

midtown
H O U S T O N

**MIDTOWN REDEVELOPMENT AUTHORITY/
TIRZ#2
BOARD OF DIRECTORS MEETING
OCTOBER 27, 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, October 27, 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. Agenda for the Midtown Reinvestment Zone:
 - a. Minutes for September 29, 2022.
4. Consent Agenda for the Authority:
 - a. Minutes for September 29, 2022;
 - b. Monthly financial reports for September 2022;
 - c. Invoices from Trustee and Operating Accounts for October, 2022.
 - d. Funding to Rice University, Acting By And Through Rice Management Company pursuant to Developer Agreement.
 - e. Funding to Pearl Residences at Midtown Owner pursuant to Development Agreement.
5. Midtown Affordable Housing Program:
 - a. Affordable Housing Operations Campus;

- i. Change Orders;
 - ii. Tenant Improvements (Level 4) - Construction Contract;
 - b. NAI's Affordable Housing Office Building Operation Budget for Year 2022;
 - c. Sale of AHOC Parking Garage.
 - d. Comprehensive Review Project (CRP) Team affordable housing recommendations:
 - i. Resolution Authorizing Option Agreements and/or Development Agreements with various developers in connection with the submission of requests to the City of Houston Affordable Homes Development Program (AHDP) to develop approximately 184 affordable single-family homes for sale to Qualified Homebuyers
 - ii. Resolution Authorizing a Development Agreement with Mayberry Homes Inc. for development of single-family homes for sale to Qualified Homebuyers pursuant the terms of the City of Houston Affordable Homes Development Program (AHDP)
 - iii. Resolution Authorizing a Grant Agreement with Agape Homes CDC for development of single-family homes for sale to Qualified Homebuyers in connection with the City of Houston Affordable Homes Development Program (AHDP)
 - iv. Proposal from DAGGETT DEVELOPMENT LLC. dba Daggett Jones.
 - e. Affordable Housing Report.
6. Midtown Capital Improvements Program:
 - a. Baldwin Park - Walter P Moore / Design Workshop
 - i. Change Orders
 - b. Caroline Street Reconstruction – ESPA Corp/KCI
 - i. Change Orders
 - c. Midtown Park – Front 90 Improvements - Walter P Moore / Design Workshop
 - i. Change Orders
 - d. Brazos Street Reconstruction – Walter P Moore
 - i. Design Services Work Order
7. 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.
10. Adjourn.



Matt Thibodeaux

Executive Director MT/ks



midtown
H O U S T O N

**ZONE
CONSENT AGENDA**

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

September 29, 2022

A regular meeting of the Board of Directors (the "Board") of Reinvestment Zone Number Two, City of Houston, Texas, was held in person at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002, on Thursday, September 29, 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 F. Murphy	9	Zoe Middleton
5	Al Odom		

and all the above were present except Directors Odom and Thomas.

In attendance were Midtown Redevelopment Authority staff members: Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Theresa Gilmore, Marlon Marshall, Sally Adame, and Jalisa Hurst; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Alex Ramirez of Design Workshop; Alyssa Hill and Jessica Ortiz of Carr, Riggs and Ingram CPA; Algenita Davis and Bob Bradford of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Theola Petteway of OST/Almeda Redevelopment Authority; John Ivery of Walter P. Moore Engineering; Zack Martin of MCMD and Rev. Leonard Wiggins.

Vice Chairman Goren called the meeting to order.

MINUTES FOR AUGUST 25, 2022.

Director Fenz made a motion to approve the minutes for the August 25, 2022 Board meeting. The motion was seconded by Director Foster and carried by unanimous vote.

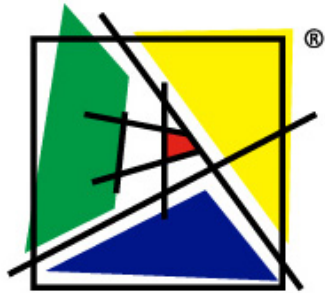
ADJOURN

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

Caton Fenz, Secretary

Date

DRAFT



midtown
H O U S T O N

DRAFT

**AUTHORITY
CONSENT AGENDA**

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

September 29, 2022

A regular meeting of the Board of Directors (the "Board") of the Midtown Redevelopment Authority (the "Authority") was held at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002, on Thursday, September 29, 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 F. Murphy	9	Zoe Middleton
5	Al Odom		

and all the above were present except Directors Odom and Thomas.

In attendance were Midtown Redevelopment Authority staff members: Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Theresa Gilmore, Marlon Marshall, Sally Adame, and Jalisa Hurst; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Alex Ramirez of Design Workshop; Alyssa Hill and Jessica Ortiz of Carr, Riggs and Ingram CPA; Algenita Davis, and Bob Bradford of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Theola Petteway of OST/Almeda Redevelopment Authority; John Ivery of Walter P. Moore Engineering; Zack Martin of MCMD and Rev. Leonard Wiggins.

Vice Chairman Goren called the meeting to order.

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA FOR THE AUTHORITY

MINUTES FOR AUGUST 25, 2022

MONTHLY FINANCIAL REPORTS FOR AUGUST 2022

INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR SEPTEMBER 2022

ANNUAL RENEWAL OF PROFESSIONAL SERVICES AGREEMENT WITH LIONHEART PLACES

FUNDING TO THE MUSEUM OF FINE ARTS, HOUSTON PURSUANT TO GRANT AGREEMENT

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

FISCAL YEAR 2022 FINANCIAL AUDIT

Jessica Ortiz of Carr, Riggs & Ingram, presented the Fiscal Year 2022 Financial Audit and Required Communications Letter. Ms. Ortiz stated that her firm was issuing a clean, unmodified opinion and that the Authority's basic financial statements present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Authority, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States. Director Bond made a motion to accept the Fiscal Year 2022 Financial Audit as presented. The motion was seconded by Director Fenz. Following all discussion, the motion carried by unanimous vote.

INVESTMENT REPORTS FOR QUARTERS ENDING MARCH 31 & JUNE 30, 2022

Kandi Schramm advised the Board the captioned for this item contained a typographical error and that "July 31, 2022" should have been "June 30, 2022". Mr. Thibodeaux presented the Investment Reports for the Quarters ending March 31 & June 30, 2022. He reported that the Investment Report, dated March 31, 2022, showed an average yield of 0.123702% for a total amount of interest earned of \$7,472.56. Additionally, he reported that the Investment Report, dated June 30, 2022, showed an average yield of 0.417898% for a total amount of interest earned of \$29,294.45. Director Murphy made a motion to accept the Investment Reports for the Quarters ending March 31 & June 30, 2022, as presented. The motion was seconded by Director Foster and carried by unanimous vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM

AFFORDABLE HOUSING OPERATIONS CAMPUS

Mr. Marshall reported that build-out continues at the Operations Center for certain tenants. He reported build-out negotiations for Change Happens on the 4th floor of the Operations Center were continuing.

CHANGE ORDERS

Mr. Marshall reported that there were no change orders to be presented at this meeting.

NAI'S AFFORDABLE HOUSING OFFICE BUILDING OPERATION BUDGET FOR YEAR 2022

This item was tabled until next month.

GRANT AGREEMENT WITH HOUSTON BUSINESS DEVELOPMENT INC. FOR A MULTI-FAMILY DEVELOPMENT

Peggy Foreman of Burney and Foreman reported on the Grant Agreement with Houston Business Development Inc. for a 145-unit multi-family development to be known as Serenity Palms. She advised the Board of the major terms of the Grant Agreement. Ms. Foreman stated that the Authority is granting the land for the Serenity Palms project and that construction is expected to be completed in December 2023. Director Fenz made a motion to approve the Grant Agreement with Houston Business Development Inc. for a Multi-Family Development. The motion was seconded by Director Murphy and carried by unanimous vote.

AFFORDABLE HOUSING REPORT

Mr. Edwards reported that a meeting was held with Authority staff, CCPPI, Bracewell and the City of Houston to discuss an infrastructure partnership plan for certain areas of the City in order to facilitate development of more affordable housing on Authority owned land. He also reported the Authority staff is in the process of obtaining appraisals for certain tracts of land proposed for sale at market rates.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM

BALDWIN PARK - WALTER P MOORE / DESIGN WORKSHOP

Marlon Marshall, Director, Engineering and Construction, reported that the delivery of the remaining electrical materials continues to be delayed due to supply chain issues. The project completion is pending delivery of the remaining materials.

CHANGE ORDERS

Mr. Marshall reported that there are no change orders to present at this meeting.

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that TxDOT has started its substantial completion inspections. The Authority completed its substantial completion inspections and presented TxDot and the contractor with a substantial completion punch list containing more than 400 items. It is expected that the final pavement markings will be completed in October 2022.

CHANGE ORDERS

Mr. Marshall reported that there are no change orders to present at this meeting.

MIDTOWN PARK – FRONT 90 IMPROVEMENTS - WALTER P MOORE / DESIGN WORKSHOP

Mr. Marshall reported the Midtown Park Front 90 Plaza Improvements Project contractor has installed electrical conduit, waterlines, and exhaust fans. Additionally, he reported the work has started on regrading of slopes and drains to eliminate standing water from accumulating at the garage tunnel stair landings. Upcoming work includes concrete repair at garage columns, installation of plumbing, ductwork, and waterproofing of cored areas in the fountain mechanical room. It is expected that the project completion will occur in December 2022.

CHANGE ORDERS

Mr. Marshall presented Change Order #1 in the amount of \$14,130.50 for the installation of additional PVC piping with a water hydrant and hose bib near the McGowen Street valet area. Director Foster made a motion to approve Change Order #1 in the amount of \$14,130.50 for the installation of additional PVC piping with a water hydrant and hose bib near the McGowen Street valet area. The motion was seconded by Director Fenz and carried by unanimous vote.

EXECUTIVE SESSION

The Board did not enter into a closed executive session.

ADJOURN

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

Caton Fenz, Secretary

Date

Midtown Redevelopment Authority

Profit & Loss

July through September 2022

	Jul - Sep 22
Ordinary Income/Expense	
Income	
400000 · Revenue & Support	
400025 · Interest-Debt Service & Reserve	35,184.82
400026 · Interest-Other Bond Funds	6,087.97
400029 · Interest - Affordable Housing	4,398.46
400030 · Interest-Operating Funds	40,004.55
400032 · Other Revenue	91,000.76
400040 · 3131 EMANCIPATION	22,810.84
400041 · Affordable Housing Apts Units (Apartment rental income Affordable Housing units)	29,137.01
400042 · 402 & 410 Tenant Inome	59,260.84
Total 400000 · Revenue & Support	287,885.25
400441 · Bagby Park Kiosk Lease	14,000.00
Total Income	301,885.25
Gross Profit	301,885.25
Expense	
500000 · BOND FUND EXPENSES	
500419 · Camden Int.	348,427.23
504000 · Projects & Expenses	
500021 · T-0203 Entry Portals	3,700.00
500046 · T-0221 Midtown Park	1,195.25
Total 504000 · Projects & Expenses	4,895.25
Total 500000 · BOND FUND EXPENSES	353,322.48
510000 · INCREMENT PROJECTS/EXPENSE	
510008 · T-0220 Afford Housing Land Bnk	
510013 · T-0220 Affordable Housing Legal	93,475.00
510014 · T-0220 MRA AFF HOUS THIRD GIS	3,004.45
510017 · T-0220 Drainage Fees	5,919.88
512001 · T-0220 Aff Hous Expense	647,248.53
512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles St.)	
5120034 · Operatings Center Insurance	1,031.42
5120039 · 3131 Electricity	14,053.32
5120040 · Utilites Water	7,026.66
512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles St.) - Other	365,246.69
Total 512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles St.)	387,358.09
Total 510008 · T-0220 Afford Housing Land Bnk	1,137,005.95
510010 · T-0237 Baldwin Park Upgrades	100,637.53
510019 · T-0214 Caroline St	49,600.35
510024 · T-0204 Infrastruc/Street Lights	152.59
510041 · CIP Program Expenses	
510094 · Midtown CIP TM	3,937.50
510041 · CIP Program Expenses - Other	5,110.00
Total 510041 · CIP Program Expenses	9,047.50
510043 · T-0234 Parks & Open Space & Mob	22,912.65
510045 · T-0224 HTC I - Bldg Maintenance	56,978.45
510046 · T-0221 Midtown Pk	3,896.40
510102 · HMAAC Interest Expense	7,243.14
510400 · KIOS at Bagby Park	30,174.67
510534 · T-0225 Mobility & Pedest Imprv	171,683.23
511002 · T-0233 Midtown Park Garage	2,098.06
Total 510000 · INCREMENT PROJECTS/EXPENSE	1,591,430.52
510034 · FTA Phase IV McGowen	11,700.00
550000 · General & Admin. Expense	
550002 · Contract Labor	
550003 · Rent Expense (Additional office space)	2,700.00
550004 · Salaries	
550014 · Health Insurance	38,843.97

