
ITEM NO.	SPEC	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT QUANTITY	UNIT PRICE	TOTAL IN FIGURES
1	01502	Mobilization	LS	1	2,940.00	2,940.00
2	01570	Storm Water Pollution Control	LS	1	402.00	402.00
3	311000	Clearing and Grubbing	SF	440	1.17	514.80
4	015639	Plant Protection Fencing (11.1)	LF	207	20.05	4,150.35
5	015639	Tree Planting (11.2)	EA	4	153.00	612.00
6	02221	Demo Curb	LF	105 61	16.78	1,023.58
7	02221	Demo concrete sidewalk	SF	439	8.17	3,586.63
SITE PREPARATION TOTAL						13,229.36

HARDSCAPE						
ITEM NO.	SPEC	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT QUANTITY	UNIT PRICE	TOTAL IN FIGURES
8	321313	4.5-in Concrete Sidewalk (1.1 Concrete Ty 1)	SF	558	11.47	6,400.26
9	02771 02751 02752	6-in Curb and Gutter	LF	105 61	54.15	3,303.15
10	PER PLAN	Decomposed Granite (1.2)	SF	206	5.68	1,170.08
11	PER PLAN	Steel Edging (1.3)	LF	17	19.84	337.28
12	PER PLAN	Relocate Trash Can (5.3)	EA	1	800.00	800.00
13	PER PLAN	Relocate Mutt Mutt Station (5.4)	EA	1	825.00	825.00
14	PER PLAN	Install Bike Rack (Owner provided)(5.1)	EA	2	668.00	1,336.00
15	PER PLAN	Install Fix It Station (Owner provided) (5.2)	EA	1	1,109.00	1,109.00
16	PER PLAN	Salvage and Relocate Park Rules Sign (10.1)	EA	1	978.00	978.00
HARDSCAPE TOTAL						16,258.77

BID FORM - UNIT PRICES GOVERN

LANDSCAPE						
ITEM NO.	SPEC	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT QUANTITY	UNIT PRICE	TOTAL IN FIGURES
17	329113	Planting Mulch	CY	3	122.70	368.10
18	329200	Turf - Zoysia Grass	SF	296	6.75	1,998.00
19	329300	MC-3 Gulf Muhly	EA	9	20.66	185.94
20	329113	Amended Planting Soil	CY	11	109.36	1,202.96
21	329300	DT3 - Variegated Flax Lily	EA	38	21.86	830.68
22	329300	SM-3 Sage 'Hot Lips'	EA	6	24.25	145.50
23	329300	RH-3 Black-eyed Susan	EA	21	23.05	484.05
24	329300	GL-3 White Gaura	EA	20	24.25	485.00
LANDSCAPE TOTAL						5,700.23

EXTRA WORK ITEMS TOTAL						
ITEM NO.	SPEC	ITEM DESCRIPTION	UNIT OF MEASURE	ESTIMATED QUANTITY	UNIT PRICE	TOTAL IN FIGURES
25	02086	Adjust Existing Area Inlet Frame and Cover to New Grade, Complete in Place	EA	1	257.35	257.35
26	02086	Adjust Existing Meter Box, Valve or Pull Box to New Grade, Complete in Place	EA	1	227.39	227.39
EXTRA WORK ITEMS TOTAL						484.74

ALLOWANCES						
ITEM NO.	SPEC	ITEM DESCRIPTION	UNIT OF MEASURE	ESTIMATED QUANTITY	UNIT PRICE	TOTAL IN FIGURES
27	015639	Pruning	AL	1	\$ 2,500.00	\$ 2,500.00
28	PER PLAN	Wood Mulch (4-in depth)(Site access between curb and sidewalk)	AL	1	\$ 120.00	\$ 120.00
29	02811	Irrigation Repair	AL	1	\$ 2,500.00	\$ 2,500.00
ALLOWANCES TOTAL						\$ 5,120.00

BID FORM - UNIT PRICES GOVERN

ALTERNATE 1						
ITEM NO.	SPEC	ITEM DESCRIPTION	UNIT OF MEASURE	UNIT QUANTITY	UNIT PRICE	TOTAL IN FIGURES
30	329300	Shade tree (QR-4)	EA	2	1,205.00	2,410.00
31	329113	Soil	CY	6	109.36	656.16
32	PER PLAN	Decomposed Granite	SF	88	5.68	499.84
33	329200	Turf	SF	13	6.75	87.75
34	PER PLAN	Steel Edging	LF	13	19.84	257.92
ALTERNATE 1 TOTAL						3,911.67

SITE PREPERATION TOTAL 13,229.36

HARDSCAPE TOTAL 16,258.77

LANDSCAPE TOTAL 5,700.23

EXTRA WORK ITEMS TOTAL 484.74

ALLOWANCES TOTAL \$ 5,120.00

GRAND TOTAL 40,793.10

ALTERNATE 1 TOTAL 3,911.67

GRAND TOTAL PLUS ALTERNATE 1 TOTAL 44,704.77

*We have Excluded the 1 year maintenance outlined in the specs.

*We have supplied Curb Demo and Curb implementation numbers based on the 61 LF show in the plans, opposed to the 105LF stated in the bid form.

May 17, 2022

Mr. Marlon Marshall
Director, Engineering and Construction
Midtown Redevelopment Authority
410 Pierce, Suite 355
Houston, TX 77002

Re: Baldwin Park Construction Phase Services
Additional Services – Glover Park Construction Phase Services

Dear Marlon,

We are pleased to submit this proposal for Construction Phase Services for the Glover Park Project.

The total proposed fee of \$11,230.00 covers the anticipated work efforts of Walter P Moore and Design Workshop based on hourly services at the current hourly rates. The total for WO 22 is now \$49,162.50.

Please feel free to contact me directly or Rachel Ray-Welsh with any questions or concerns.

Sincerely,

Walter P. Moore and Associates, Inc.



Lee Anne Dixon, P.E., PTOE, STP
Senior Principal

Enclosure

CC: Rachel Ray-Welsh, P.E., STP, ENV SP

ATTACHMENT B

Form of Work Order

WORK ORDER NO. 22 – Baldwin Park Construction Administration Services – *Revision 1*

This Work Order is issued subject to and is governed by that certain professional services agreement between Midtown and Consultant dated July 14, 2010.

Original Work Order Date: August 24, 2021

Revision 1 Work Order Date: May 26, 2022

Consultant: Walter P. Moore

Type of Compensation: Time and Materials to a Maximum

Compensation:

\$37,932.50	Original Fee for Baldwin Park CA
<i>\$11,230.00</i>	<i>Additional Services 1 Fee for Glover Park CA</i>
<i>\$49,162.50</i>	<i>Revised Total Fee of WO 22</i>

Location of Services: Houston, Texas

Description of Services: This work order is to serve as a general services agreement for efforts associated with Construction Phase Services for the Baldwin Park. Specific duties included in this fee are listed below. *Revision 1 – Glover Park Construction Phase Services (Scope as defined below).*

- Attend Pre-Construction Meeting
- Site Visits
- Attend Progress meetings
- Submittal Review
- RFI Review
- Substantial and Final Walk-through

Schedule Requirements:

Commencement of Services: October 1, 2021

Completion of Services: July 30, 2022

Consultant:

WALTER P. MOORE AND ASSOCIATES, INC.

Client:

MIDTOWN REDEVELOPMENT AUTHORITY

By: *Lee Anne S. Dixon*
Lee Anne Dixon, P.E., PTOE, STP
Senior Principal

By: _____
Mathias Thibodeaux – Executive Director

May 18, 2022
Date

Date



SCHEDULE OF POSITION CLASSIFICATION AND FEE PROPOSAL
Midtown Redevelopment Authority - Glover Park Construction Administration

ITEMS OF WORK	JOB TITLES				Fee By Activity
	Senior Principal (per hour)	Senior Engineer (per hour)	Graduate Engineer (per hour)		
	\$310.00	\$180.00	\$125.00		
Construction Administration					
Pre-Construction Mtg		3			\$540.00
Attend OAC Meetings		6			\$1,080.00
Submittal /RFI Review		6			\$1,080.00
Site Visits		6			\$1,080.00
Substantial Completion Walk-through		3			\$540.00
Final Walk-through		3			\$540.00
					\$0.00
					\$0.00
Expenses (mileage, plotting)					\$100.00
Walter P Moore Subtotal					\$4,960.00
Subconsultants					
Design Workshop					\$5,700.00
Mark-up (10%)					\$570.00
Subconsultant Subtotal					\$6,270.00
Total for Basic Services					\$11,230.00



CHANGE ORDER NBR.

61

REPORT DATE: 5/18/2022 10:32:16AM

CONTRACT ID: 091271003
PROJECT: C 912-71-3
CONTRACT: 04173038
AWARD AMOUNT: \$12,380,276.54
PROJECTED AMOUNT: \$12,438,632.54
ADJ PROJECTED AMT: \$13,730,114.08
PEND ADJ PROJ AMT: \$13,730,114.08
CONTRACTOR: J.D. ABRAMS, L.P.
CO AMOUNT: \$164,715.91
CO TYPE: NON-PARTICIPATING
3RD PARTY AMOUNT: \$164,715.91
APPRV LEVEL: OVERRIDE

HIGHWAY: CS
DISTRICT: 12
COUNTY: HARRIS
AREA ENGINEER: Hamoon Bahrami, P.E.
AREA NUMBER: 058

DESCRIPTION: Revised Signing & Pavement Markings Drawings
REASON: 4D - 4D-3RD PARTY ACCOMMODATION - OTHER
SECONDARY REASON(S): 003N - 3N-UPGRADE TO CURRENT STANDARDS

Functions:

<input checked="" type="checkbox"/> Extra Work	<input type="checkbox"/> Force Account
<input type="checkbox"/> Zero Dollar	<input type="checkbox"/> Final Quantity
<input checked="" type="checkbox"/> Overrun/Underrun	<input type="checkbox"/> Change Project Limits
<input type="checkbox"/> Time Adjustment	<input type="checkbox"/> Delete/Add CSJ
<input type="checkbox"/> Stock Account	

DRAFT

DESCRIBE THE REASON FOR THE CHANGE ORDER AND WHAT IS BEING CHANGED. WHEN NECESSARY, INCLUDE EXCEPTIONS TO THIS AGREEMENT:

This Change Order will provide for adjusting the quantity of six existing items of work and adding 17 new items of work to the contract for the revisions made to the Signing and Pavement Markings Plan Sheets.