No assurance is provided on these financial statements

Midtown Redevelopment Authority

Profit & Loss

July through September 2022

	Jul - Sep 22
550015 · AFLAC	
550017 · 401K	1,640.66
550018 · Life Insurance	81.18
550021 · 401K contributions	9,226.59
550004 · Salaries - Other	435,812.91
Total 550004 · Salaries	485,605.31
5500047 · Overtime	123.75
550007 · Courier Service	695.16
550008 · Office Supply & Expense	3,325.90
550009 · Misc Exp	16,190.53
550010 · Telephone & Utilities	
5500117 · GAS	164.79
550110 · Cellular Service	272.31
550113 · Drainage fee	82.56
550010 · Telephone & Utilities - Other	2,871.02
Total 550010 · Telephone & Utilities	3,390.68
550012 · Postage	327.65
550019 · Special Projects (Special Projects as determined by the City of Houston)	48.93
550022 · Bank Charges & Fees	8,284.06
550023 · Trust Expenses	4,775.00
550025 · Professional Services	126,880.16
550026 · Accounting Consultants	20,000.00
550028 · Legal Consultants	16,097.25
550031 · HTC Bldg Maintenance	1,308.70
550032 · Engineering Consultants	180,508.41
550034 · Equip Rent & Lease Expense	2,797.92
550036 · Licenses & Fees	695.00
550037 · Workman's Comp Insurance	1,137.38
550038 · Insurance - All	1,030.00
550039 · Computers & Repairs & Maint	6,984.20
550040 · Repair & Maintenance	7,000.00
550044 · Payroll Expense & PR Tax Exp	795.22
550045 · Payroll Fees	5,966.48
550046 · Reimb. Employee Office Exp.	64.06
550047 · Soc Sec - Medicare	31,738.50
550058 · Travel	1,571.33
550061 · Public Relations	45,000.00
Total 550000 · General & Admin. Expense	975,041.58
600000 · Bond Related Expenses	
560040 · 2015 Bond Int Expense	26,186.46
600000 · Bond Related Expenses - Other	9,500.00
Total 600000 · Bond Related Expenses	35,686.46
66900 · Reconciliation Discrepancies (Discrepancies between bank statements and company records)	-0.01
Total Expense	2,967,181.03
Net Ordinary Income	-2,665,295.78
Net Income	-2,665,295.78

Midtown Redevelopment Authority

Balance Sheet

As of September 30, 2022

	<u>Sep 30, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
101001 · Wells Fargo Ope Acctg 64040	1,784,981.42
101002 · Infrastructure Projects 1731	955.93
101010 · WF Surplus Acct 63943	2,123,154.63
101020 · WF FTA Enhanced Path 63919	60.30
101030 · Wells Fargo 1094 (income from tenants)	133,472.26
102200 · Logic Operating Account (Investment Account)	17,101,465.08
103200 · TexStar Operating Acct 1111	6,996.38
103600 · Wells Fargo Oper Inves 63901	733.51
103700 · WF Operating Saving 3215777180	44,986.58
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	3,523,557.36
104022 · WF Pilot Program 3935	345.48
104116 · TexStar Aff. Hsng MM 1800	2,027.39
104200 · Logic Affordable Housing (Investment Account)	4,093,604.46
1043000 · PNC · BBVA USA	1,109,442.27
1044000 · Wells Fargo NAI (NAI Partners Account)	111,202.27
Total 104000 · Affordable Housing Accounts	8,840,179.23
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	
105100 · Pledge Revenue Fund -422885	-2,107,118.90
Total 105001 · Pledge Revenue Fund 422885	-2,107,118.90
105002 · Debt Service Fund	
105200 · BNY-Debt Service Fund 422896	5,737,232.13
Total 105002 · Debt Service Fund	5,737,232.13
105003 · Reserve Fund 422897	
105324 · TexStar Debt Res Fnd MM 1023 (Debt Reserve Fund)	7,463,334.26
Total 105003 · Reserve Fund 422897	7,463,334.26
105009 · Austin Park Maint. Fund 422919	
105901 · Austin Park Money Market Acct.	3,590.37
Total 105009 · Austin Park Maint. Fund 422919	3,590.37
107000 · BOND FUNDS	
107009 · BNY-TICR AFF HSG 693802	48.59
107012 · BNY 2011 Escrow 443264	9.99
107018 · LOGIC 2017 PROJECT FUND (Trust Account 7487592004)	4,418.51
Total 107000 · BOND FUNDS	4,477.09
Total 105000 · Trustee Investments	11,101,514.95
Total Checking/Savings	41,138,500.27
Accounts Receivable	
130100 · Tax Increments Receivable	
103150 · City of Houston - Tax Increment	1,265,391.05
103152 · Harris County Tax Increment	1,712,763.00
130200 · HISD Tax Increment	10,377,010.00
Total 130100 · Tax Increments Receivable	13,355,164.05
170000 · Accounts Receivable	
170008 · KIOS	-6,400.00

No assurance is provided on these financial statements

Midtown Redevelopment Authority
Balance Sheet
As of September 30, 2022

	Sep 30, 22
170010 · Midtown Management District	2,863.56
170011 · Midtown Parks Conservancy	663,460.92
170020 · HX Houston Exponential AR	46,471.84
170021 · HTC BUILTOUT	338,285.67
170052 · OST/ALMEDA	-2,366,566.00
170000 · Accounts Receivable - Other	43,900.76
	-1,277,983.25
Total 170000 · Accounts Receivable	
Total Accounts Receivable	12,077,180.80
Total Current Assets	53,215,681.07
Fixed Assets	
150000 · Fixed Assets	
150010 · Office Furniture & Equipment	26,321.36
150011 · Accumulated Depreciation-Furn.	-26,321.36
150012 · 3300 Main st	5,000.00
150020 · Computer Equipment	32,057.11
150021 · Accumulated Depreciation-Comp.	-32,057.11
150040 · Land - JPI Park	736,911.00
150045 · Walgreens/Lui Park Land	141,000.00
150062 · Land - Houston Tech.Center I	798,053.89
150063 · Houston Tech Center I	2,676,862.62
150064 · Accm Deprec-Houston Tech Cntr I	-2,544,836.91
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,816,117.96
150067 · Accum.Deprec. HTC Phase I	-2,264,628.64
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-1,535,641.01
150075 · Midtown Park 2905 Travis St	3,506,306.26
150078 · Midtown Park Land-Tracts I & II	4,416,883.45
1500783 · Accum Deprec-Works of Art	-142,745.33
1500784 · Acc Depr Office Housng & Garage	-164,161.00
150078A · Midtown (Superblock) Garage	13,784.20
150078B · Midtown (Superblockj) Park	5,299,848.40
150078C · Midtown Garage - Depreciable As	
1500781 · Acc Depre - Midtown Garage	-2,079,440.68
150078C · Midtown Garage - Depreciable As - Other	23,069,902.00
	20,990,461.32
Total 150078C · Midtown Garage - Depreciable As	
150078D · Midtown Park - Depreciable Asse	
1500782 · Acc Depre Midtown Park	-3,153,803.64
150078D · Midtown Park - Depreciable Asse - Other	19,094,553.00
	15,940,749.36
Total 150078D · Midtown Park - Depreciable Asse	
150078E · Land - Operations Center	1,999,033.00
150078H · Midtown Park - Depr Assc 2&3	5,506,202.00
150078I · Bagby Park - Depr Asset (2020)	1,049,784.00
150078J · Opration Center Dep Asset	28,670,952.00
150079B · Works of Art - Donated	1,137,027.00
150080 · Land (Resale) (Land purchase for resale)	
150081 · Earnest Money	-49,744.89
150082 · Option Fees	8,170.00
150803 · Affordable Housing Legal	104,930.05
150804 · Affordable Housing Misc	753,699.46
150805 · AFFORD HOUS GRANTS	126,750.28
150080 · Land (Resale) (Land purchase for resale) - Other	42,730,933.67
	42,730,933.67

No assurance is provided on these financial statements

Midtown Redevelopment Authority
Balance Sheet
 As of September 30, 2022

	Sep 30, 22
Total 150080 · Land (Resale) (Land purchase for resale)	43,674,738.57
150080A · Land Held for Resale	-3,099,946.87
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00
150091 · Accum Depr HMAAC	-535,995.30
150100 · 2800 MAIN	317,069.93
150782A · Acc Depr Midtown Park - Phase I	-137,655.00
Total 150000 · Fixed Assets	135,865,482.88
Total Fixed Assets	135,865,482.88
Other Assets	
180000 · Travel Advance	307.96
Total Other Assets	307.96
TOTAL ASSETS	189,081,471.91
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200000 · Accounts Payable	1,656,729.28
Total Accounts Payable	1,656,729.28
Other Current Liabilities	
200001 · Current Liabilities	
200005 · Accrued Expenses	692,052.00
201000 · Operating Account Liabilities	-3,432.48
201001 · MIDCORP Kios	-35,226.98
201002 · Due to MPC	15,850.00
202000 · Project Fund Liabilities	18,578.35
2021061 · Due from FWRA for AFLAC	-774.24
204000 · HMAAC NOTE - CURRENT	810,358.00
2103008 · CRI Current Camden	4,060,796.96
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	5,572,001.61
200CRI · CRI	6,000,000.00
2030112 · BBVA Taxable Loan	9,072,547.93
2030113 · BBVA LOAN TAX EXEMPT	4,778,139.11
2103007 · Developer Advances Midtown Park	4,979,494.00
25000 · Retainage Payable (Retainange)	1,257,348.98
Total Other Current Liabilities	31,659,531.63
Total Current Liabilities	33,316,260.91
Long Term Liabilities	
210000 · Long Term Liabilities	
210010 · Bonds Payable Series 1998	-3,500.00
210047 · Bonds Payabe Series '13	21,925,000.00
210048 · Current Portion Bonds Payable	3,640,000.00
210049 · Bond Payable Series '15	6,515,000.00
210050 · Bond Payable Series 2017	35,285,000.00
210053 · Accrued Bond Int 2015 series	222,558.41
210055 · Accrued Bond Interest 13 Series	554,709.35
210056 · Accrued Bond Interest Series 11	0.02

No assurance is provided on these financial statements

Midtown Redevelopment Authority

Balance Sheet

As of September 30, 2022

	Sep 30, 22
210058 · Series 2013 BOND PREMIUM	792,345.07
210059 · Series 2015 Bond Prem	344,109.24
210060 · Accrued Bond Interst 2020	256,900.04
210061 · Series 2017 Bond Premium	3,169,302.45
210062 · Accrued Bond Interest Series 17	1,042,176.92
210063 · Series 2020 Bond Premium	-107,677.10
210064 · Bonds Payable Series 2020	9,215,000.00
2103000 · LOANS	
2103003 · HMAAC LOAN REFINANCED	-119,515.55
Total 2103000 · LOANS	-119,515.55
Total 210000 · Long Term Liabilities	82,731,408.85
Total Long Term Liabilities	82,731,408.85
Total Liabilities	116,047,669.76
Equity	
1110 · Retained Earnings (Retained Earnings)	75,699,097.93
Net Income	-2,665,295.78
Total Equity	73,033,802.15
TOTAL LIABILITIES & EQUITY	189,081,471.91

Midtown Redevelopment Authority
Wells Fargo Oper 64040 Disbursements

September 1 - 30, 2022

Date	Num	Name	Memo	Credit
101001 - Wells Fargo Ope Acctg 64040				
09/01/2022	10429	Equi-Tax, Inc.	MontlyConsultation Service fee per contract	500.00
09/01/2022	10430	Midtown Scouts Square Property. LP	CONTRACT PARKING 12 SPACES	900.00
09/01/2022	10432	Purchase Power	8000900007893519	56.66
09/01/2022	10433	NEVA Corporation		1,000.00
09/01/2022	10435	Design Workshop, Inc.	Houston Midtown District Work Order#1	2,542.65
09/02/2022	ACH	City of Houston - Water	155065	243.37
09/02/2022	ACH	City of Houston - Water	155065	251.36
09/02/2022	ACH	City of Houston - Water	155065	1,082.14
09/02/2022	ACH	City of Houston - Water	155065	1,362.93
09/02/2022	ACH	City of Houston - Water	155065	1,760.37
09/07/2022	10436	Camden Property Trust	PRINCIPLE PAYMENT	603,562.93
09/07/2022	debit	CENTERPOINT ENERGY 4	GAS SERICE AT 410 & 402 PIERCE 6402818836-1	56.20
09/08/2022	debit	ATT -2	office phones	606.79
09/09/2022	DEBIT	T - Mobile	110855028AUG22	137.41
09/13/2022	debit	G&A Partners	PR 08-27--2022	93,486.51
09/13/2022	DEBIT	Comcast Business	402 & 410 SERVICE ACCT# 708743225 AUTO PAY	1,518.25
09/14/2022	DEBIT	Reliant Energy	402 PIERCE ST	5,074.47
09/14/2022	DEBIT	Reliant Energy	410 PIERCE STREET	3,580.27
09/15/2022	debit	Comcast Business	402 & 410 SERVICE AUT PAY	238.51
09/15/2022	DEBIT	ATT -2	elevaor phones	255.17
09/15/2022	ACH	ATT -2	Elevaor phones	138.92
09/20/2022	10438	Pitney Bowes Global Financial Services LL	LEASE	163.00
09/20/2022	10439	Flextg Financial Services	CANNON/IR-C57501	861.37
09/26/2022	DEBIT	Liberty Bank and Trust	53752 SEPT 2022	10,545.04
09/27/2022	DEBIT	G&A Partners	PR 08-27--2022	88,086.62
09/28/2022	ACH	Comcast Business	402 & 410 Service	549.36
09/29/2022	10440	Bee-Line Delivery Service, Inc.	550008	205.34
09/29/2022	10441	Bracewell LLP		21,462.50
09/29/2022	10442	Burney & Foreman		9,000.00
09/29/2022	10443	Design Workshop, Inc.	Houston Midtown District Work Order#1 PROJECT 0068786.00	8,482.50
09/29/2022	10444	FireTron, Inc.	213508 2022 ANNUAL INSPECTION OF FIRE EXTENGUISHE...	680.00
09/29/2022	10445	Goode Technology Group		8,137.18
09/29/2022	10446	IDS Engineering Group	Professional Services from July 25, 2022 to August 25, 2022 Pr...	4,473.89
09/29/2022	10447	Jerdon Enterprises, L.P.	Professional Services from August 12, 2022 to August 31, 2022 ...	109,924.65
09/29/2022	10448	LION HEART	Project 043-001 MIDTOWN WO1	4,183.60
09/29/2022	10449	OJB		22,745.00
09/29/2022	10450	One World Strategy Group, LLC	QW STRATEGIST	15,000.00
09/29/2022	10451	Staples Advantage	office supplies	796.68
09/29/2022	10452	The Goodman Corporation		22,476.95
09/29/2022	10453	THR Enterprises, Inc.	Cleaning Serices	1,750.00
09/29/2022	10454	TKE Elevators	Monthly sericen	388.01
09/29/2022	10455	Walter P. Moore	PROJECT M032107002	8,141.52
09/29/2022	10456	Wulfe & Co.	Consulting for Bagby Park and Midown Park	3,400.00
09/29/2022	10459	OJB	Professional Services Rendered Through August 31, 2022	10,000.00
09/29/2022	10460	TKE Elevators	Quarterly Service	1,724.44
09/29/2022	10461	HCGS Lawndale LLC	Board Meeting 09-29-2022	424.75
09/29/2022	10462	Purchase Power	8000900007893519	270.99
09/29/2022	10463	Midtown Parks Conservancy		27,413.23
09/29/2022	10465	A. O. Phillips & Associates, LLC	Consulting Services for the Period ending August 21, 2022 - Se...	3,610.00
09/29/2022	DEBIT	AFLAC	SEPTEMBER 2022	2,815.86
09/30/2022	ACH	City of Houston - Water	155065	108.37
09/30/2022	ACH	City of Houston - Water	155065	1,219.41
09/30/2022	ACH	City of Houston - Water	155065	1,418.13
Total 101001 - Wells Fargo Ope Acctg 64040				1,108,813.30
TOTAL				<u>1,108,813.30</u>

Midtown Redevelopment Authority
Wells Fargo Aff Housing Disbursements

September 1 - 30, 2022

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	09/29/2022	4002	CCPPI	Amended Housing Grant Agreement (year 2) August 2...	-109,833.34
Bill Pmt -Check	09/29/2022	4003	TransTeQ	Landscaping	-50,800.23
Bill Pmt -Check	09/29/2022	4004	Kirksey Architecture, LLC	VOID:	
Bill Pmt -Check	09/29/2022	4005	Kirksey Architecture, LLC	Architects	-1,026.00
Bill Pmt -Check	09/29/2022	4006	Jarrett's Appraisal Service	APPRAISALS	-6,300.00
Bill Pmt -Check	09/29/2022	4006	American Fence Company, Inc.	5302 MLK BLVD	-5,278.90
Total 104021 · WF Afford Hous 3927					-334,961.16
Total 104000 · Affordable Housing Accounts					-334,961.16
TOTAL					-334,961.16

DRAFT



June 10, 2022

Midtown Redevelopment Authority
410 Pierce St, Suite 355
Houston TX 77002

Re: Development Agreement Written Request for Reimbursement
Ion District – Ion Plaza and Ion Sidewalks

To whom it may concern,

Thank you for your support in Rice Management Company and The Ion District. We have completed the Ion Plaza and Ion sidewalk improvements for a grand total of \$3,988,468:

Area	Total Cost
Ion Plaza	\$2,606,107
Ion Sidewalks	\$1,382,361
<i>Wheeler Avenue</i>	<i>\$393,955</i>
<i>Main Street</i>	<i>\$489,005</i>
<i>Fannin Street</i>	<i>\$499,401</i>
Total	\$3,988,468

Attachments include *Exhibit B-1 (Phase 1 Public Infrastructure and Improvements)* and the *Annual Payment Schedule* from the Economic Development Agreement executed by and between the Midtown Redevelopment Authority and Rice University on November 10th, 2021.

Please accept this letter as our written request for reimbursement, according to the amount shown for 2022 in the *Annual Payment Schedule*, in the amount of **\$392,714**.

Sincerely,

Ryan LeVasseur
Managing Director, Direct Real Estate

EXHIBIT B-1**Phase I Public Infrastructure and Improvements**

	Phase I 2019-2024
Public Space	
Ion Plaza	\$2,606,107
Civic Plaza	\$3,790,013
Other Central Laneway Area	\$0
Subtotal	\$6,396,120
Streets/Roads	
Eagle Street Hardscape/Landscape	\$4,081,916
Eagle Street Infrastructure	\$587,087
Pedestrian Crossings	\$465,239
Signalized Intersection	\$1,379,100
Fannin & San Jacinto Bulb-Outs	\$648,011
Sidewalk Improvements	\$3,489,290
Wheeler Sidewalk Widening	\$1,976,157
Subtotal	\$12,626,800
Utilities	
Power Line Burial	\$3,401,120
Subtotal	\$3,401,120
Public Parking Garage Infrastructure Costs – Pedestrian Right of Way Improvements	
Overhead to Underground Conversion – Power	\$651,600
Sidewalk Furnishings	\$246,500
Sidewalk Paving	\$386,249
Site Landscaping	\$264,935
Sidewalk Lighting/Electrical	\$153,892
Subtotal	\$1,703,176
Public Parking Garage Infrastructure Costs – Vegetated Façade	
Levels 2-10 Vegetated Façade (Planters Only)	\$5,964,109
Level 1 Brick Façade	\$660,314
Subtotal	\$6,624,423
Public Parking Garage Infrastructure Costs – Ground Floor Retail	
Garage Retail	\$2,333,750
Subtotal	\$2,333,750*
Total Additional Reimbursement for other Parking Garage Infrastructure Costs	\$6,500,000**
Total	
Total Phase I Infrastructure and Improvements and Parking Garage Infrastructure Costs	\$32,924,040

* Reimbursement of Parking Garage Infrastructure Costs may not exceed the total amount of \$10,500,000, except as otherwise provided in Section 6.03(e) of the Agreement.

** The Total Additional Reimbursement Amount for other Parking Garage Infrastructure Costs may not exceed \$6,500,000.

Annual Payment Schedule

<u>Year</u>	<u>Projected Annual Available Tax Increment</u>
2022	\$392,714 ¹
2023	\$331,582
2024	\$345,796
2025	\$3,092,323
2026	\$3,175,556
2027	\$1,191,431
2028	\$2,034,139
2029	\$2,087,459
2030	\$1,817,241
2031	\$3,005,377
2032	\$3,082,616
2033	\$3,161,787
2034	\$3,242,936
2035	\$3,326,115
2036	\$3,411,372
2037	\$3,498,762
2038	\$3,588,336
2039	\$3,680,149
2040	\$3,744,258
2041	\$3,870,719
2042	\$3,969,592
2043	\$4,070,937
2044	\$4,174,815

AGREED TO this _____ day of _____.

**MIDTOWN REDEVELOPMENT
AUTHORITY**

By: _____
Name: _____
Title: _____

**RICE UNIVERSITY, acting by and through
RICE MANAGEMENT COMPANY**

By: _____
Name: _____
Title: _____

¹ This amount represents the sum of the amounts set forth in Column F of the Projections Table for Year 2021 and Year 2022.

From: [Tim Medrano](#)
To: [Marlon Marshall](#)
Cc: philip@morgangroup.com
Subject: Pearl Marketplace - Midtown TIRZ Reimbursement
Date: Monday, June 27, 2022 6:11:13 AM
Attachments: [image002.png](#)
[image003.png](#)
[Midtown Redevelopment Authority Reimbursement Invoice-2020.pdf](#)

Hi Marlon –

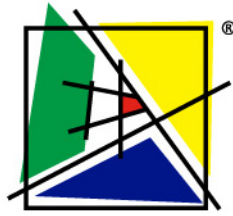
I hope all is well. I want to check in on the tax year 2021 reimbursement for the Pearl Whole Foods project. This year's reimbursement should be based on the \$58,161,550 certified property value. Please let me know when you will know the amount of our reimbursement and timing for the receipt of the funds.

Thanks,
Tim



Tim Medrano
SVP - Capital Markets
Phone 713.361.7213
Mobile 713.876.9106
Web www.morgangroup.com
Email TimM@morgangroup.com
3000 Richmond Ave, Houston, TX 77098





midtown
HOUSTON

DRAFT

MIDTOWN AFFORDABLE HOUSING
PROGRAM

One Emancipation Center – 4th Floor Tenant Improvements

Midtown Redevelopment Authority solicited Competitive Sealed Proposals for construction of the 4th floor tenant improvements within One Emancipation Center. A pre-proposal meeting was held on October 4, 2022, and proposals were due on October 18, 2022.

To determine the proposal which provides the best overall value and best meets the needs of MRA, staff along with design and construction management consultants evaluated the proposals based on the following selection criteria and weights:

Criteria	Available Points
Commercial Interior Buildout Experience & References	20
Project Management Experience	15
Key Personnel	15
Financial Standing and Claims History	10
Minority and Women Business Enterprises (M/WBE) Practices	10
Price/Cost Schedules	30
Total Points	100

The proposals were scored as follows:

	Commercial Interior Buildout Experience & References	Project Management Experience	Key Personnel	Financial Standing and Claims History	Minority and Women Business Enterprises (M/WBE) Practices	Price/Cost Schedules	AVG TOTAL
ASSIGNED WEIGHT	0.20	0.15	0.15	0.10	0.10	0.30	
Arch-Con Corporation	19.92	14.55	14.10	8.94	8.80	22.99	89.30
Azteca Enterprises	17.12	12.55	13.65	9.74	9.30	14.54	76.90
GAM Construction	14.60	11.60	12.25	9.20	9.00	30.00	86.65
Harvey Builders	19.92	15.00	14.35	9.24	9.10	21.98	89.59
Portfolio Builders	14.00	10.25	12.00	9.10	7.40	28.26	81.01

Below are the construction costs included in the overall evaluation of proposals:

Arch-Con Corporation - \$1,200,474.00
Azteca Enterprises - \$1,897,614.00
GAM Construction - \$919,829.00
Harvey Builders - \$1,255,535.00
Portfolio Builders - \$976,306.66