The project plans, designed by ESPA, call for the reconstruction of a concrete roadway consisting of a 2-lane roadway with curb and gutter, curb side parking lanes, storm sewer, waterlines, sanitary sewer lines, bike lanes, landscape and street lighting improvements. The limits are from Elgin Street to Pierce Street in Harris County, Texas, a total of 0.689 miles.

The Signing and Pavement Markings Plan Sheets were revised in May 2021 to incorporate the latest City of Houston bike lane design standards into the project.

The following existing items will be adjusted to reflect the revisions made:

- Item 0666-2003 REFL PAV MRK TY I (W) 4" (BRK) (100MIL) - decreased by 37.00 LF
- Item 0666-2012 REFL PAV MRK TY I (W) 4" (SLD) (100MIL) – increased by 1,728.00 LF
- Item 0666-2042 REFL PAV MRK TY I (W) 12"(SLD)(100MIL) – increased by 619.00 LF
- Item 0666-2048 REFL PAV MRK TY I (W) 24"(SLD)(100MIL) - increased by 93.00 LF
- Item 0666-2054 REFL PAV MRK TY I (W) (ARROW) (100MIL) – decreased by 142.00 EA
- Item 0672-2017 REFL PAV MRKR TY II-C-R – decreased by 1.00 EA.

The following items will be added to the contract to reflect the revisions made:

- Item 0666-2015 REFL PAV MRK TY I (W) 6" (BRK) (100MIL) – 633.00 LF at a unit price of \$1.59/LF. This item does not have an Average Low Bid Unit Price (ALBUP).
- Item 0666-2024 REFL PAV MRK TY I (W) 6" (SLD) (100MIL) – 2,156.00 EA at a unit price of \$1.33/LF. This item does not have an ALBUP.
- Item 0666-2111 REFL PAV MRK TY I (Y) 4" (SLD) (100MIL) – 1,025.00 LF at a unit price of \$0.90/LF. This item does not have an ALBUP.
- Item 0668-2131 PREFAB PAV MRK TY C (W) (BIKE ARROW) – 25.00 EA at a unit price of \$265.13/EA. The Houston District ALBUP for this item is \$209.75/EA.

Due to the small amount of work being added to the contract, the West Harris Area Office has determined the price to be fair and reasonable.

- Item 0668-2132 PREFAB PAV MRK TY C (W) (BIKE SYMBOL) – 28.00 EA at a unit price of \$371.18/EA. The Statewide ALBUP for this item is \$56.54/EA. Due to the small amount of work being added to the contract and the labor forces (two crews resulting in an additional four to six laborers each day) the Contractor will be utilizing to complete this work in four to five days, the West Harris Area Office has determined the price to be fair and reasonable.
- Item 9608-2018, UNIQUE CHANGE ORDER ITEM 18, PREFAB PAV MRK TY C (GRN)(SLD)(BLOCK) – 5,847.00 SF at a unit price of \$21.21/DOL, where DOL=SF. The Statewide ALBUP for this item is \$16.72/SF.
- Item 9608-2019, UNIQUE CHANGE ORDER ITEM 19, CYCLE LANE SEP ZEBRA 13 ARMADILLOS– 53.00 EA at a unit price of \$174.98/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2020, UNIQUE CHANGE ORDER ITEM 20, TRICON PRECAST CONCRETE CURB W/ BOLLARDS (2 EA) – 4.00 EA at a unit price of \$1,014.34/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2030, UNIQUE CHANGE ORDER ITEM 30, R3-17 (30X24) – 11.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2031, UNIQUE CHANGE ORDER ITEM 31, R8-3 (24X24) – 3.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2032, UNIQUE CHANGE ORDER ITEM 32, R3-9dp (30X12) – 1.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2033, UNIQUE CHANGE ORDER ITEM 33, P10-15R (30X30) – 1.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2034, UNIQUE CHANGE ORDER ITEM 34, R7-1 (12X18) – 1.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2039, UNIQUE CHANGE ORDER ITEM 39, D11-1 MOD HB-SLR (24X27) – 1.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2040, UNIQUE CHANGE ORDER ITEM 40, D11-1 MOD HB-SL (24X27) – 1.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2041, UNIQUE CHANGE ORDER ITEM 41, D11-1 MOD HB-SR (24X27) – 1.00 EA at a unit price of \$583.28/DOL, where DOL=EA. This item does not have an ALBUP.
- Item 9608-2042, UNIQUE CHANGE ORDER ITEM 42, TMA (MOBILE OPERATION) – 40.00 HR at a unit price of \$72.59/ DOL, where DOL=HR. The Houston District ALBUP for this item is \$77.56/HR.

After a thorough review of the Contractor's pricing support documentation, the West Harris Area Office determined the prices submitted to be fair and reasonable.

The revisions covered by this Change Order do not require revisions to the original environmental clearances or approval by the Texas Department of Licensing and Regulation. The total Change Order amount for this project has exceeded 10 percent of the original contract amount, and this Change Order will require the approval of the District Engineer. The revisions covered by this Change Order are estimated to overrun the funds authorized for this project by \$164,715.91. This Change Order is associated with a third-party amount per the advanced funding agreement. Midtown Management District will be covering 100% of the total Change Order. The Engineering and Contingencies on this project is 4.95% (\$8,153.44) making the third-party total cost \$172,869.35.

Revised Plan Sheets: 23, 298, 299, 300, 301, 302, 303, 304, 305, 306

Added Plan Sheets: 306A, 306B, 306C, 306D, 306E

ADDITIONAL TIME NOT NEEDED

"By signing this change order, the contractor agrees to waive any and all claims for additional compensation due to any and all other expenses; additional changes for time, overhead and profit; or loss of compensation as a result of this change and that this agreement is made in accordance Item 4 and the Contract. Exceptions should be noted in explanation above."

THE CONTRACTOR

BY: _____
DATE

TYPED/PRINTED NAME: _____
DATE

TYPED/PRINTED TITLE: _____
DATE

AREA ENGINEER: _____
DATE

AREA ENGINEER'S SEAL:

DISTRICT ENGINEER: _____
DATE

DIRECTOR, CONSTRUCTION DIVISION: _____
DATE

DEPUTY EXECUTIVE DIRECTOR: _____
DATE

FHWA: _____
DATE

CONTRACT ITEMS

PROJECT NBR 091271003 (C 912-71-3 NOT ELIGIBLE FOR FEDERAL PARTICIPATION)

CATG NBR	LINE ITEM	ITEM CODE	SP NBR	DESCRIPTION	UNIT	UNIT PRICE	ORIG + PREV REV QTY	QTY THIS CO	NEW QTY	AMOUNT THIS CO
001	0515	06662003	014	REFL PAV MRK TY I (W) 4" (BRK) (100MIL)	LF	0.50000	1,040.000	-37.000	1,003.000	-\$18.50
001	0520	06662012	014	REFL PAV MRK TY I (W) 4" (SLD) (100MIL)	LF	0.50000	5,189.000	1,728.000	6,917.000	\$864.00
001	0524	06662015		REFL PAV MRK TY I (W) 6" (BRK) (100MIL)	LF	1.59000	0.000	633.000	633.000	\$1,006.47
		CO DESCR		CO 61						
		ADDTL CO DESCR 1		CO 61						
001	0525	06662042	014	REFL PAV MRK TY I (W) 12"(SLD)(100MIL)	LF	1.40000	1,704.000	619.000	2,323.000	\$866.60
001	0526	06662024		REFL PAV MRK TY I (W) 6" (SLD) (100MIL)	LF	1.33000	0.000	2,156.000	2,156.000	\$2,867.48
		CO DESCR		CO 61						
		ADDTL CO DESCR 1		CO 61						
001	0530	06662048	014	REFL PAV MRK TY I (W) 24"(SLD)(100MIL)	LF	5.30000	319.000	93.000	412.000	\$492.90
001	0535	06662054	014	REFL PAV MRK TY I (W) (ARROW) (100MIL)	EA	79.00000	147.000	-142.000	5.000	-\$11,218.00
001	0542	06662111		REFL PAV MRK TY I (Y) 4" (SLD) (100MIL)	LF	0.90000	0.000	1,025.000	1,025.000	\$922.50
		CO DESCR		CO 61						
		ADDTL CO DESCR 1		CO 61						
001	0543	06682131		PREFAB PAV MRK TY C (W) (BIKE ARROW)	EA	265.13000	0.000	25.000	25.000	\$6,628.25
		CO DESCR		CO 61						
		ADDTL CO DESCR 1		CO 61						
001	0544	06682132		PREFAB PAV MRK TY C (W) (BIKE SYMBOL)	EA	371.18000	0.000	28.000	28.000	\$10,393.04
		CO DESCR		CO 61						
		ADDTL CO DESCR 1		CO 61						
001	0545	06722017	034	REFL PAV MRKR TY II-C-R	EA	4.20000	63.000	-1.000	62.000	-\$4.20
001	4031	96082018		UNIQUE CHANGE ORDER ITEM 18	DOL	21.21000	0.000	5,847.000	5,847.000	\$124,014.87
		CO DESCR		CO 61, PREFAB PAV MRK TY C (GRN)(SLD)(BLOCK), DOL=SF						
		ADDTL CO DESCR 1		CO 61, PREFAB PAV MRK TY C (GRN)(SLD)(BLOCK), DOL=SF						
001	4032	96082019		UNIQUE CHANGE ORDER ITEM 19	DOL	174.98000	0.000	53.000	53.000	\$9,273.94
		CO DESCR		CO 61, CYCLE LANE SEP ZEBRA 13 ARMADILLOS, DOL=EA						
		ADDTL CO DESCR 1		CO 61, CYCLE LANE SEP ZEBRA 13 ARMADILLOS, DOL=EA						
001	4033	96082020		UNIQUE CHANGE ORDER ITEM 20	DOL	1,014.34000	0.000	4.000	4.000	\$4,057.36
		CO DESCR		CO 61,TRICON PRECAST CONCRETE CURB W/ BOLLARDS (2 EA),DOL=EA						
		ADDTL CO DESCR 1		CO 61,TRICON PRECAST CONCRETE CURB W/ BOLLARDS (2 EA),DOL=EA						
001	4034	96082030		UNIQUE CHANGE ORDER ITEM 30	DOL	583.28000	0.000	11.000	11.000	\$6,416.08
		CO DESCR		CO 61, R3-17 (30X24), DOL=EA						
		ADDTL CO DESCR 1		CO 61, R3-17 (30X24), DOL=EA						
001	4036	96082031		UNIQUE CHANGE ORDER ITEM 31	DOL	583.28000	0.000	3.000	3.000	\$1,749.84
		CO DESCR		CO 61, R8-3 (24X24), DOL=EA						