partners

**2022 REFORECASTED
Budget**

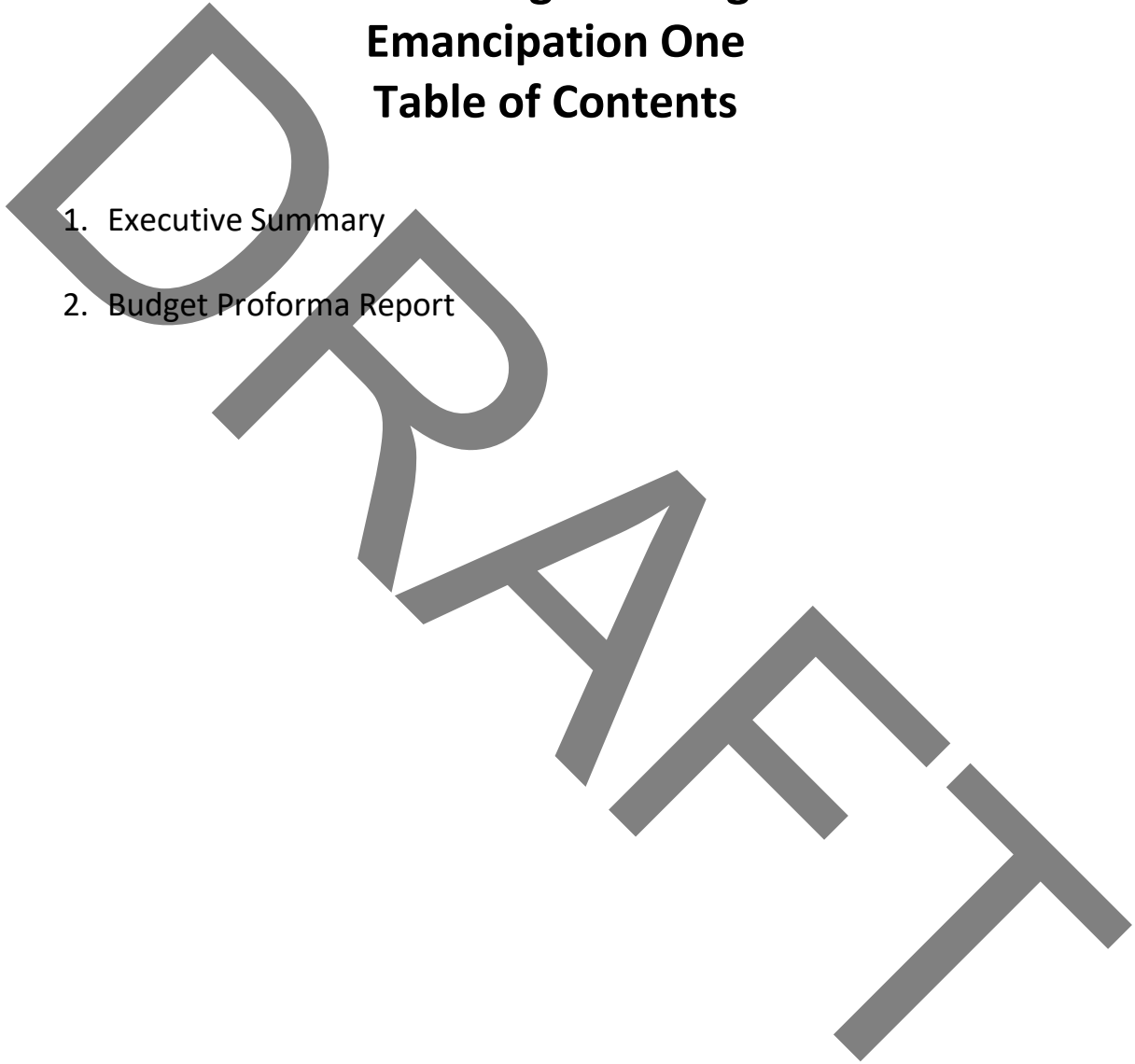
**ONE
EMANCIPATION**

**MIDTOWN
REDEVELOPMENT**



**2023 Budget Package
Emancipation One
Table of Contents**

1. Executive Summary
2. Budget Proforma Report



One Emancipation Center

2022 Business Plan

Executive Summary

Partners is pleased to present the 2022 Marketing and Operating Reforecast Budget to Center for Civic & Public Policy Improvement (CCPPI) for One Emancipation Center. This Budget Narrative will outline the income and expenses associated with managing and leasing the project. This year is the first full year of operation with tenants occupying the building. There are no full year expenses to compare prior years to.

2022 BUSINESS PLAN NARRATIVE

	Total	\$/PSF
NET OPERATING INCOME (NOI)	\$(279,330)	\$(5.45)
TOTAL INCOME	\$268,023	\$5.23
TOTAL RECOVERABLE OPERATING EXPENSES	\$547,352	\$10.68

LEASING ASSUMPTIONS

As of December 31, 2022, the project is 17.3% occupied.

We have pushed out the assumptions to 2023.

TOTAL RECOVERABLE OPERATING EXPENSES

The 2022 budgeted operating expenses are \$547,352, or \$10.68 PSF. Many increases are expected in 2023 due to implementing preventative maintenance for the building to maintain value and systems.

CAPITAL IMPROVEMENTS:

None

TENANT IMPROVEMENTS:

None

LEASING COMMISSION:

None

TENANT RELATIONS PROGRAM:

None

AHDP
DRAFT

To: Todd Edwards
Peggy Foreman

From: CRP Team

CC: CCPPI Team Members

Date: October 18, 2022

RE: Recommendation for Approval of Development of Sixty (60) MRA Owned Sites for Single Family Hosing (RFP #2022-01)

MRA/CCPPI issued RFP # 2022-01 for the development of single family detached homes. Sixty (60) MRA owned sites were available for development. The sites were divided into six clusters and developers could propose on one or more clusters. Two sets of maximum sales prices were established, one for individual/families below 90% AMI and one set for those above 90% to 120% AMI. Each proposal for a cluster required at least 1/3 of the units to have sales prices that were for below 90% AMI. Five (5) proposals were received, one for Cluster A and four (4) for Cluster B. The CRP team evaluated the proposals based on the criteria outlined in the RFP. Below is a summary of the aggregate scores for each Cluster:

CLUSTER A

RFP #2022-01 Aggregate Average Evaluation Form			
Cluster A			
Scoring Category		Maximum Points	Habitat for Humanity
1)	Project Description	2	1.8
2)	Development Experience	10	9.6
3)	Roles and Responsibilities	10	8.4
4)	Home Cost & Salesprice	20	19.6
5)	Affordability -Additional Homes Below 90% AMI	5	0.0
6)	Affordability -Sales Prices 5% Lower	5	0.0
7)	Evidence of Preliminary Financial Commitment	5	4.0
8)	Project Timing	10	8.2
9)	Floor Plans	10	7.8
10)	MWBE Plan	10	9.2
11)	Section 3	5	0.0
12)	Marketing Plan	8	7.4
Total Possible Points		100	76.0

CLUSTER B

RFP #2022-01 Aggregate Average Evaluation Form						
Cluster B						
	Scoring Category	Maximum Points	Change Happens	CR Designs	Mors Dev	Titanium Builders
1)	Project Description	2	1.8	1.8	1.7	1.6
2)	Development Experience	10	6.4	8.2	8.1	7
3)	Roles and Responsibilities	10	8.8	7.8	7.9	8.4
4)	Home Cost & Salesprice	20	18.8	0	18	0
5)	Affordability -Additional Homes Below 90% AMI	5	5	0	5	0
6)	Affordability -Sales Prices 5% Lower	5	0	0	5	0
7)	Evidence of Preliminary Financial Commitment	5	4.6	4.6	4.8	4.2
8)	Project Timing	10	9.6	9.6	9.6	8.4
9)	Floor Plans	10	6.4	6.8	8.4	7.4
10)	MWBE Plan	10	8	9.6	4.6	4.8
11)	Section 3	5	4.6	3.8	3.8	2.2
12)	Marketing Plan	8	7.2	5.4	6.8	5.6
	Total Possible Points	100	81.2	57.6	83.7	49.6

CLUSTER A: RECOMMENDATION:

THE CRP Team is recommending that Houston Habitat for Humanity be selected for the development of single family homes for Cluster A which included 11 sites and a requirement that four have sales prices to serve those below 90% AMI. Houston Habitat for Humanity proposed three 2 Bedroom (1061 square feet) homes with a sales price of \$146,927 and one 3 bedroom (1164 square feet) home with a sales price of \$157,150. These sales prices were consistent with the sales prices published in the RFP for below 90% AMI.

Houston Habitat for Humanity proposed seven (7) homes (1164 square feet) with a sales price of \$164,170 for the remaining sites. The sales price proposed is consistent with the sales prices published in the RFP for above 90%-120% AMI. See Exhibit A for Houston Habitat for Humanity's Respondent Information Worksheet, Exhibit B for examples of floor plans and renderings, and Exhibit C for summary of development cost and sales prices. Exhibit G provides the addresses and HCAD numbers for the Cluster A sites.

CLUSTER B RECOMMENDATION:

The CRP Team is recommending that MORS Development Partners Series, LLC be selected for the development of single family homes in Cluster B which included seven sites. The RFP allowed for sites over 5,000 square feet to be replatted and used for two homes. MORS has proposed a total of nine (9) homes for the cluster by utilizing two of the available seven sites for two homes. MORS is proposing four (4) 4 bedroom homes (1,700 square feet) with sales prices of \$232,750 for those under 90% AMI and five 4 bedroom (1,700 sq are feet) homes with sales prices at \$247,988 for those above 90%-120% AMI. All of the proposed sales prices are consistent with the sales prices published in the RFP. MORS, through its partners, has completed 32 units through the City of Houston Affordable Housing program and is currently working on an additional 15 projects for COH that will produce 28 units. The team recognizes the need to serve larger families and the construction of four bedroom homes will help meet that need. See Exhibit D for Respondent Information Worksheet and Certificate of Formation, Exhibit E for Floor Plans and Renderings, and Exhibit F for summary of development of cost and sales prices. Exhibit G provides the addresses and HCAD numbers for the Cluster B sites.

EXHIBIT A
RESPONDENT INFORMATION WORKSHEET

Name of Respondent: Houston Habitat for Humanity

Contact Individual: Allison Hay

Respondent Address: 3750 N McCarty St, Houston, TX 77029

Respondent Telephone: 713-671-9993

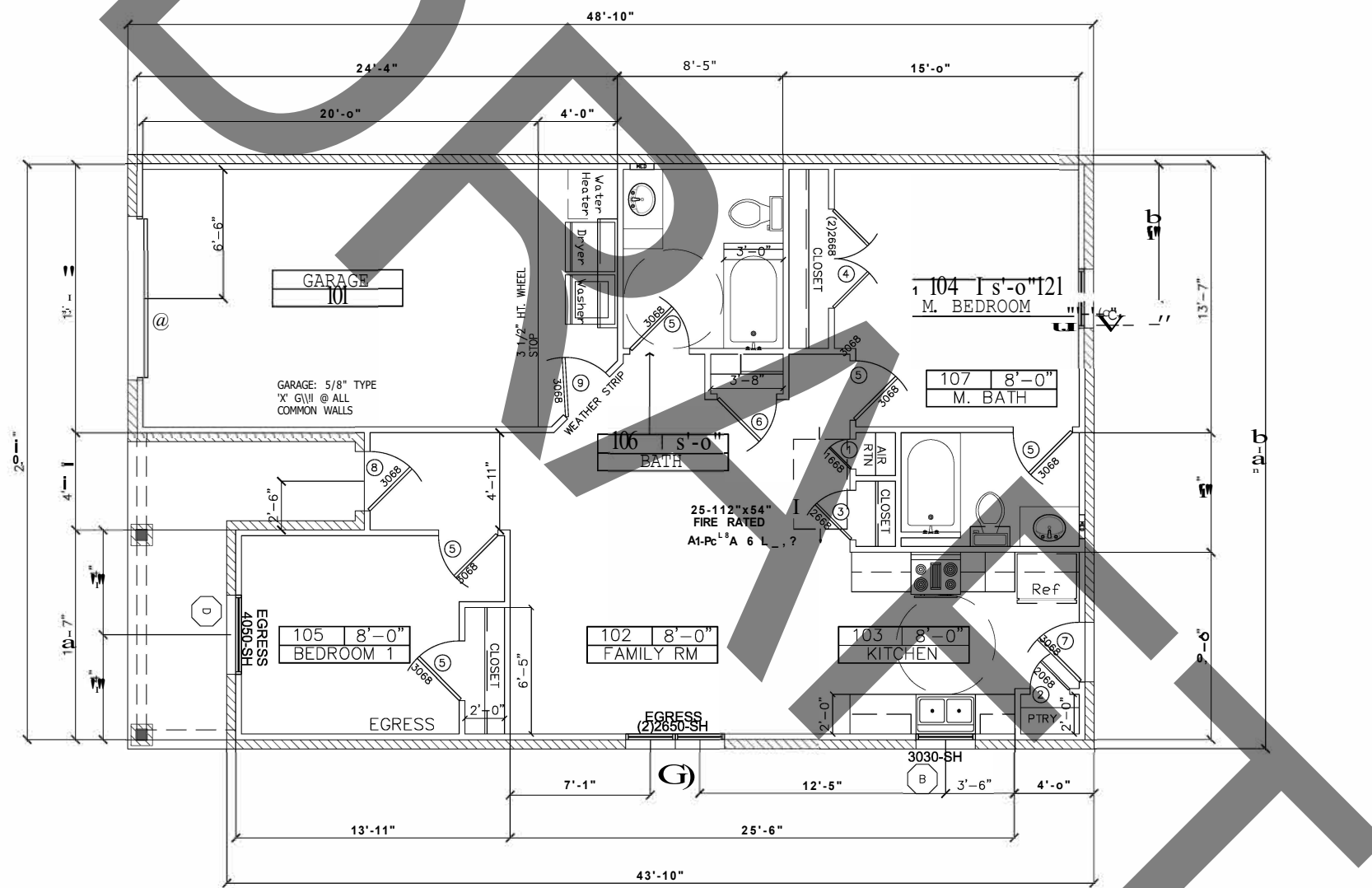
Respondent Email Address: ahay@houstonhabitat.org

URL (web address) if any: www.houstonhabitat.org

Name of Builder (if different from Respondent): _____

Authorized Signatory: Allison Hay

EXHIBIT B



1 FLOOR PLAN
SCALE: 1/8" = 1'-0"

Habitat for Humanity
Houston
3750 N McCarty
Houston, Texas
77029
Tel: 713-671-9993
www.houstonhabitat.org