		ADDTL CO DESCR 1	CO 61, R8-3 (24X24), DOL=EA							
001	4037	96082032	UNIQUE CHANGE ORDER ITEM 32	DOL	583.28000	0.000	1.000	1.000	\$583.28	
		CO DESCR	CO 61, R3-9dp (30X12), DOL=EA							
		ADDTL CO DESCR 1	CO 61, R3-9dp (30X12), DOL=EA							
001	4038	96082033	UNIQUE CHANGE ORDER ITEM 33	DOL	583.28000	0.000	1.000	1.000	\$583.28	
		CO DESCR	CO 61, P10-15R (30X30), DOL=EA							
		ADDTL CO DESCR 1	CO 61, P10-15R (30X30), DOL=EA							
001	4049	96082034	UNIQUE CHANGE ORDER ITEM 34	DOL	583.28000	0.000	1.000	1.000	\$583.28	
		CO DESCR	CO 61, R7-1 (12X18), DOL=EA							
		ADDTL CO DESCR 1	CO 61, R7-1 (12X18), DOL=EA							
001	4051	96082039	UNIQUE CHANGE ORDER ITEM 39	DOL	583.28000	0.000	1.000	1.000	\$583.28	
		CO DESCR	CO 61, D11-1 MOD HB-SLR (24X27), DOL=EA							
		ADDTL CO DESCR 1	CO 61, D11-1 MOD HB-SLR (24X27), DOL=EA							
001	4052	96082040	UNIQUE CHANGE ORDER ITEM 40	DOL	583.28000	0.000	1.000	1.000	\$583.28	
		CO DESCR	CO 61, D11-1 MOD HB-SL (24X27), DOL=EA							
		ADDTL CO DESCR 1	CO 61, D11-1 MOD HB-SL (24X27), DOL=EA							
001	4053	96082041	UNIQUE CHANGE ORDER ITEM 41	DOL	583.28000	0.000	1.000	1.000	\$583.28	
		CO DESCR	CO 61, D11-1 MOD HB-SR (24X27), DOL=EA							
		ADDTL CO DESCR 1	CO 61, D11-1 MOD HB-SR (24X27), DOL=EA							
001	4059	96082042	UNIQUE CHANGE ORDER ITEM 42	DOL	72.59000	0.000	40.000	40.000	\$2,903.60	
		CO DESCR	CO 61, TMA (MOBILE OPERATION), DOL=HR							
		ADDTL CO DESCR 1	CO 61, TMA (MOBILE OPERATION), DOL=HR							

CHANGE ORDER AMOUNT \$164,715.91

DAILY REPORT OF FORCE ACCOUNT WORK

PROJECT: Caroline Street
CONTROL: 0912-71-003
HIGHWAY: CS Caroline Street
COUNTY: Harris

DATE: 5/20/22
JOB: 1703

Units 1
LS 1

DESCRIPTION: Sign Foundations F & D2
 Extra work to break concrete in conflict with sign location

Change/Force Account affect time: N/A

Time: N/A

LABOR		Unit/Qty		Rate		Amount
Name/Classification						
Foreman		20		\$35.00		\$700.00
Crew (4)		16	4	\$73.00	\$109.50	\$1,606.00
Subtotal						\$2,306.00

EQUIPMENT		Hours	Rate	Amount
Description				
Pick Up Truck		20	\$36.14	\$722.80
Air compressor		20	\$24.54	\$490.80
				\$0.00
Subtotal				\$1,213.60

MATERIAL		Unit	Qty	Rate	Amount
Description					
					\$0.00
					\$0.00
Subtotal					\$0.00

SUBCONTRACTORS		Unit	Qty	Rate	Amount
Name/Description					
					\$0.00
Load of rubble		Hr	1	\$50.00	\$50.00
					\$0.00
Subtotal					\$50.00

COMPENSATION		Amount
Compensation on Direct Labor - 25%		\$576.50
Burden Compensation on Direct Labor - 55%		\$1,268.30
Compensation on Material - 25%		\$0.00
Compensation on Equipment - 15%		\$182.04
Compensation - 5%		\$2.50
Subtotal		\$2,029.34

Sub-Total **\$5,598.94**
 1% Bond \$55.99
Total Force Account Cost **\$5,654.93**

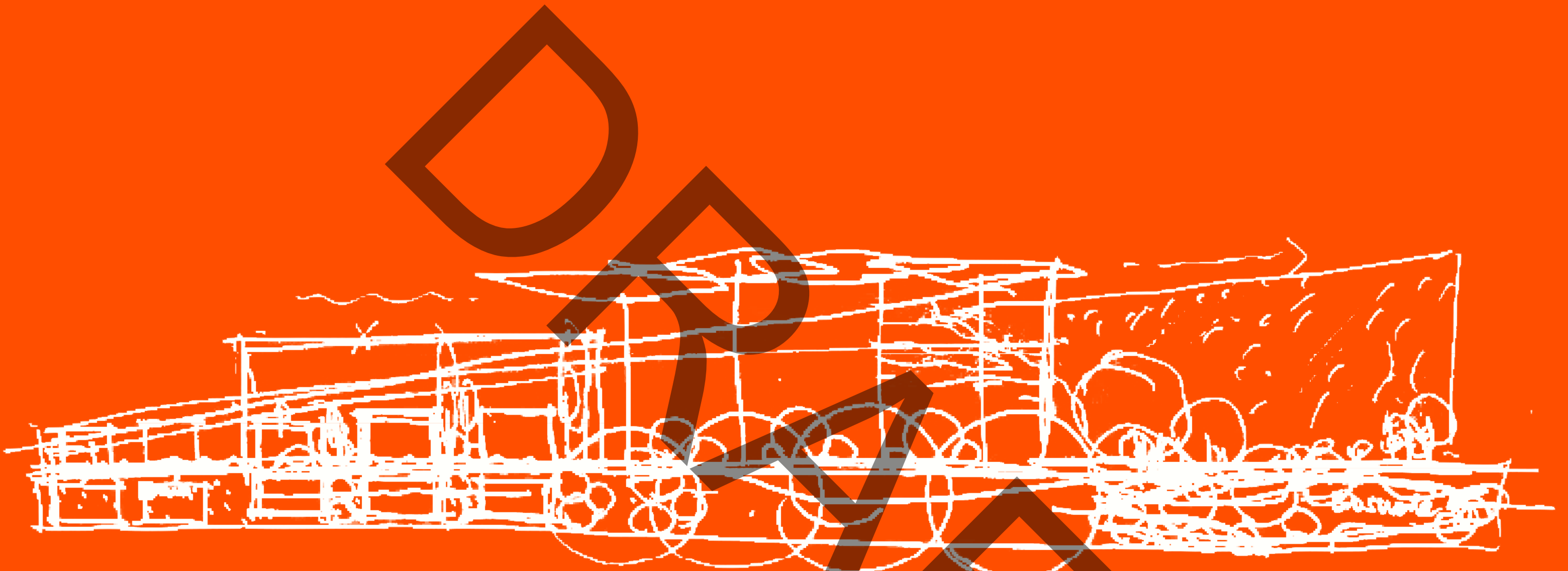
Force Account Unit Cost \$ **5,654.93**

J.D. Abrams, L.P
 CONTRACTOR


 by Signature and Title

INSPECTOR

5/24/2022 299
 Area Engineer



BRAZOS BRIDGE BEAUTIFICATION

03/03/2022

PREPARED BY DESIGN WORKSHOP

DRAFT

Existing Conditions

EXISTING CONDITIONS | SITE IMAGERY

Potential:

- Extend this landscaped section into adjacent green space to provide improved aesthetics for adjacent neighborhood as well as visitors
- Provide tree canopy and planting space to reduce urban heat island effect, infiltrate and retain the stormwater, and to provide ecological value
- Bring history & cultural elements from Bagby Street and downtown into the section of street, contributing to a bigger city image and to create a stronger sense of place for the community

Challenge:

- Screen the noise and traffic
- Implement in a cost-benefits effective way
- Overcome views of bridge structure and enhance an otherwise harsh environment



DRAFT

Two Concepts

1. CITY BACKYARD
2. URBAN WILD



A combination of shade trees and live screen with vines behind to create a 'backyard' feeling. White bark trees stand out from the screen to create visual focus, groundcover mix using native plants provides a colorful and cohesive layer with seasonal interest.