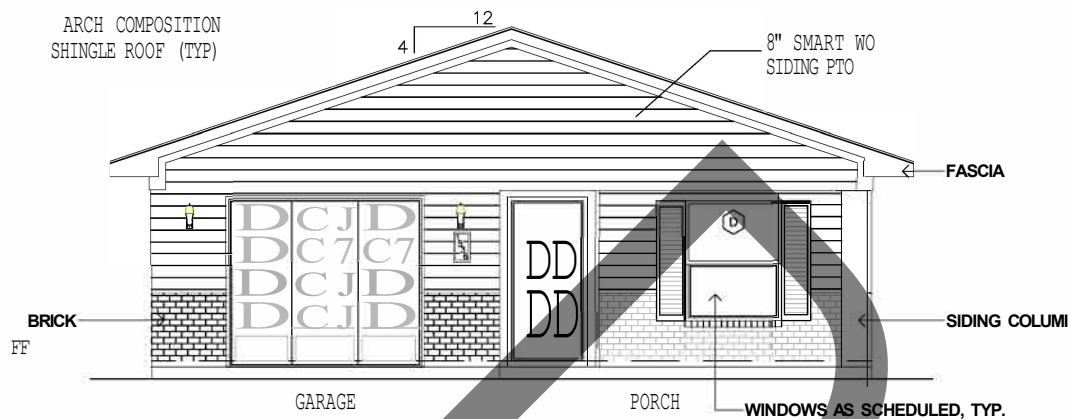
007 : 5
PLAN : HARTZ

ATTACHMENT
TYPE 2

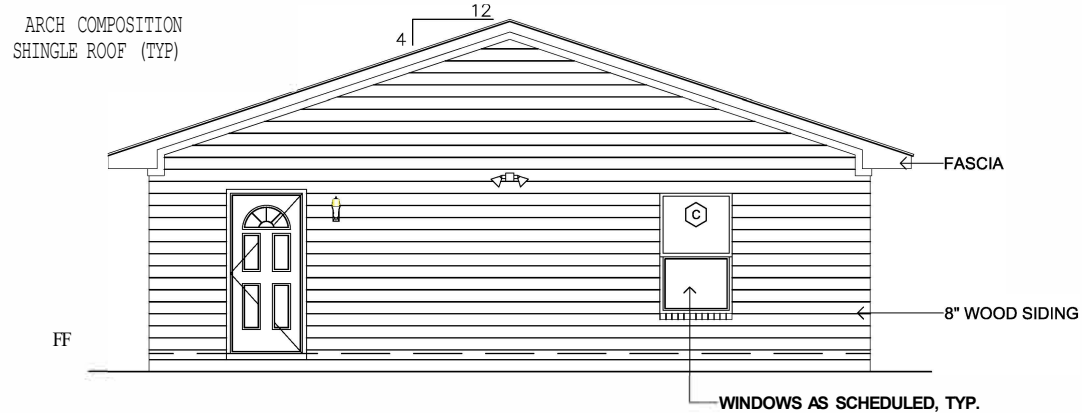
REV. DATE
1
2
3
4
5

PLANS BY: HHFH
REVIEWED BY: HHFH
INITIAL DATE: 07/2022

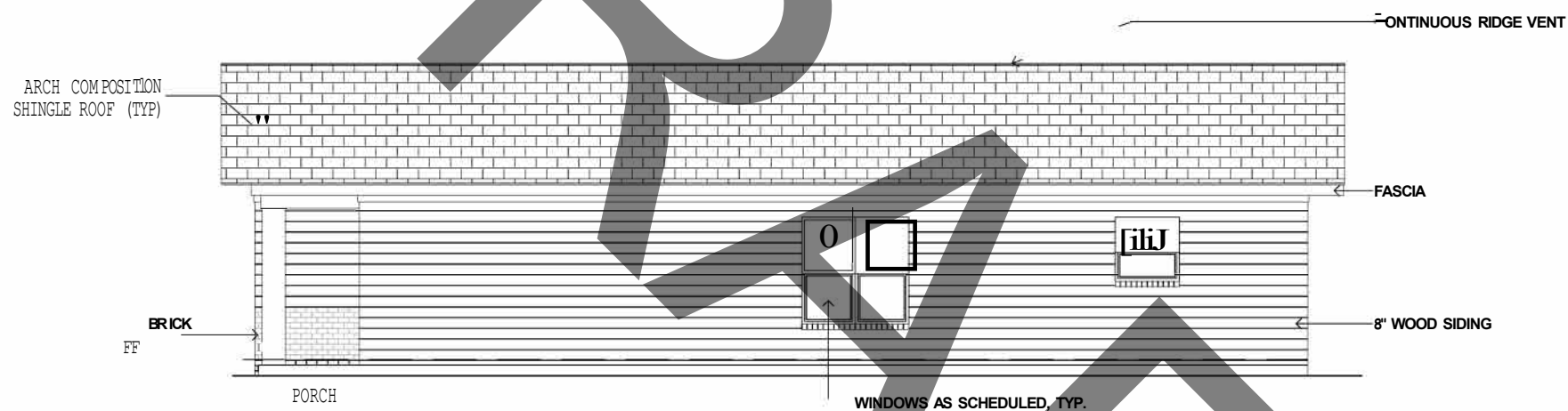
SHEET:
A.1
SHT 2 OF 4



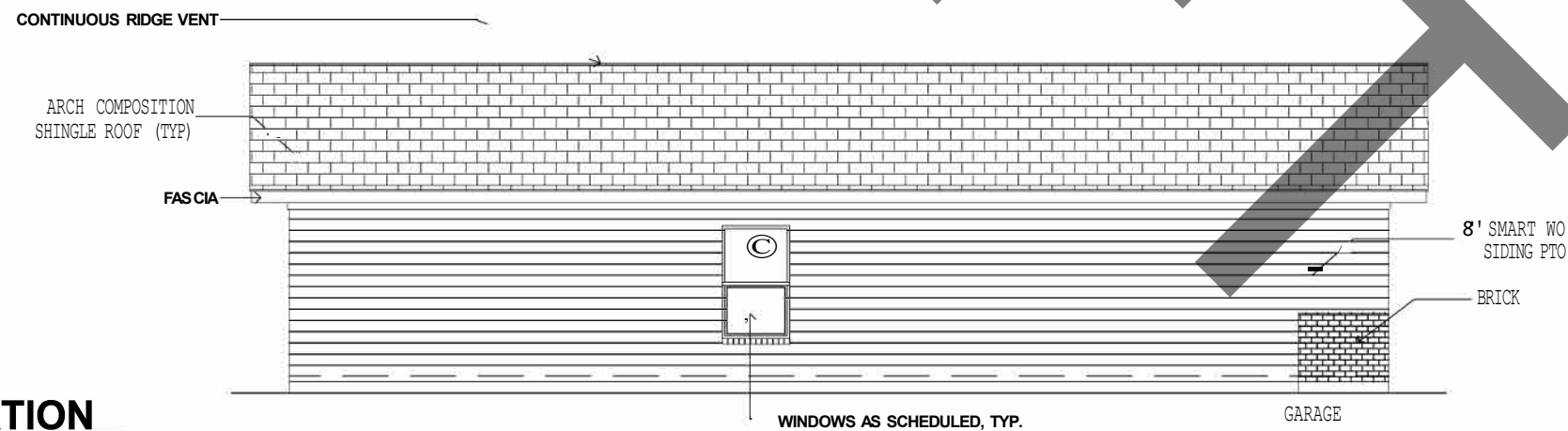
1 FRONT ELEVATION
SCALE: 1/8" = 1'-0"



2 REAR ELEVATION
SCALE: 1/8" = 1'-0"



3 RIGHT SIDE ELEVATION
SCALE: 1/8" = 1'-0"



4 LEFT SIDE ELEVATION
SCALE: 1/8" = 1'-0"

Houston Habitat for Humanity
3750 N McCarty
Houston, Texas
77029
Tel: 713-671-9993
www.houstonhabitat.org

ELLEVATIONS
ADDRESS: 3750 N McCarty Houston, Texas 77029
PLAN TYPE: HOUSE

ATTACHMENT E
PLAN TYPE:
TYPE 2

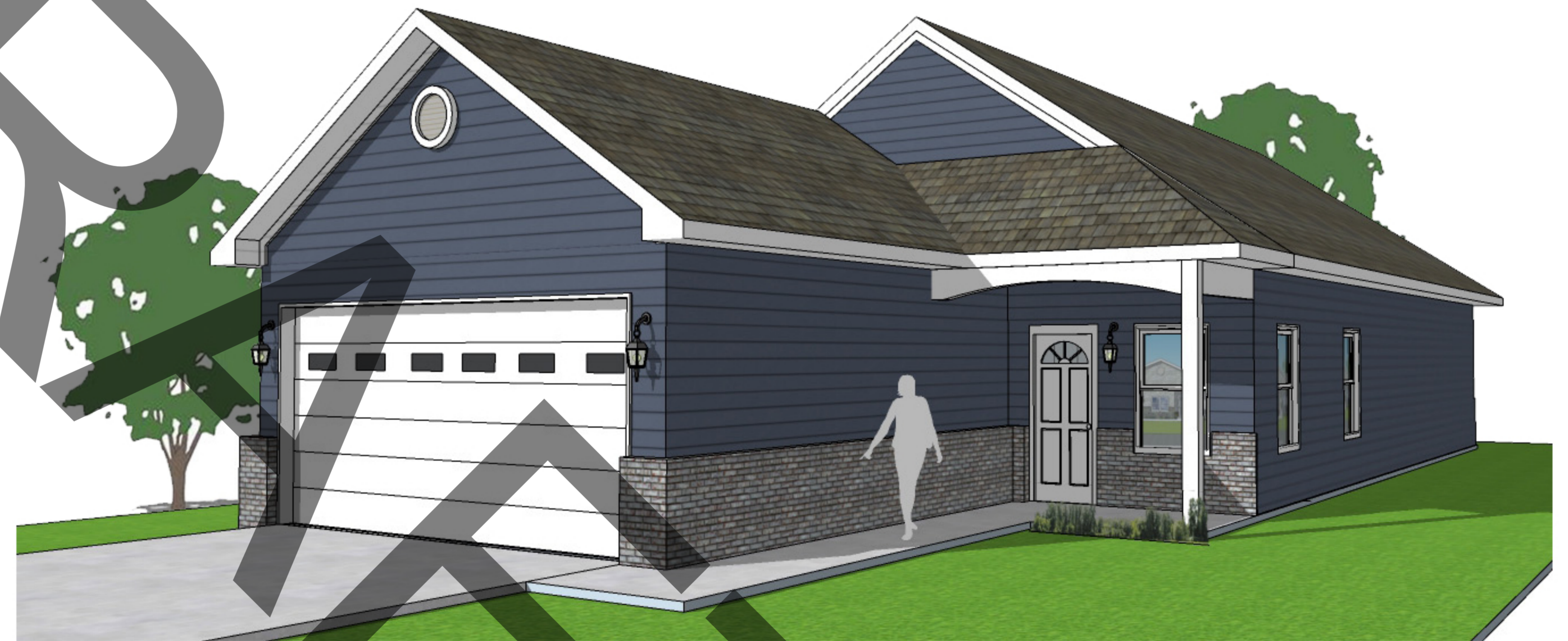
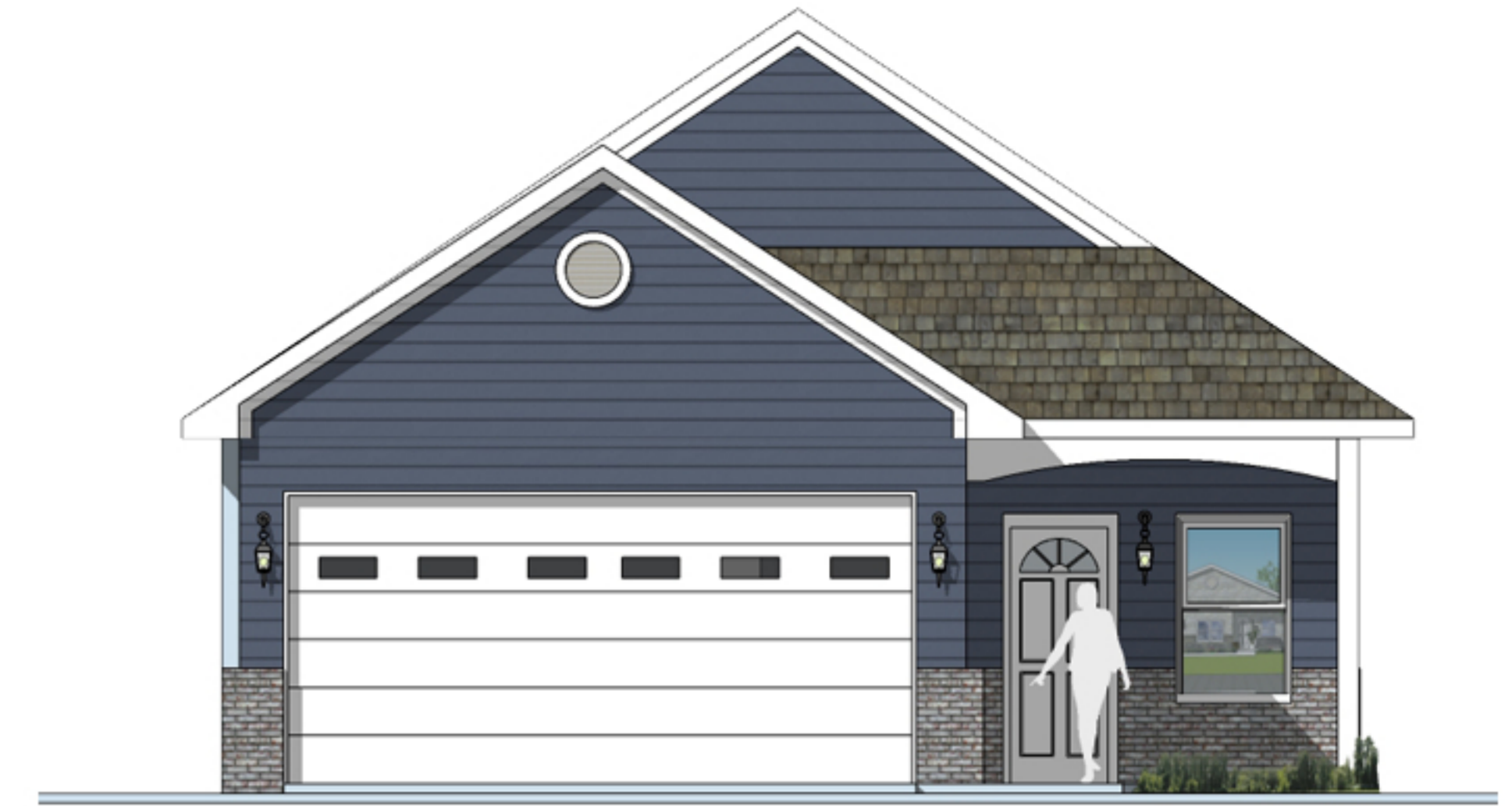
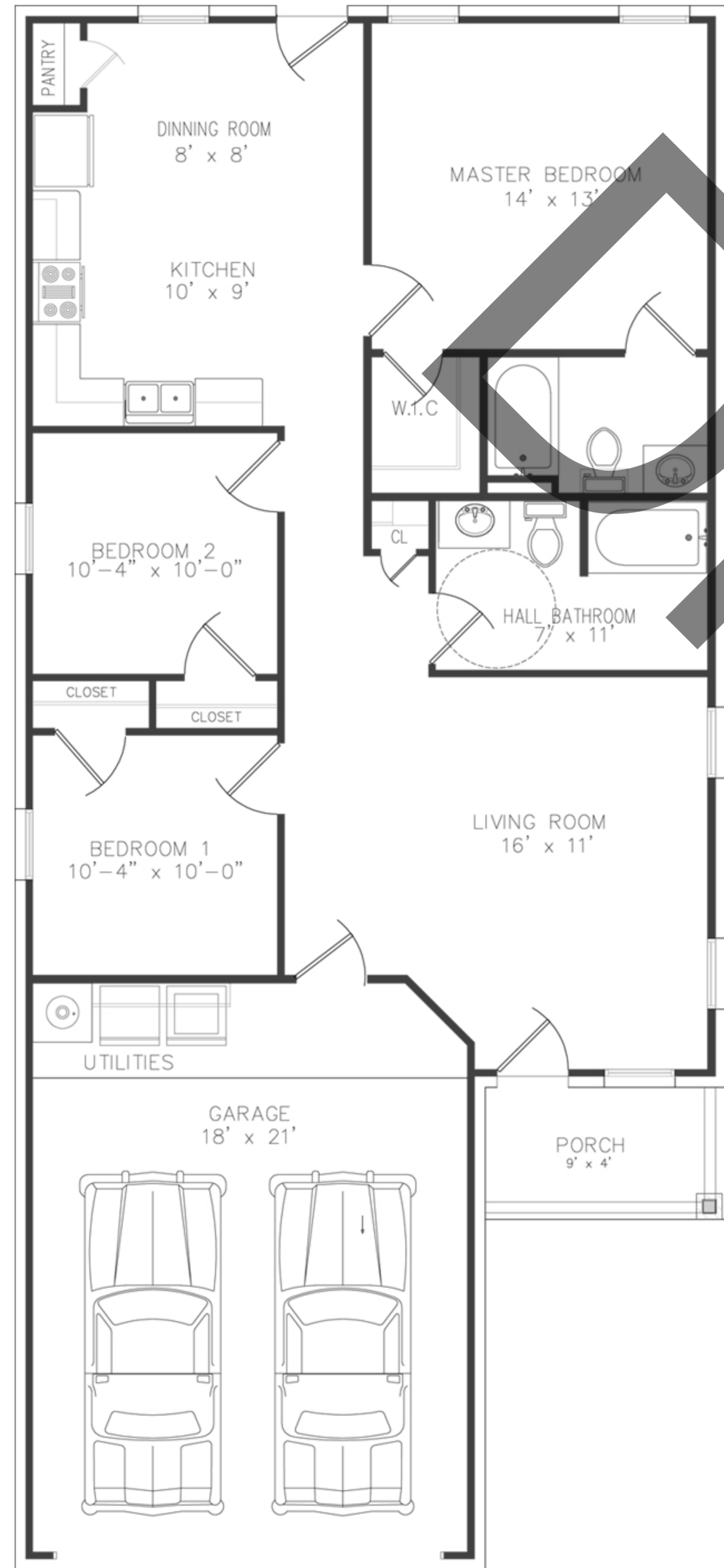
REV.	DATE
1	
2	
3	
4	
5	

PLANS BY: HHFH
REVIEWED BY: HHFH
INITIAL DATE: 07/2022

SHEET:
A.2
SHT 3 OF 4

All drawings are the property of Houston Habitat for Humanity. No part of these drawings may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without the prior written permission of Houston Habitat for Humanity. All rights reserved.

3006 McIlhenny
Type 4



**EXHIBIT D
RESPONDENT INFORMATION WORKSHEET**

Name of Respondent: MORS Development Partners, Series LLC _____

Contact Individual: King Malaki Sims, CPA _____

Respondent Address: 4501 Cartwright Rd, Ste 204 Missouri City, TX 77459 _____

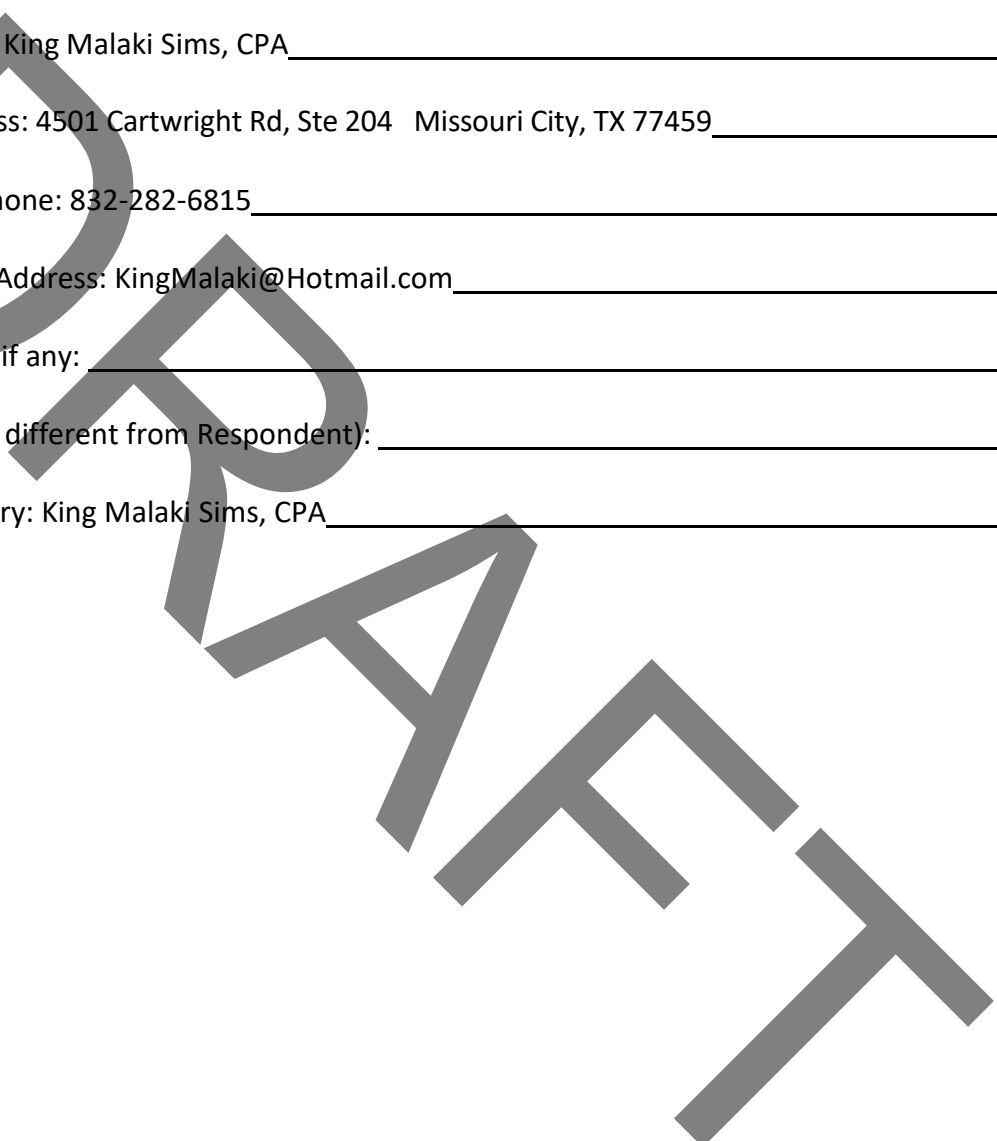
Respondent Telephone: 832-282-6815 _____

Respondent Email Address: KingMalaki@Hotmail.com _____

URL (web address) if any: _____

Name of Builder (if different from Respondent): _____

Authorized Signatory: King Malaki Sims, CPA _____



Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709



**Certificate of Formation
Limited Liability Company**

Filed in the Office of the
Secretary of State of Texas
Filing #: 804652155 07/19/2022
Document #: 1163357810004
Image Generated Electronically
for Web Filing

Filing Fee: \$300

Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

MORS Development Partners Series LLC

Article 2 – Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be company named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

KEVIN RILES

C. The business address of the registered agent and the registered office address is:

Street Address:

4501 CARTWRIGHT ROAD STE 204 Missouri City TX 77459

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Managing Member 1: **MALAKI SIMS**

Title: **Managing Member**

Address: **3803 CHARLESTON STREET HOUSTON TX, USA 77021**

Managing Member 2: **VICTOR MOKUOLU**

Title: **Managing Member**

Address: **1725 NICHOLE WOODS DRIVE HOUSTON TX, USA 77047**

Managing Member 3: **GILBERT OKORONKWO**

Title: **Managing Member**

Address: **3922 ROSENEATH DRIVE HOUSTON TX, USA 77021**

Managing Member 4: **KEVIN RILES**

Title: **Managing Member**

Address: **4501 CARTWRIGHT ROAD STE 204 MISSOURI CITY TX, USA 77459**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

The Series Limited Liability Company is formed under Texas Business Organization Code 101.602(a)(1)-(2), which states:

1. ENFORCEABILITY OF OBLIGATIONS AND EXPENSES OF SERIES AGAINST ASSETS.

(a) Notwithstanding any other provision of this chapter or any other law, but subject to Subsection

(b) and any other provision of this subchapter:

(1) the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a particular series shall be enforceable against the assets of that series only, and shall not be enforceable against the assets of the limited liability company generally or any other series; and

(2) none of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the limited liability company generally or any other series shall be enforceable against the assets of a particular series.

2. The underlying series are established so that all underlying Limited Liability Companies and its members, managers, membership interests or assets have separate rights, powers, and duties with respect to the specified asset, property or obligations of the limited liability company or profits and losses associated with that specified asset, property or obligations. Each underlying Limited Liability Company has a separate business purpose or investment objective, and may carry on any lawful business, purpose, or activity, whether or not for profit.

Distribution Authority – the member may in their discretion distribute the profits and/or capital of the LLC business pro-rata or non-pro-rata as they deem advisable. If the members make non-pro-rata distributions, those shall be taken into account in re-calculating each member's capital account (and/or drawing account) at the end of the LLC's fiscal year.

[The attached addendum, if any, is incorporated herein by reference.]

Initial Mailing Address

Address to be used by the Comptroller of Public Accounts for purposes of sending tax information.

The initial mailing address of the filing entity is:

**P.O. BOX 421381
Houston, TX 77242
USA**

Organizer

The name and address of the organizer are set forth below.