SHADE TREE

Mexican Sycamore
 River Birch
 Crape Myrtle (Single-stem)
 High-rise Live Oak



SHRUB

Azalea Varieties
 Oakleaf Hydrangea
 Pittosporum
 Boxwoods



PERENNIALS & GROUNDCOVER

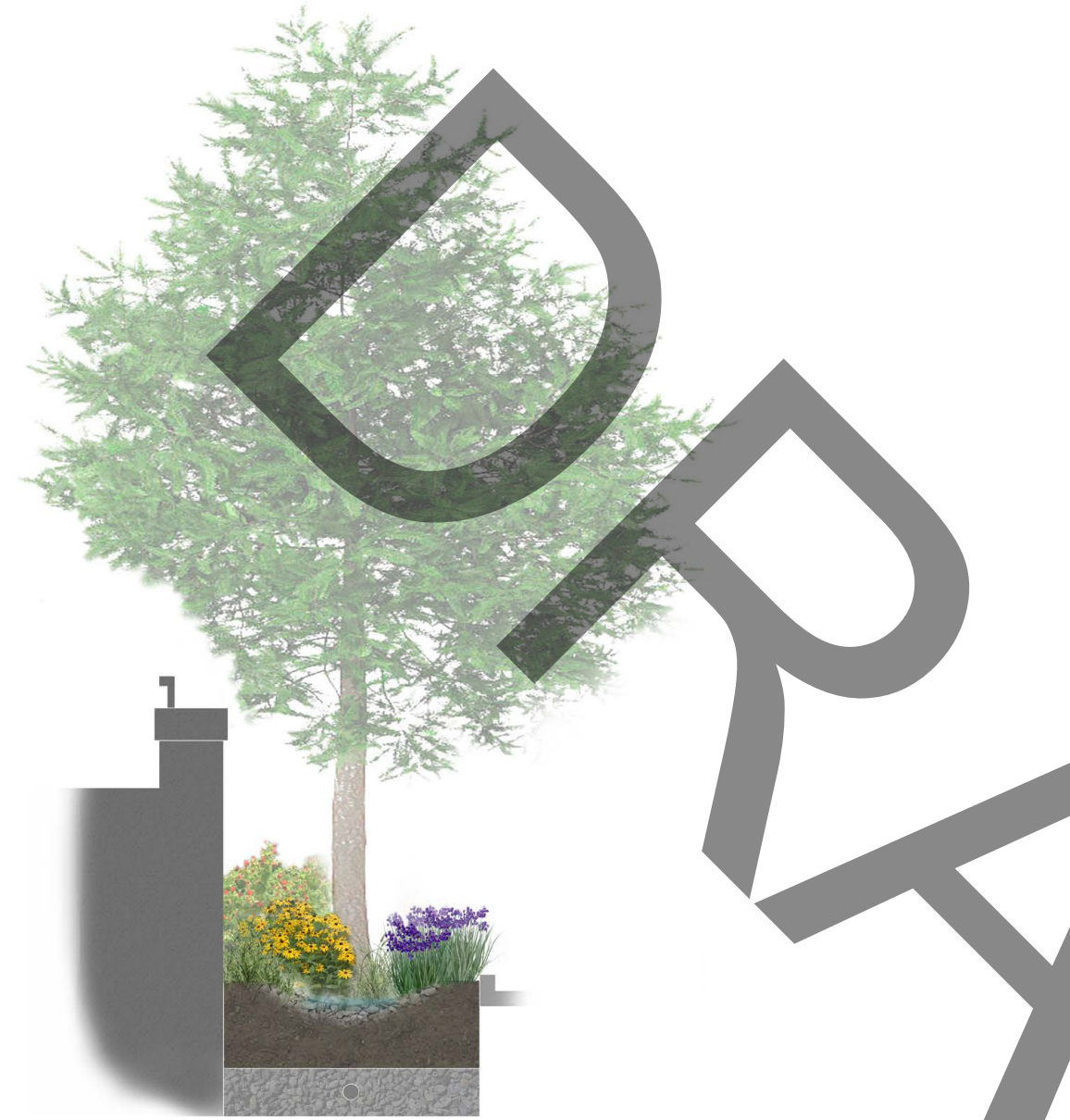
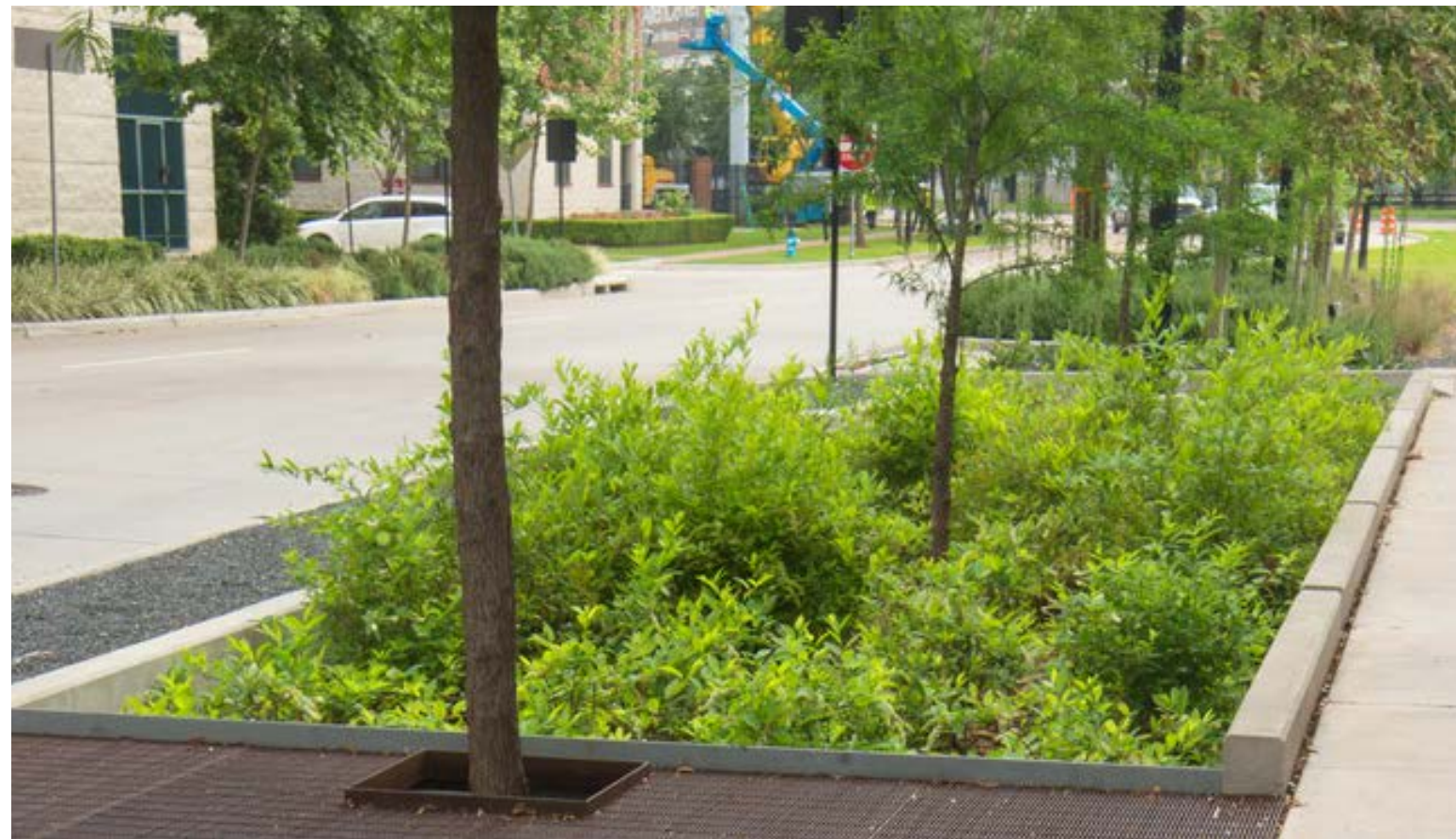
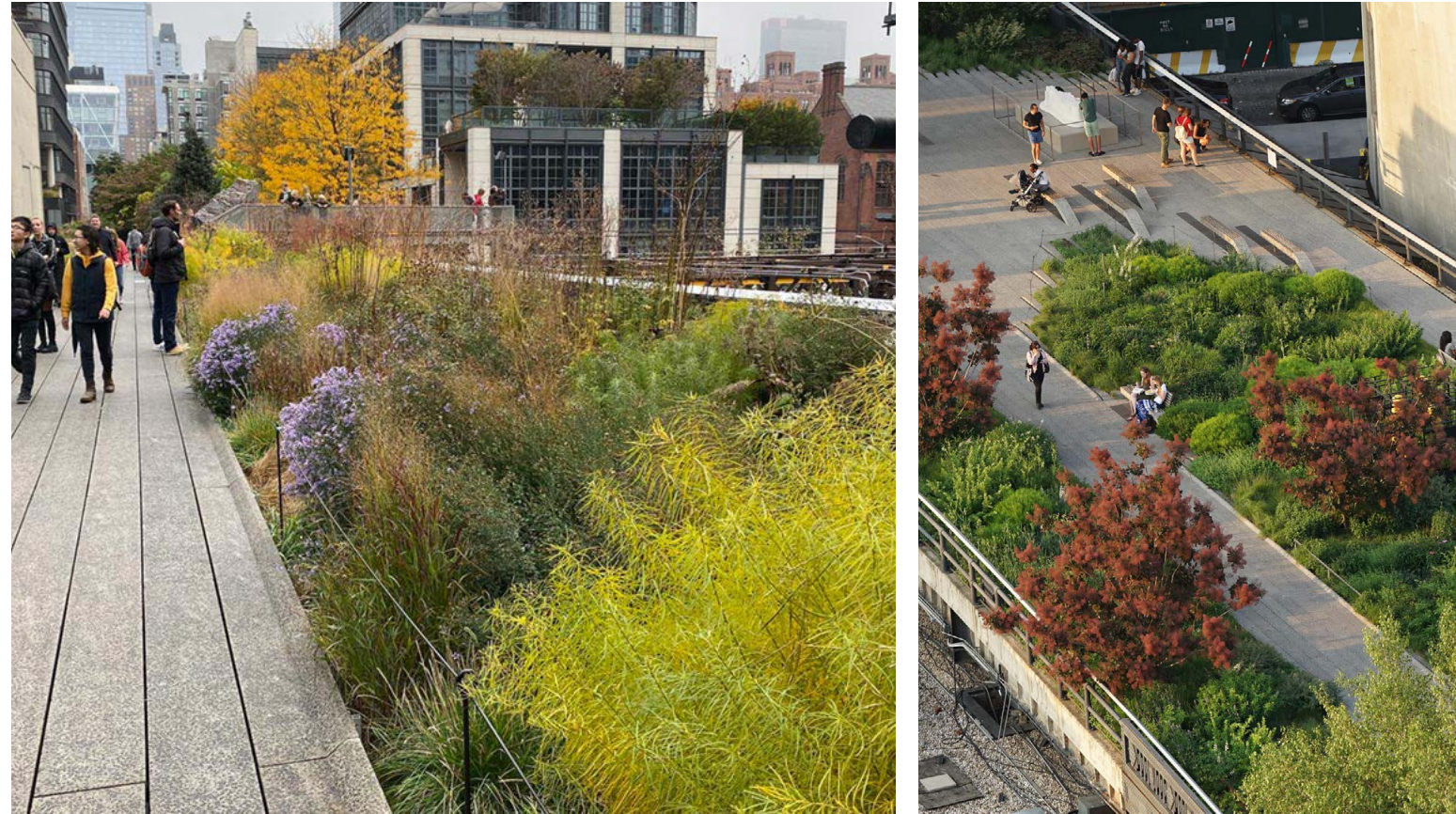
Salvia Varieties; Rudbeckia
 Liriope



FERN/GRASSES

Wood Fern
 Flax lily
 Louisiana Iris
 Cast Iron Plant

Rendered Species
 Alternative Varieties



This organic planting is the more loose and diverse planting design compared with concept 1. And this concept provides more environmental benefits. The plant variety offers a habitat refuge for pollinators and birds and will be designed to have seasonal interest. This design lends itself well to mimicking the rain gardens on Bagby Street that capture and treat stormwater runoff by allowing rain water to collect in slightly depressed bioswales along this frontage.