VICTOR MOKUOLU 1725 NICHOLE WOODS DRIVE HOUSTON TEXAS 77047

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is: **July 20, 2022**

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

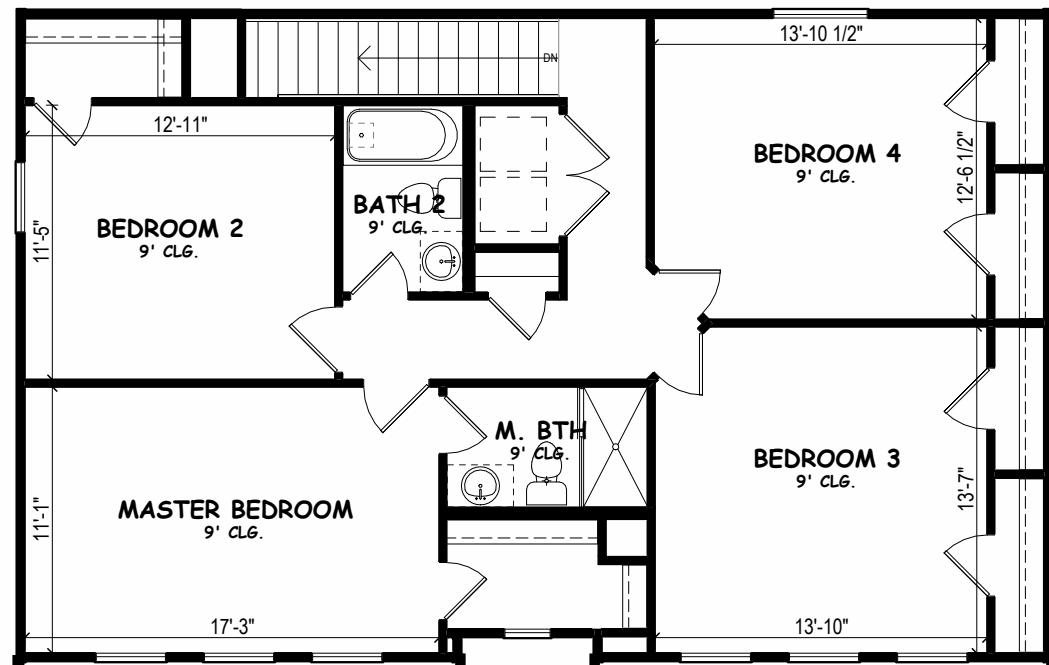
VICTOR MOKUOLU

Signature of Organizer

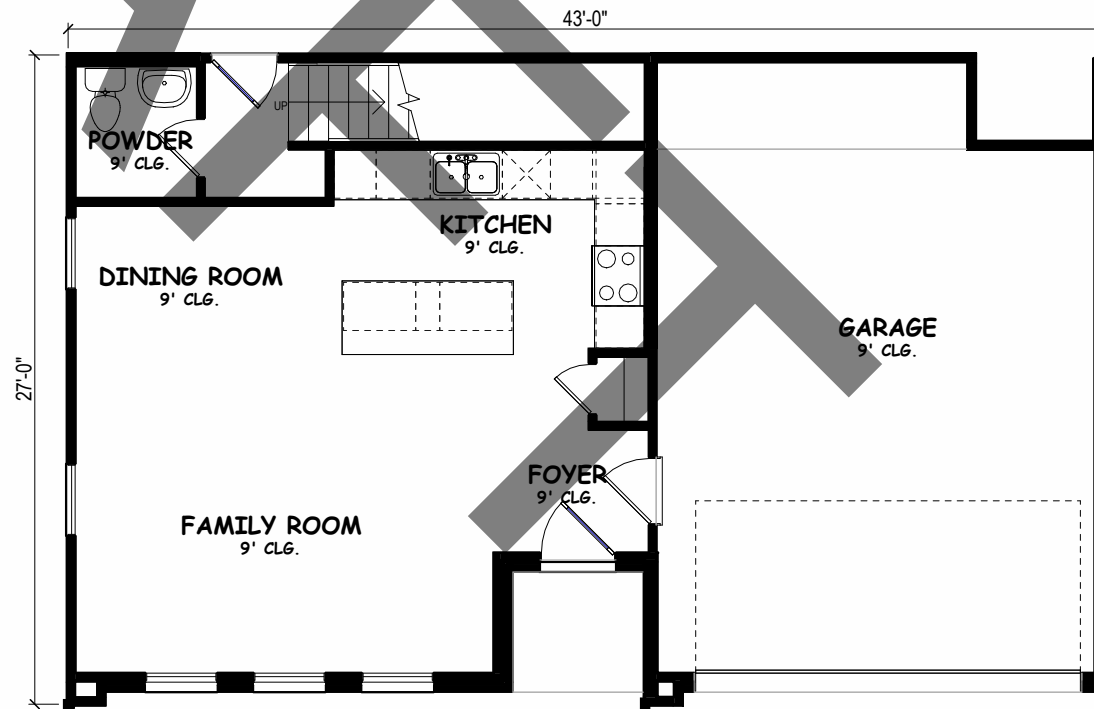
FILING OFFICE COPY

DRAFT

EXHIBIT E



2ND FLOOR PLAN



1ST FLOOR PLAN

AREAS	
Heated Area	
1st Floor Livable	618 SF
2nd Floor Livable	1105 SF
Unheated Area	
Garage	475 SF
	475 SF
Total	2198 SF

The measurements, dimensions, and other specifications shown on this document are guidelines for construction use only. The actual specifications of the finished structure may vary. This document may not be relied on as representation of what the completed structure will look like.



EXHIBIT F

SUMMARY

Cluster ID <small>(Table 1 (1 thru 16))</small>	Home Plan Type	Address	Home Sq. Feet	Sales Price	Sales Price <small>(per Sq Feet)</small>	Construction Cost	Construction Cost <small>(per Sq Feet)</small>	# of Bedrooms	# of Bathrooms	Household @ 90 - 110% AMI <small>(yes or no)</small>	Household < 90% AMI <small>(yes or no)</small>
B1		15 3101 Bremond	1,700	247,998	145.88	215,500	126.76	4	2.5	Yes	No
B2		15 3106 Bremond	1,700	247,998	145.88	215,500	126.76	4	2.5	Yes	No
B3		16 3038 Bremond	1,700	232,750	136.91	215,043	126.50	4	2.5	No	Yes
B3		16 3038 Bremond	1,700	232,750	136.91	215,043	126.50	4	2.5	No	Yes
B4		15 3103 Bremond	1,700	247,998	145.88	215,500	126.76	4	2.5	Yes	No
B5		15 3102 Bremond	1,700	247,998	145.88	215,500	126.76	4	2.5	Yes	No
B6		16 3123 McIlhenny	1,700	232,750	136.91	215,043	126.50	4	2.5	No	Yes
B6		16 3123 McIlhenny	1,700	232,750	136.91	215,043	126.50	4	2.5	No	Yes
B7		15 3106 McIlhenny	1,700	247,998	145.88	215,500	126.76	4	2.5	Yes	No
Totals				2,170,990		1,937,672					

DRAFT

EXHIBIT G

CLUSTER ID	ADDRESS	SQFT	HCAD #
A1	2408 SAUER ST	4561.96	631660010029
A2	3011 BREMOND ST	4898.19	0372170000008
A3	0 BREMOND ST	4862.69	372170000009
A4	2420 SAUER ST	4532.39	0631660010013
A5	3002 MCILHENNY ST	4746.97	0372170000005
A6	3006 MCILHENNY ST	4764.04	0372170000004
A7	3019 TRULLEY ST	5105.93	0572130000017
A8	3010 MCILHENNY ST	4778.3	0372170000003
A9	3025 MCILHENNY ST	4999.93	0372150000006
A10	3029 MCILHENNY ST	4999.88	372150000007
A11	2422 SAUER ST	4686.23	0631660010014
B1	3101 BREMOND ST	4985.18	0372190000006
B2	3106 BREMOND ST	4974.53	0372260000004
B3	3038 BREMOND ST	4989.79	0372270000001
B4	3103 BREMOND ST	4982.74	0372190000007
B5	3102 BREMOND ST	4979.05	0372260000005
B6	3123 MCILHENNY ST	5014.32	0372130000006
B7	3106 MCILHENNY ST	4974.75	0372190000004

To: Todd Edwards
Midtown Redevelopment Authority

From: Roberta Burroughs
CRP Team Member

Copy: Peggy Foreman
CCPPI Team Members

Subject: Recommendation Regarding Authorizing the MRA Executive Director to Proceed with Actions Required to Cause the Construction of 184 units of Affordable For-Sale Homes

Date: October 20, 2022

INTRODUCTION

In 2021, the City of Houston introduced the Affordable Home Development Program (AHDP). The purpose of the program is to support and incentivize the development of for-sale homes in low-moderate income neighborhoods. Midtown Redevelopment Authority sponsored four applications to this competitive program and received approval for one of six successful citywide applications.

(The developer of the successful Southern Palms AHDP application is Mayberry Homes Inc. That application will go before the Houston City Council the week of October 24, 2022.)

PROJECT DESCRIPTION

MRA Executive Director Matt Thibodeaux and Real Estate Manager Todd Edwards, along with members of the Comprehensive Review Project (CRP) team, have been in discussions with Mayor Sylvester Turner, the director of the Houston Housing and Community Development Department (HHCD), and other high-level HHCD staff regarding support for the development of homes that are affordable for low-moderate income households, defined as households with incomes below 120% of the Area Median Income.

The focus of these discussions is the need for support for infrastructure and other development costs to reduce home sales prices. MRA has asked that the City of Houston provide this support in the amount of \$52,000 per unit for homes to be built in intact subdivisions and \$15,000 per unit for homes to be built on scattered sites. HHCD is required to handle this request via a second AHDP application process.

As shown on **Exhibit A**, eight development entities have been identified to apply for the aforementioned subsidies. Along with the subsidy represented by MRA's conveyance of land at no cost to nonprofits and \$1.50 per square foot for for-profit developers, the City subsidy would support the production of housing for 184 households that would not otherwise be able to afford a home purchase.

The homes will be constructed within the boundaries of the target area identified in the **Midtown Affordable Housing Plan**. Two of these projects are the subject of the board action to accept the CRP Team's recommendation for the 60-Tract Third Ward Complete Community Scattered Site Project. The developers for these two projects are Houston Habitat for Humanity and Mors Development LLC.

Four of the projects shown on **Exhibit A** are within the boundaries of the Mayor's Complete Communities initiative. These projects are the ones proposed to be undertaken by Houston Habitat for Humanity, Mors Development LLC, Boynton Chapel Community Development Corporation, and Christian Hope Foundation.

The CRP team has provided and reviewed the construction budget and pro forma templates that will be utilized in the HHCDD Affordable Home Development Program selection process. This review ensures compliance with MRA's affordable housing goals and practices.

ACTION REQUESTED

The MRA board action that is being requested is authorization of the MRA Executive Director to proceed with the sponsorship of these projects via assisting the developers shown on **Exhibit A**. This would entail playing the same role as played for the successful application reference earlier. As done previously, in its role as sponsor, MRA will vet construction budgets and pro formas utilizing templates that it has shared with the **Exhibit A** developers, review site plans, and share maps related to proximity to the flood plain, proximity to retail services and community services, schools, and parks, and proximity to other community assets. MRA will also vet additional information required by HCDD before it is shared with HCDD via the AHDP application process.

CONTINGENCY

Given their high value to the Houston community and MRA's commitment to affordable housing, if City support is not forthcoming for the **Exhibit A** projects, the CRP team will implement its usual procedures for ensuring compliance with MRA's affordable housing goals and practices. This process is ongoing due to the foretasted activities associated with sponsorship of the AHDP applications. In the case of the two projects being recommended for selection via the Third Ward Complete Community 60-Tract project review process, these activities are virtually completed. Such activities include construction budget review, review of floor plans and site layouts, and review of home sales prices.

Ultimately, MRA Board of Directors review and action will be requested to convey of MRA-owned land to these developers for the development of affordable housing. (The exception is the Palmetto Place development by Houston Business Development Inc. (HBDi). This project has already undergone Board review, resulting in the conveyance of land to HBDi. to build the 43 homes shown on **Exhibit A**.)

EXHIBIT A

REQUEST TO THE CITY OF HOUSTON

FOR

SUBSIDY FOR INFRASTRUCTURE AND OTHER DEVELOPMENT COSTS

NAME OF PROJECT/ DEVELOPER	PROPOSED NUMBER OF UNITS	TYPE OF DEVELOPMENT	CITY OF HOUSTON SUBSIDY REQUEST¹
Agape Homes/Agape CDC ²	13	Scattered site single family detached homes	\$195,000.00
Palmetto Place Subdivision/HBDi ²	43	Intact subdivision	\$2,236,000.00
Schroeder Place/Mayberry Homes Inc. ²	52	Intact subdivision	\$2,704,000.00
Milart Village Subdivision/Cole-Klein LLCn ²	43	Intact subdivision	\$2,236,000.00
Third Ward Complete Community Scattered Site Project I/Mors Development LLC ³	9	Scattered site single family detached homes	\$135,000.00
Third Ward Complete Community Scattered Site Project II/Houston Habitat for Humanity ³	11	Scattered site single family detached homes	\$165,000.00
TBD/Christian HOPE Homes	8	Scattered site single family detached homes	\$120,000.00
TBD/Boynton Chapel Homes	5	Scattered site single family detached homes	\$75,000.00
TOTALS	184		\$7,671,000.00

Notes:

¹The request is \$15,000/unit for scattered site units and the request is \$52,000/unit for units to be constructed in intact subdivisions.

²These homes are slated for the Third Ward Super Neighborhood.

³These homes are slated for the Greater OST/South Union Neighborhood.