Rendered Species
Alternative Varieties



TREES

Bald Cypress; Red Oak; Sweetbay Magnolia

American Sweetgum
Sweetbay Magnolia
Mexican Buckeye



SHRUB

Turk's Cap

Spirea
Dwarf Palmetto



PERENNIALS & GRASSES

Rudbeckia; Purple Cone Flower

Bushy Bluestem
Inland Seaots
Foxtail Fern
Louisiana Iris
Gulf Muhly



GROUNDCOVER

Sweetflag

Blue Sedge
Guara
Wood Fern

**INTERLOCAL AGREEMENT FOR THE DESIGN AND CONSTRUCTION OF
LANDSCAPING IMPROVEMENTS TO THE BRAZOS BRIDGE AT BAGBY STREET**

**THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §**

**ARTICLE 1
PARTIES**

THIS INTERLOCAL AGREEMENT FOR THE DESIGN AND CONSTRUCTION OF LANDSCAPING IMPROVEMENTS TO THE BRAZOS BRIDGE AT BAGBY STREET (“Agreement”) is made effective on the Countersignature Date (as defined in Article 2 below) between the **CITY OF HOUSTON** (“City”), a home-rule city of the State of Texas located in Harris County, Texas, acting by and through its governing body, and the **MIDTOWN REDEVELOPMENT AUTHORITY** (“Authority”), a not-for-profit local government corporation created and organized under the provisions of Texas Transportation Code Chapter 431, acting on behalf of **REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS** (“TIRZ”). This Agreement is made in accordance with the Interlocal Cooperation Act, Texas Government Code Chapter 791. The parties agree as follows:

1.1. Addresses

The initial addresses of the parties, which one party may change by giving written notice of its changed address to the other party, are as follows:

City

Mr. Andy Icken
Chief Development Officer
Office of the Mayor
City of Houston
P. O. Box 1562
Houston, Texas 77251

Authority

Executive Director
Midtown Redevelopment Authority
410 Pierce Street
Suite 355
Houston, Texas 77002

1.2. Table of Contents

This Agreement consists of the following sections:

	Page No.
ARTICLE 1 PARTIES	1
ARTICLE 2 DEFINITIONS	4
ARTICLE 3 DUTIES OF AUTHORITY	4
ARTICLE 4 DUTIES OF CITY	5
ARTICLE 5 TERM AND TERMINATION	6
ARTICLE 6 MISCELLANEOUS PROVISIONS	6
EXHIBIT	

A	Scope of Work and City Contribution for the Project
---	---

1.3. Parts Incorporated

The exhibit described above is incorporated into this Agreement.

1.4. Controlling Parts

If a conflict between the sections of this Agreement and the exhibit arises, the sections control over the exhibit.

(The rest of this page has been intentionally left blank.)

1.5. Signatures

The parties have executed this Agreement in multiple copies, each of which is an original.

AUTHORITY:

**MIDTOWN
REDEVELOPMENT AUTHORITY**

By: _____
Name: _____
Title: _____

CITY:

CITY OF HOUSTON, TEXAS

Sylvester Turner, Mayor of the City of Houston

ATTEST/SEAL:

By: _____
Name: _____
Title: _____

ATTEST/SEAL:

Pat Jefferson Daniel, City Secretary

APPROVED AND RECOMMENDED:

Andy F. Icken, Chief Development Officer

COUNTERSIGNED BY:

Chris B. Brown, City Controller

COUNTERSIGNATURE DATE:

APPROVED AS TO FORM:

Assistant City Attorney
L.D. File No. 042-2200011-001

ARTICLE 2 DEFINITIONS

As used in this Agreement, the following terms shall have meanings set out below:

- 2.1. **“City”** is defined in Article 1 of this Agreement and includes its successors and assigns.
- 2.2. **“Countersignature Date”** shall mean the date of countersignature by the City Controller of the City of Houston.
- 2.3. **“Chief Development Officer”** means the person in the Office of the Mayor of the City designated as the Chief Development Officer of the City, or such person as he or she shall designate to administer this Agreement.
- 2.4. **“Authority”** is defined in Article 1 of this Agreement.
- 2.5. **“Project”** shall mean the design and construction of landscaping improvements to the Brazos bridge, facing Bagby Street, as described more fully in Exhibit A.
- 2.6. **“Project Costs”** shall mean the costs associated with the Project as set forth in Exhibit A.
- 2.7. **“TIRZ”** is defined in Article 1 of this Agreement.

ARTICLE 3 DUTIES OF AUTHORITY

3.1. Scope of Work

1. Authority shall provide the City all labor, material, design services and supervision necessary to construct the Project.
2. City and the Chief Development Officer have reviewed and approved the Scope of Work and Project Costs attached hereto as Exhibits A.

3.2. Insurance

Authority shall require that each construction contractor for the Project provides the following insurance: (1) Workers' compensation covering the contractor in the amount required by law; (2) Commercial General Liability Insurance including broad form coverage, contractual liability, bodily and personal injury, and completed operations for bodily and property damage (minimum limits of \$1,000,000 per occurrence, with a minimum aggregate limit of \$2,000,000); and (3) Comprehensive Automobile Liability

Insurance, including owned and non-owned, as well as hired, vehicles used for the Projects (limits of \$1,000,000 combined single limit for each single occurrence). All insurance policies must require on their face, or by endorsement, that the insurance carrier waives any rights of subrogation against the City. Each contractor shall give 30 days' written notice to Authority and the City before its policies are canceled or not renewed. Each contractor shall name the Authority, the TIRZ and the City as "Specific Additional Insured" on the Commercial General Liability and Comprehensive Automobile Liability policies. Prior to beginning construction, Authority shall require each contractor to provide the City with copies of bonds covering faithful performance of this Agreement and payment of obligations arising under it as required pursuant to Chapter 2253 of the Texas Government Code. Each contractor shall name the City as dual obligee on such bonds.

3.3 Accounting Report

Upon completion of the Project, Authority shall provide the Chief Development Officer with an accounting report that itemizes the Project Costs for each Project funded by the City Contribution (as that term is defined in Section 4.1 of this Agreement), for the Chief Development Officer's review and approval. The Chief Development Officer shall approve the accounting report if, in the Chief Development Officer's opinion, the City Contribution has been expended in accordance with this Agreement.

ARTICLE 4 DUTIES OF CITY

4.1. City Contribution to Projects; Conditions of Expenditure

The City shall contribute \$25,000 to the Project ("City Contribution"). The City shall remit the City Contribution to Authority at its address for notices within 15 days of the Countersignature Date of this Agreement.

The City Contribution must be expended in accordance with the purposes authorized under Section 42-255(d) of the City Code of Ordinances. If Authority expends any portion of the City Contribution for purposes inconsistent with Section 42-255(d) or the terms of this Agreement, Authority shall be in default of this Agreement and shall immediately return to the City the applicable portion of the City Contribution in accordance with the provisions of Section 5.2 of this Agreement.

4.2. Taxes

The City is exempt from payment of Federal Excise and Transportation Tax and Texas Limited Sales and Use Tax. Authority may not expend any portion of the City Contribution on assessments of any of these taxes. The Chief Development Officer will furnish the City's exemption certificate and federal tax identification number to Authority.

ARTICLE 5 TERM AND TERMINATION

5.1. Agreement Term

This Agreement is effective on the Countersignature Date and expires upon the Chief Development Officer's acceptance of the Project, unless sooner terminated under this Agreement. The Chief Development Officer may not accept the Project unless the Chief Development Officer has first accepted the accounting report described in Section 3.3 of this Agreement.

5.2. Termination

1. Either party may terminate this Agreement, without cause, by 30 days' written notice to the other party. After termination under this provision, neither party shall have any further obligation under this Agreement, except as follows: Authority shall return to the City any portion of the City Contribution that Authority has not (i) expended in accordance with Article 4 of this Agreement or (ii) encumbered to pay its obligations for the Project under a contract existing at the time of such termination.

2. Either party may terminate its performance under this Agreement if the other party defaults and fails to cure the default after receiving notice of it. Default occurs if a party fails to perform one or more of its material duties under this Agreement. If a default occurs, the injured party shall deliver a written notice to the defaulting party describing the default and the proposed termination date. The proposed termination date must be at least 30 days after receipt of such notice. The injured party, at its sole option, may extend the proposed termination date to a later date. If the defaulting party cures the default before the proposed termination date, the proposed termination is ineffective. If the defaulting party does not cure the default before the proposed termination date, the injured party may terminate its performance under this Agreement on the termination date. The Chief Development Officer shall act on behalf of the City to notify Authority of a default and to effect termination.

ARTICLE 6 MISCELLANEOUS PROVISIONS

6.1. Responsibilities of the Parties

The parties agree that neither party is an agent, servant, or employee of the other party and that each party is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

6.2. Force Majeure

Neither party shall be held liable for any loss or damage due to delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such causes may include acts of God, acts of civil or military authority, government regulations (except those promulgated by the party seeking the benefit of this section), embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, other major environmental disturbances or unusually severe weather conditions.

6.3. Severability

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

6.4. Entire Agreement

This Agreement merges the prior negotiations and understandings of the parties and embodies the entire agreement of the parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind, exist between the parties regarding this Agreement.

6.5. Written Amendment

Unless otherwise specified elsewhere in this Agreement, this Agreement may be amended only by written instrument executed on behalf of the City (by authority of an ordinance adopted by the City Council) and Authority. The Chief Development Officer is only authorized to perform the functions specifically delegated to him or her in this Agreement.

6.6. Applicable Laws

This Agreement is subject to the laws of the State of Texas, the City Charter and Ordinances, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction. Venue for any litigation relating to this Agreement is Harris County, Texas.

6.7. Notices

All notices to either party to this Agreement must be in writing and must be delivered by hand, facsimile, United States registered or certified mail, return receipt requested, United States Express Mail, Federal Express, Airborne Express, UPS or any other national overnight express delivery service. The notice must be addressed to the party to whom the notice is given at its address set out in Article 1 of this Agreement or other address the receiving party has designated previously by proper notice to the sending party. Postage or delivery charges must be paid by the party giving the notice.

6.8. Captions

Captions contained in this Agreement are for reference only, and, therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

6.9. Non-Waiver

If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement. An approval by the Chief Development Officer, or by any other employee or agent of the City, of any part of Authority's performance does not waive compliance with this Agreement or establish a standard of performance other than that required by this Agreement and by law.

6.10. Enforcement

The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Authority shall provide to the City Attorney all documents and records pertaining to this Agreement that the City Attorney requests to assist in determining Authority's compliance with this Agreement, except for those documents made confidential by federal or State law or regulation.

6.11. Ambiguities

If any term of this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it.

6.12. Survival

The Authority shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement.

6.13. Parties in Interest

This Agreement does not bestow any rights upon any third party but binds and benefits the City and Authority only.

6.14. Successors and Assigns

This Agreement binds and benefits the parties and their legal successors and permitted assigns; however, this provision does not alter the restrictions on assignment and disposal of assets set out in the following paragraph. This Agreement does not create any personal liability on the part of any officer or agent of the City, Authority, or TIRZ.

6.15. Business Structure and Assignments

Authority shall not assign this Agreement at law or otherwise or dispose of all or substantially all its assets without the Chief Development Officer's prior written consent. Nothing in this clause, however, prevents the assignment of accounts receivable or the creation of a security interest as described in § 9.406 of the Texas Business & Commerce Code. In the case of such an assignment, Authority shall immediately furnish the City with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the fees to be paid to the Assignee. Authority shall not delegate any portion of its performance under this Agreement without the Chief Development Officer and City Attorney's prior written consent, such consent not to be unreasonably withheld or delayed if the City is not deprived of any rights or protections.

6.16. Remedies Cumulative

Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

DRAFT

**EXHIBIT A
SCOPE OF WORK FOR
THE DESIGN AND CONSTRUCTION OF LANDSCAPING IMPROVEMENTS TO THE
BRAZOS BRIDGE AT BAGBY STREET (“PROJECT”)**

The project is to be managed by Midtown Redevelopment Authority,

[Attached on following page.]

DRAFT

DRAFT

The following narrative describes a comprehensive list of services required to prepare Contract Documents for the Brazos Bridge Beautification project at the entrance to the Courtlandt Place Historic District and at the base of the 527 Spur, adjacent to Bagby Street, in the southwest corner of the Midtown District. Building off of the previous work completed on the conceptual design phase, Design Workshop has prepared this scope of services to complete full design drawings to facilitate implementation of the proposed landscape improvements.

Efficiently organizing the work will be essential to completing the project in a timely fashion. While the following narrative is organized in a linear manner, many of the sub-tasks may proceed in a parallel or concurrent fashion. The scope of work to be performed by the Design Workshop (DW) team in connection with this agreement is as follows:

TASK 1 – PROJECT START-UP

(2 weeks)

The general objective for this phase of the work is to ensure the full project team has a thorough understanding of the work that has been completed to date and to develop a preliminary understanding of the development program.

The specific tasks to be completed are as follows:

1.1 – Project Management

Every task will involve project management. Design Workshop strives to ensure quality assurance and quality control through clear communication and dialogue with their clients. Direct communication with the Midtown Redevelopment Authority (MRA) through memorandums, phone calls and emails will be provided to the Client throughout the entirety of the project. A progress report will accompany all billing.

1.2 – Project Kickoff Meeting

The Design Workshop team will host a conference call with the MRA and the Courtlandt Place Historic District representatives (as needed) to confirm project goals and design criteria. The purpose of this meeting is to become aligned on project vision and roles of the collective team going forward. Any outstanding items from the concept phase of the work and early design issues will also be addressed at this meeting.

1.3 – Review and Refine

Following the Project Kickoff Meeting, Design Workshop will refine the project schedule, visit the site, and review the opinion of probable cost previously prepared for the project. Additionally, the design team will review the topographic survey to confirm and denote limits of work.

Task 1 Deliverables

- Project management
- Detailed project schedule/work plan
- Project Kickoff Meeting agenda and minutes (pdf)

Task 1 Meetings

- Up to two (2) meetings with the Client, project partners or other consultants, including the Project Kickoff meeting and site visit, if desired.

TASK 2 – DESIGN DEVELOPMENT (50% Plans)

(4 weeks)

The general objective for this phase of the work is to develop the character and detail of the proposed landscape plan. Based on the Client approved Conceptual Design Plan and opinion of probable site/landscape construction cost, the Design Workshop team will prepare Design Development Plans. The level of technical information for this phase will be for coordination, review and cost estimating purposes only and will not provide the additional specific level of information for construction documentation and bidding.

The specific tasks to be completed are as follows:

2.1 – Design Refinement and Project Coordination

Design Workshop will refine and focus attention on design efforts from the conceptual design phase. This could include research and evaluation of materials, furnishings and accessories, grading, etc. Design Workshop will coordinate with the MRA and all applicable subconsultants to ensure that the design and detail are coordinated and work to achieve a single outcome.

2.2 – Demolition and Protection Plans

The Design Workshop team will evaluate elements of the existing conditions that need to be saved or removed as it relates to the proposed work. These elements include the hardscape surfaces between the bridge structure and Bagby Street, signage or other materials left over from the site's previous use.

2.3 – Materials Plans

Develop plans that depict any necessary hardscape surface materials and amenities to facilitate the implementation of the planting and landscape design. Plans will be developed and keyed to specific details, as required. The plans will address the project's interface with utility structures and any known easements.

2.4 – Grading and Drainage Plans

The Design Workshop team will create grading and drainage plans that will coordinate the movement of water on site. These plans will work to preserve and protect existing utilities structures to remain on site and will meet all applicable codes and requirements. Design Workshop will work closely with Walter P Moore to coordinate this work and all required drainage features.

2.5 – Construction Details, Sections and Elevations

The Design Workshop team will prepare details including, but not limited to, paving/walkways, planting areas, and irrigation. Details requiring civil engineering will be coordinated as applicable. The team will start reviewing materials and technical systems in this task. The following site improvement details elements are anticipated:

- a. Walking surfaces (maintenance access)
- b. Walls
- c. planting areas
- d. irrigation

2.6 – Planting Plans

Develop plans that provide location and type of proposed plant material (trees, shrubs, perennials, ground cover) throughout the site. A Plant Schedule will be developed indicating size and spacing of all proposed plant materials. Detail plans will be generated depicting detailed tree, shrub, perennial, vine, and groundcover species. Location of plants will be coordinated with underground utilities and plant availability will be investigated.

2.7 – Irrigation and Sleeving Plans

In coordination with the Design Workshop team, JAS irrigation will provide irrigation design for the project. This work will include irrigation design for tree plantings and other irrigation requirements for landscape beds along the length of the project. The irrigation plans will be accompanied by associated details and specifications related to system components like controllers, valves, sleeving, piping, etc. It is assumed that this system will be able to tap/access the existing system at the adjacent entry portal.

2.8 – Civil Engineering Plans

Walter P Moore will lead the site civil engineering plans and will assist Design Workshop with site related issues when it comes to grading and drainage. Additionally, Walter P Moore will assist with permitting, including meetings with the City of Houston and preparation of applications and response documents.

2.9 – Project Technical Specifications

Outline Technical specifications for all project components designed by the Design Workshop team will be prepared as part of this task. NOTE: Design Workshop services do not include preparing Division 01 Specifications as part of its services. Client shall include Division 01 Specifications adequate for the Project as part of its agreement with its contractor and shall provide Design Workshop with a copy of the Division 01 Specifications.

2.10 – Project Code and QC Review

The Design Workshop team will conduct Design Development Quality Control Reviews for aesthetic and technical content in addition to ensuring all applicable codes and requirements are being met by the proposed design.

2.11 – Opinion of Probable Costs

The Design Workshop team will prepare and opinion of probable construction cost for the project. During this process, the team will identify potential alternatives, as needed, that may provide cost savings to the Midtown Redevelopment Authority and their development partner, Courtlandt Place Historic District.

The following products will be prepared/delivered:

Task 2 Deliverables

- Project Management & Coordination
- Design Development Package, 24x36 PDF format

- General Notes and Cover Page
- Demolition Plans
- Materials Plans
- Grading and Drainage Plans
- Site Details, Sections and Elevations
- Planting Plans
- Irrigation and Sleeving plans
- Civil Engineering Plans
- ☐ Project Outline Technical Specifications, 8.5x11 PDF format
- ☐ Project opinion of probable costs, 8.5x11 PDF format

Task 2 Meetings

- ☐ Ongoing coordination with team
- ☐ Up to three (3) bi-weekly conference calls with Client, as needed
- ☐ One (1) Design Development Quality Control Review with the Client

TASK 3 – CONSTRUCTION DOCUMENTS (90% Plans)

(4 weeks)

The general objective for this phase of the work is to prepare final documentation drawings that incorporate the most current information regarding construction practices. Based on the Client approved Task 2 deliverables (Design Development Plan and Design Development level opinion of probable construction cost), Design Workshop will prepare 90% Construction Documents.

If any contractor, governmental authority, building department, or any other third-party requests or requires that changes be made to the Construction Documents prepared by Design Workshop, then Client shall notify Design Workshop of the same before any such changes are made. In the event Client, Client's contractors or subcontractors, or anyone for whom the Client is legally liable makes or permits to be made any changes to any documents prepared by Design Workshop or its consultants without obtaining Design Workshop's written consent, or in the event of termination of this Agreement consistent with the terms herein, Client shall assume full responsibility for the results of and any damages caused by such changes. Therefore, Client agrees to waive any claim against Design Workshop and to release Design Workshop from any liability arising directly or indirectly from such changes not consented to by Design Workshop. In addition, Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Design Workshop, including Design Workshop's consultants, from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes.

Unless required solely as a result of Design Workshop's failure to follow the applicable laws in place at the time when the 100% Design Development Documents and 100% Bid Documents/Permit Sets were originally prepared, any changes to the design requested or required to be made after Design Workshop's completion of the set of 100% Design Development Documents and 100% Bid Documents/Permit Sets shall be an Additional Service and shall be performed on a time and materials basis.

In the event Client uses Design Workshop's work product without retaining Design Workshop to either finalize the Construction Documents or to perform construction observation services, Client releases Design Workshop and Design Workshop's consultant(s) from all claims and causes of action arising from such uses. Client, to the fullest extent permitted by law, further agrees to indemnify and hold harmless Design Workshop and its consultants from all costs and expenses, including the cost of defense and attorneys' fees, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from such use of the documents by Client.

The level of technical information for this phase will be for final coordination, review and cost estimating purposes only and will not provide the final additional specific level of information for bidding and construction. It is assumed that the conclusion of this Task will be the first of two construction document submittals to the City of Houston. All drawings, details, specifications, coordination, meetings and cost estimates listed in Task 2 will be incorporated into this phase, but at a more detailed level. In addition, we will be providing the following:

The specific tasks to be completed are as follows:

3.1 – Layout and Dimensioning Plans

The Design Workshop team will provide all applicable horizontal dimensions for the project development. Every component will be properly dimensioned to ensure the highest quality layout and takeoffs are created.

3.2 – Project Code and QC Review

The Design Workshop team will conduct Design Development Quality Control Reviews for aesthetic and technical content in addition to ensuring all applicable codes and requirements are being met by the proposed design.

3.3 – Value Engineering

In preparation for the 100% Construction Documents, the Design Workshop team will conduct one (1) value engineering session with the MRA, as needed.

Task 3 Deliverables

- Project Management & Coordination
- 90% Construction Document Package, 24x36 PDF format
 - General Notes and Cover Page
 - Demolition Plans
 - Materials Plans
 - Layout and Dimensioning Plans
 - Grading and Drainage Plans
 - Site Details, Sections and Elevations
 - Planting Plans
 - Irrigation and Sleeving plans
 - Civil Engineering Plans
- Project Technical Specifications, 8.5x11 PDF format
- Project opinion of probable costs, 8.5x11 PDF format

Task 3 Meetings

- Ongoing coordination with team
- Up to two (2) bi-weekly conference calls with Client, as needed
- One (1) Value Engineering session with the Client

TASK 4 – CONSTRUCTION DOCUMENTS (100% Plans)

(2 weeks)

Upon approval by the Client of the 90% Construction Document package completed in Task 3, this phase will consist of documents and scope listed below. The intent is to have a 100% complete set with all client redlines resolved, all sheets indexed, required general notes furnished, all drawings completely coordinated, and work items listed.

All drawings, details, specifications, coordination, meetings and cost estimates listed in Task 3 will be incorporated into this phase, but with final details and information. If desired, a final hard copy set (24x36) of the Design Workshop team drawings will be provided to the MRA, for their use in any submittals and bidding.

Task 4 Deliverables

- Project Management & Coordination
- 100% Construction Document Package, 24x36 PDF format
 - General Notes and Cover Page
 - Demolition Plans
 - Materials Plans
 - Layout and Dimensioning Plans
 - Grading and Drainage Plans
 - Site Details, Sections and Elevations
 - Planting Plans
 - Irrigation and Sleeving plans
 - Civil Engineering Plans
- Project Technical Specifications, 8.5x11 PDF format
- Project opinion of probable costs, 8.5x11 PDF format

Task 4 Meetings

- Ongoing coordination with team
- One (1) bi-weekly conference call with Client, as needed

TASK 5 – PERMITTING, BIDDING AND NEGOTIATION

(8 weeks)

The general objective for this phase of the work is to obtain and review bids and assist Client in the selection of a preferred General Contractor, including, as necessary, assisting the contractor in developing a clear understanding of the project for purposes of preparing construction bids. This work shall occur in the period after the completion of Design Development and prior to awarding a construction contract. Should

Value Engineering or incorporation of addenda and other modifications be required after completion of the Bid Documents/Permit Set, Design Workshop will complete necessary changes on a Time and Material (T&M) Basis, with a stipulated cap, agreed upon by the Client, prior to commencing our work.

Client shall include in its agreement with the contractor a warranty on behalf of the contractor that its work will conform to the requirements of the plans and specifications prepared by the Design Workshop team and any other applicable contract documents. Client shall also include in its agreement with the contractor a requirement that the contractor not deviate from or change Design Workshop's design without prior written approval from Design Workshop. Client shall provide Design Workshop with a complete copy of the executed agreement between Client and the contractor, including all exhibits, specifications, and addenda.

The specific tasks to be completed are as follows:

1. Assist the Client in pre-qualifying contractors for work designed by Design Workshop. A list of approved contractors for the disciplines utilized will be submitted to the Client prior to issuing Bid Documents.
2. Issue Bid Documents/Permit Set created in Task 4.
3. Participate in one (1) Pre-Bid conference or Pre-Bid meeting with prospective bidders for work designed by Design Workshop or in conjunction with the work of other consultants.
4. Prepare addenda to the Bid Documents, as clarification is required.
5. Review bids for completion and ensure there are no major errors or omissions.
6. Review substitutions and alternatives as requested by the bidders, after bidding is complete.
7. Attend one (1) meetings with the low bidders on items designed by Design Workshop to review bids and facilitate understanding of the project scope.
8. Participate in one (1) one hour value engineering sessions with selected low bidders during negotiation.
9. Recommend preferred bidder to Client for construction contract.

This task does not include permitting or submittal fees (to be paid by Client, or paid by Walter P Moore and billed as a reimbursable expense). Because the extent of the review comments required by each agency for plan approval and public meetings is unknown at this time, the Design Workshop team has projected our effort accordingly based on past similar experiences. If additional effort is required by Client, reviewing agency, or other members of the project team, an additional service request will be provided to the Client.

TASK 6 – CONSTRUCTION OBSERVATION

(8 weeks)

The general objective for this phase of the work is to provide observation of the construction process for compliance with the drawings and specifications. Design Workshop will make periodic visits to the site, as specified below, to become familiar with the progress and quality of construction and to determine whether the construction of the landscape work is proceeding in accordance with Design Workshop's design intent and contract documents. During such visits and on based on observations while at the site, Design

Workshop will keep the Client informed of the progress of construction. Design Workshop may recommend rejection of work to the Client if the contractor fails to conform to the contract documents.

Client understands that construction observation is a part of Design Workshop's process and its subconsultants process and enables Design Workshop to observe the construction in progress at appropriate intervals to inform the owner of the progress and quality of the work. Construction observation services also enable Design Workshop to instruct and inform the contractor and owner of any issues observed and create a record of any problems observed. If Client does not retain Design Workshop to perform construction observation services, then Client understands and accepts the risk that the failures by the contractor to properly follow and implement the design intent of the contract documents may be missed.

The specific tasks to be completed are as follows:

1. Attend construction meetings, including pre-construction meeting, with contractor and subcontractors as part of the site visit schedule.
2. Conduct periodic site visits and provide progress reports indicating the progress of the project, quality of construction, specific problem areas and state of completion.
3. Respond to requests for clarifications.
4. Prepare and submit construction change directives/supplemental instructions, as needed, for items designed by the Design Workshop team.
5. Select and tag plant material for conformance to specifications at place of growth including tagging replacement plant materials, if necessary, at supply source with the contractor.
6. Review and approve product submittals, shop drawings, samples, mock-ups and other submissions of the contractor for compliance with Construction Documents.
7. Review and comment on contractor payment applications only. Design Workshop **will not** sign or otherwise authorize. This will be the responsibility of the construction administrator or manager or owner/client.
8. Observe hardscape layouts and quality of workmanship.
9. Observe landscape grading and drainage.
10. Observe location and quality of plant material and installation.
11. Observe layout and installation of irrigation systems and specified coverage tests.
12. Review as-built drawings, as required.
13. Conduct one (1) substantial completion walk-through to review contractor punch list.
14. At the end of establishment period, Design Workshop will conduct one (1) final inspection and, upon finding the project acceptable, Design Workshop will recommend acceptance of the landscape installation.

This proposal includes Professional Service time for up to four (4) meetings and five (5) site visits, as outlined below:

Task 6 Meetings

<input type="checkbox"/> Pre-construction Meeting	1
<input type="checkbox"/> Bi-weekly Construction Progress Meeting	3
<hr/>	
Total Meetings	4

Task 6 Site Visits

<input type="checkbox"/> Construction Observation Visits	2
<input type="checkbox"/> Nursery Visits	1
<input type="checkbox"/> Substantial Completion Punch List Walk	1
<input type="checkbox"/> Final Inspection and Acceptance	1
Total Site Visits	5

Additional meetings shall be approved in writing by the Client and billed as Additional Services.

Design Workshop will endeavor to secure compliance by the Contractor to the landscape plans and specifications. However, Design Workshop will not be responsible for construction means, methods, techniques, sequences or procedures in connection with the work. Design Workshop will not be responsible for the Contractor's errors or omissions or failure to carry out the work in accordance with the contract documents. Any discrepancies shall be brought to the attention of Design Workshop for clarification.

TASK 7 – SURVEY (OPTIONAL)

(6 weeks)

Kuo & Associates will support Design Workshop in developing a survey of the project site that shall comply with Category 6, Condition 2 survey of the latest TSPS Manual of Practice, as applicable for the scope of limited survey. In general, the scope of work will include the following:

1. Horizontal and vertical controls will be established based on the Texas State Plane Coordinate System, South Central Zone NAD 83 and datum NAVD 88.
2. Establish site TBM and controls for surveying work.
3. Cross sections will be surveyed at every 100 feet interval along the project route.
4. All planimetric features (including bridge infrastructure, gravity main assets, curb, gutter, driveway, fence, sidewalk, ramp, bush, plant, 4" and larger caliper trees, etc.) will be surveyed within the limit specified in the attached exhibit.
5. All visible existing utilities (i.e., manholes, culverts, power poles, etc.) will be located and pipe size and flow line measure downs in the manholes and inlets will be obtained.
6. Texas one-call system will be notified and pipeline companies will be contacted to probe and mark their pipeline (if any) locations to be tied to the survey.
7. Attempt will be made to recover and verify sufficient monumentation along the existing roadway to establish estimated right-of-way lines for topographic surveying scope. Task of establishing estimated ROW may involve some limited abstracting and deed research, however, detail boundary category survey is excluded.
8. Plan view drawings will be prepared containing all topographic information and utility features according to the COH standards in AutoCAD format.

Task 7 Deliverables

- Topographic survey drawing in AutoCAD format
- ASCII file of survey data

INITIAL INFORMATION

Client shall provide the following information or services as required for performance of its services. Design Workshop assumes no responsibility for the accuracy of such information or services provided by client and shall not be liable for errors or omissions therein but may rely on the accuracy of the information provided by Client. Should Design Workshop be required to provide services in obtaining or coordinating compilation of this information, such services shall be billed as additional services.

In order to begin services, Design Workshop will require the following information:

1. Topographic field surveys of the property which include but are not limited to the property lines, easements, utilities, structures, buildings, one (1) foot contours intervals, etc.
2. A copy of any available soils/geology/geotechnical reports.

PROJECT CONDITIONS

1. Client/Client Rep. coordination may need extra time if Design Workshop has to coordinate with multiple stakeholders.
2. Owner project delivery model is assumed to be design-bid-build with a single prime General Contractor. Other delivery models may affect Design Workshop fees (GMP, Design Build, etc.)
3. Site improvements including walking surfaces, planting areas, final grading and connections to City storm are designed and documented by the Design Workshop consultant team.
4. Design Workshop uses Autodesk Civil 3D® for design modeling and drawing production. All CAD products shall be provided to Design Workshop in AutoCAD-compatible formats and Design Workshop shall not be responsible for inaccuracies in such base data or lack of coordination of such. Therefore, BIM modeling and drawing production except in Civil 3D is excluded from Design Workshop's scope.
5. Design Workshop does not perform construction administration, but will observe progress and quality of construction, provide interpretations of design documents and advise the Client accordingly. The term "construction administration" if used in the master agreement shall not apply to Design Workshop or its subconsultants.

PROJECT EXCLUSIONS

The following exclusions are not part of Design Workshop's base scope of services and shall be considered Additional Services. Design Workshop will endeavor to solicit approval from the client prior to commencing services however failure to obtain prior approval does not inhibit Design Workshop from being compensated at Design Workshop standard hourly rates for producing the associated work.

1. Revisions to site area or project scope of work
 - a. Design and engineering scope of services required because of changes to the Project including but not limited to changes in size or location of project area, quality and complexity, schedule, program, or budget;

2. Additional Graphic Deliverables
 - a. Alternate Design directions and/or alternate solutions;
 - b. Preparation of marketing, fundraising, promotional and collateral material such as renderings, graphics, etc. not listed herein;
 - c. Production of fully-rendered 3D (or physical) model or fly-through;
3. Certifications & Permits
 - a. Services in conjunction with permit submissions, applications, entitlements, and/or presentations/coordination meetings to regulatory agencies not included in the scope of work above unless noted above.
 - b. Coordination and documentation of sustainable design requirements, e.g., LEED, Well Building, Living Building Challenge, or SITES, certification unless contracted;
4. Value Engineering
 - a. Value engineering work due to a change in budget allocation or change in budget after approval/completion of Construction Documents for the project;
 - b. Value engineering work related to delivery of the project by a Construction Manager, GC or other such Contractor of the Owner on a "shared savings" basis;
 - c. Any value engineering that takes place at the conclusion of bidding will be done by signifying items in the drawings as "not in contract", meaning those items are removed from the scope of work and contract to alleviate the contractor from performing that work;
5. Construction Observation (in addition to that indicated in the base scope of services in this agreement)
 - a. Phased document (plans and technical specifications) preparation for phased Construction Observation services, including "early bid" packages except as defined herein;
 - b. Construction observation for discrete projects or items which may begin prior to completion of construction documents;
 - d. Additional time required in the construction observation phase other than the hours defined herein;
 - e. Deductive or additive change orders requested by Client after the completion of construction documents;
 - f. Nursery visits to tag plant material or trees, in addition to what is included above;
 - g. Preparation of record drawings or of measured drawings of existing conditions;
 - h. Rework of design documents due to misinterpretation by the Contractor, or as the result of substitution of product or materials specified;
6. Meetings and Site Visits
 - a. In person, web and site meetings in addition to the number indicated in base scope of services of this agreement;
 - b. It is assumed all meetings for the duration of the project will be virtual unless explicitly stated otherwise.
7. Sub-Consultant Services
 - a. Only subconsultants listed herein are part of the scope of services.
 - b. Cost estimating/Opinion of Probable Construction Cost services unless included herein as a base scope of service.
 - c. IT/AV/Security design is not included in this work.
 - d. MEP, Structural, Architecture design is not included in this work.

SCHEDULE

Design Workshop is prepared to begin services immediately upon receipt of a signed copy of this proposal from an authorized owner's representative. At this time, the following generalized schedule is anticipated:

Task 1 – Project Startup	2 weeks
Task 2 – Design Development (50%)	4 weeks
Task 3 – Construction Documents (90%)	4 weeks
Task 4 – Construction Documents (100%)	2 weeks
Task 5 – Permitting, Bidding and Negotiation	8 weeks
Task 6 – Construction Observation	8 weeks
Task 7 – Survey (Optional)	6 weeks

FEES AND EXPENSES

1. BASIC SERVICES:

Compensation to Design Workshop for the services described herein and in accordance with the conditions of this agreement shall be performed on a lump sum basis not to exceed \$78,750. The estimated fees are as follows:

Brazos Bridge Phase 2 – Implementation

Task 1 – Project Startup	\$ 4,950
Task 2 – Design Development (50%)	\$ 17,200
Task 3 – Construction Documents (90%)	\$ 16,700
Task 4 – Construction Documents (100%)	\$ 11,000
Task 5 – Permitting, Bidding and Negotiation	\$ 5,000
Task 6 – Construction Observation	\$ 7,900
Task 7 – Survey (Optional)	\$ 12,000
Total Fee (labor only)	\$ 74,750

<u>Estimated Expense budget</u>	<u>\$ 4,000</u>
Total Project Budget	\$ 78,750

2. REIMBURSABLE EXPENSES:

Reimbursable Expenses are in addition to compensation for Basic Services. Reimbursable expenses incurred by Design Workshop and consultants directly related to the project such as, but not limited to, travel, photography, telephone charges, video conference charges, and printing expenses shall be billed at Design Workshop's cost, plus 5%, as noted above.

3. ADDITIONAL SERVICES:

Services in addition to those described above are to be compensated on a Time and Materials basis per Design Workshop's current published rate schedule. Additional services will include (but are not limited to) redesign of previously approved work, major revisions to program and/or expansion of scope of services. Whenever practical, changes, additions, or modifications to the

scope of services shall be authorized by written change request; however, the absence of such a written change order shall not act as a bar to payment of fees due Design Workshop, provided the change was in fact approved and ordered by the Client. Should additional services be required from Design Workshop, a negotiated rate will be approved prior to the additional services scope of work. Typical Design Workshop hourly rates are as follows:

Principal:	\$175-\$200
Project Manager:	\$90-\$175
Project Landscape Architect:	\$65-\$120
Project Assistant:	\$55-\$90

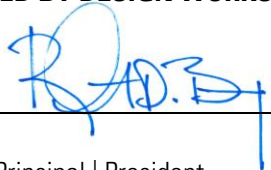
PAYMENT TERMS

1. This is a lump sum contract and will be billed monthly as a percentage completed for each phase of the work.
2. Invoices will be mailed from Design Workshop's office by the 10th of each month. Invoices are payable within 30 days of the date of billing. Invoicing shall be specific to each major task and will describe the completed portion of the services.
3. Extensive itemized breakdowns of hourly activities or provision of detailed backup for reimbursed expenses for accounting purposes are not a normal procedure; however, at the Client's request, Design Workshop will provide this service at an hourly rate of \$65 (sixty-five dollars) per hour.

ACCEPTANCE

1. This Agreement is entered into between Design Workshop, Inc. and the Midtown Redevelopment Authority, owner or reputed owner of the property to be benefited by Design Workshop's services.
2. If this contract meets with your approval, please sign below and return one (1) copy for our file.
3. If this agreement is not accepted within two (2) months from the date of receipt, the offer to perform the described services may be withdrawn and Design Workshop may renegotiate this proposal.
4. The Client agrees that they have read and understood the Contract Provisions attached hereto and incorporated herein by reference.

APPROVED BY DESIGN WORKSHOP, INC.

By: 
Title: Principal | President

Date: 5/23/22

APPROVED BY CLIENT:

By: _____

Date: _____

Title: _____

NOTES:

1. Attachment A Contract Provisions.

DRAFT