DRAFT

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

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

1. The Board convened in regular session on the 27th day of October, 2022, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of said Board, to-wit:

1	Camille Foster	Director/ Assistant Secretary
2	Donald Bond	Director
3	Vacant	Director
4	Michael F. Murphy	Director
5	Al Odom	Director/Chair
6	Abe S. Goren	Director/Vice Chair
7	Caton M. Fenz	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 (THE "AUTHORITY") OR ITS AGENTS TO ENTER INTO OPTION AGREEMENTS, GRANT AGREEMENTS AND DEVELOPMENT AND PURCHASE AGREEMENTS WITH VARIOUS FOR-PROFIT AND NOT-FOR-PROFIT DEVELOPERS AND PROVIDING FOR THE CONVEYANCE AND DEVELOPMENT OF CERTAIN PROPERTIES AS AFFORDABLE HOUSING IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENTS; AND AUTHORIZING ALL NECESSARY ACTIONS RELATED THERETO

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 27th day of October, 2022.

Secretary, Midtown Redevelopment Authority

RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY (THE “AUTHORITY”) OR ITS AGENTS TO ENTER INTO OPTION AGREEMENTS, GRANT AGREEMENTS AND DEVELOPMENT AND PURCHASE AGREEMENTS WITH VARIOUS FOR-PROFIT AND NOT-FOR-PROFIT DEVELOPERS AND PROVIDING FOR THE CONVEYANCE AND DEVELOPMENT OF CERTAIN PROPERTIES AS AFFORDABLE HOUSING IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENTS; AND AUTHORIZING ALL NECESSARY ACTIONS RELATED THERETO

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 development in order to expand the supply of safe, sanitary and affordable housing for low and moderate income persons within the City; and

WHEREAS, the Authority now desires to enter into certain option agreements (the “Option Agreement”), substantially in the form attached hereto as **Exhibit A**, with various developers in order to grant an option to such developers to acquire certain parcels of land to be developed as affordable single-family homes for sale to qualified homebuyers subject to the terms and conditions contained therein; and

WHEREAS, the Authority now desires to enter into grant agreements (the “Grant Agreement”), substantially in the form attached hereto as **Exhibit B**, with various not-for-profit organizations in order to grant certain of parcels of land to such not-for-profit organizations to be

developed as affordable single-family homes for sale to qualified homebuyers subject to the terms and conditions contained therein; and

WHEREAS, the Authority now desires to enter into certain development and purchase agreements (the “Development and Purchase Agreement”), substantially in the form attached hereto as **Exhibit C**, with various developers in order to facilitate the development of affordable single-family homes for sale to qualified homebuyers subject to the terms and conditions contained therein; and

WHEREAS, pursuant to the Option Agreements, the Authority will grant an option to certain developers to acquire certain tracts of land in the Southeast area of the City, as described in Exhibit A attached to such Option Agreements (herein, the “Properties”), at a consideration that is substantially less than the fair market value of such land, in order to expand the supply of decent, safe, sanitary and affordable housing for low and moderate income persons; and

WHEREAS, pursuant to the Grant Agreements and the Development and Purchase Agreements, the Authority will convey certain Properties in the Southeast area of the City, as described in Exhibit A attached to such Grant Agreements and Development and Purchase Agreements, at a consideration that is substantially less than the fair market value of such land, in order to expand the supply of 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 Option Agreements, Grant Agreements and Development and Purchase Agreements with various for profit and not-for-profit affordable housing developers in order to convey certain Properties to the entities named in such agreements for the purpose of developing affordable single-family homes and the Board desires hereby to authorize the Board Officers and the Executive Director of the Authority to approve and execute such agreements on behalf of the Authority.

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

1. That the Board adopts the findings and recitations set out in the preamble to this Resolution and finds them to be true and correct.
2. That the Board hereby approves the terms and provisions contained in the Forms of Option Agreement, Grant Agreement and Development and Purchase Agreement attached hereto as Exhibits A, B, and C and hereby authorizes the execution of agreements substantially in the form of Exhibits A, B, and C by the officers of the Board, or the Executive Director or any agent of the Executive Director with delegated authority, of Option Agreements, Grant Agreements and Development and Purchase Agreements.
3. That the Board hereby authorizes the officers of the Board, the Executive Director, and Authority staff and consultants to make such changes to the attached form of Option Agreement, Grant Agreement and Development and Purchase Agreement and the exhibits to such agreements 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 Option Agreements, Grant Agreements, and Development and Purchase Agreements, including the payment of any associated costs and legal fees, and to execute any certificates, receipts, affidavits, notices and other necessary related documents.

DRAFT

PASSED AND APPROVED this ____ day of _____, 2022.

Al Odom
Chair, Midtown Redevelopment Authority

ATTEST:

Caton M. Fenz
Assistant Secretary, Midtown Redevelopment Authority

DRAFT

EXHIBIT A

Form of Option Agreement

(See Attached)

DRAFT

FORM OF OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement"), is made and entered into as of this _____ day of _____, 20__ (the "Effective Date"), by and between MIDTOWN REDEVELOPMENT AUTHORITY, a Texas non-profit local government corporation ("MIDTOWN"), and _____, ("Developer"). MIDTOWN and Developer are collectively referred to herein as the "Parties" and individually as a "Party".

RECITALS

A. Developer plans to develop minimum of _____ (____) single-family homes on the Option Property (as defined herein) consisting of a mix of two, three, and four bedrooms (the "Project") and such homes shall be sold to Qualified Homebuyers (as defined in the Special Warranty Deed, attached hereto and incorporated herein as Exhibit B) whose income does not exceed _____ % of AMI.

B. MIDTOWN owns certain unimproved real property described on **Exhibit A** attached hereto and incorporated herein by reference (the "Option Property") which is located in Houston, Harris County, Texas.

C. Developer proposed that MIDTOWN sell the Option Property to Developer for a nominal amount that is substantially below market value in order to subsidize the development of affordable housing thereon, and MIDTOWN upon determining that the Project is consistent with its affordable housing strategy agrees grant to Developer an option to acquire the Option Property subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of TEN DOLLARS (\$10.00), the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Grant of Option.** MIDTOWN hereby grants to Developer the exclusive option to acquire the Option Property upon and subject to the terms and conditions set forth herein (the "Option").

2. **Exercise of Option.** The right of Developer to exercise the Option to acquire the Option Property is conditioned on Developer having first obtained and submitted to MIDTOWN written evidence of the following in connection with the development of the Project (and such related information as Midtown may reasonably request in connection with the development of the Project): (i) commitment(s) for funding in an aggregate amount sufficient to pay the total costs of developing the Project, including any required infrastructure; (ii) commitment(s) for funding from the City of Houston Affordable Housing Development Program ("AHDP") in an amount sufficient to ensure financial feasibility of the Project (unless such requirement is waived in writing by MIDTOWN) and (iii) an executed development and purchase agreement between MIDTOWN and the Developer in form and substance satisfactory to MIDTOWN (items (i) and(ii) collectively, the "Financing Commitments"). Upon Developer's satisfaction of the Financing Commitments and

item (iii) hereof, Developer shall have the right to exercise the Option to acquire the Option Property by delivering written notice (the "Option Notice") to MIDTOWN no later than _____ days from the date of this Option Agreement (the "Outside Option Exercise Date"); provided however, the Outside Option Exercise Date may, at MIDTOWN's sole discretion, be extended, if Developer delivers to MIDTOWN on or before the expiration of the Outside Option Exercise Date, (y) a written Project status report and (z) evidence satisfactory to MIDTOWN of Financing Commitments sufficient to pay the costs of developing the Project with closing to occur within (____) days. The actual date on which the Option Notice is delivered to MIDTOWN is hereafter referred to as the "Option Exercise Date."

3. **Term of Option.** The Option shall remain in full force and effect from and including the Effective Date until the earlier to occur of (and including) the (i) the Outside Option Exercise Date, and (ii) the Closing Date (as defined below) (hereinafter, the "Option Term"). Developer shall not be entitled to exercise the Option after the expiration of the Option Term, except as approved in writing by MIDTOWN in the event of a delay caused by a governmental agency related to permitting or financing. Notwithstanding any other provisions of this Agreement, this Agreement will terminate immediately without further notice from MIDTOWN upon receipt of notification from the City of Houston that Developer is not approved for participation or financing under the City's AHDP.

4. **Terms of Acquisition.** In the event Developer delivers an Option Notice to MIDTOWN in accordance with Section 2 hereof, the Parties agree to consummate the conveyance of the Option Property from MIDTOWN to Developer on and subject to the following terms and conditions:

(a) **Consideration.** MIDTOWN will sell the Option Property to Developer subject to and in accordance with the terms and conditions of this Agreement in consideration of Developer's agreement to accept title to the Option Property subject to or otherwise encumbered by affordable housing use restrictions (the "Affordable Housing Use Restrictions") set forth in the Deed (as defined herein).

(b) **Title Commitment.** During the term of this Agreement, Developer shall have the right to obtain at Developer's cost: (a) a title commitment issued by a national title insurance company, or its agent or affiliate, which is licensed to do business in the State of Texas, as Developer selects in its sole discretion (the "Title Company") setting forth the basis upon which the Title Company is willing to insure title to all parcels of the Option Property (the "Title Commitment"), together with all of the documents listed or referenced in the Title Commitment (the "Exception Documents"), and (b) a current survey of the Option Property prepared in accordance with the then current Minimum Standard Detail Requirements for ALTA ACSM Land Title Surveys as adopted by American Land Title Association and National Society of Professional Surveyors (the "Survey"). Copies of the Title Commitment, Exception Documents and Survey shall be provided to MIDTOWN promptly upon receipt by Developer, and MIDTOWN shall be included as a certified party in the Survey. If the Title Commitment or the Survey, or updates thereof disclose defects or other matters objected to by Developer, Developer shall advise MIDTOWN of the same in writing no later than thirty (30) days after the Option Exercise Date. The Affordable Housing Use Restrictions and any other title exceptions and survey matters not objected to

by Developer within said period or waived by Developer in accordance with clause (x) in the following sentence shall collectively constitute the "Permitted Encumbrances." If MIDTOWN is unable or unwilling to correct such title matters as to which Developer objects, then Developer shall have the right, at its option, either to (x) waive such objections and accept such title as MIDTOWN is able to convey, in which event this Agreement shall continue in full force and effect without change in or to the terms hereof; or (y) terminate this Agreement in writing and the parties hereto shall be thereafter be released from any further obligations hereunder.

(c) **Title Policy.** At Closing, Developer shall obtain, at Developer's expense, a TLTA Owner's Policy of Title Insurance (or pro forma thereof) (the "Title Policy"), issued by the Title Company, insuring fee simple title to Developer as of the date and time of the recording of the Deed, subject only to the Permitted Encumbrances.

(d) **Developer's Due Diligence.** Developer, or its representative, will have the right to enter the Option Property at any time after the Effective Date, and will have the right to conduct tests and inspections, including Phase I environmental studies (and if recommended by the Phase I, a Phase II environmental study), surveys, preliminary engineering, site planning, soil boring tests and other appropriate inspections and tests as Developer deems necessary provided that Developer (i) provides MIDTOWN with prior notice of the proposed time and nature of any such studies, tests and inspections; (ii) conducts such studies, tests and inspections during normal business hours, at times reasonably approved by MIDTOWN; (iii) if reasonably requested by MIDTOWN, conducts such studies, tests and inspections in the presence of a representative of MIDTOWN (provided that the presence of such a representative shall not be a condition precedent to conducting such tests and inspections if Developer otherwise complies with clauses (i) and (ii) above); and (iv) promptly provides MIDTOWN with copies of written reports received from its contractors arising out of such studies, tests and inspections. In the event either Party rightfully terminates this Agreement prior to Closing or the Option Term expires without a Closing, Developer shall promptly repair any material damages to the Option Property caused by Developer's inspections or testing of the Option Property, restore the Option Property to substantially the same or better condition than existed prior to such inspections or testing and **indemnify and hold MIDTOWN harmless for any and all actual claims and damages arising in connection with such inspections or testing**; provided, however, that in no event shall the scope of the foregoing indemnification obligations include (x) claims or damages arising out of the acts or omissions of MIDTOWN or its agents, employees, contractors or other representatives, (y) any diminution in value to the Option Property unless such diminution in value results from acts or omissions of Developer or its agents, employees, contractors or other representatives, nor (z) the mere discovery of existing conditions in, on or under the Option Property.

(e) **Covenants Regarding the Option Property.** From and after the Effective Date until the earlier of the Closing or the expiration or termination of this Agreement (i) neither MIDTOWN nor its agents or representatives will make or enter into any lease for the Option Property or any portion thereof or make or enter into any other contract, or other agreement affecting the Option Property, any part thereof or any interest therein other than contracts related to the improvement and maintenance of and security for the Option Property and contracts or leases which will terminate or expire on or before conveyance of the Option Property to Developer; (ii) MIDTOWN will take no action which will materially or adversely affect the condition of the

Option Property or any portion thereof; and (iii) MIDTOWN will not enter into any mortgage, deed of trust, lien, covenant, condition, restriction, easement or right-of-way which would encumber the Option Property after Closing without the prior written consent of Developer.

(f) **Condition of the Option Property at Closing.** At Closing, MIDTOWN will deliver the Option Property to Developer "as is, where is and with all faults."

(g) **Form of Deed.** At Closing, MIDTOWN will convey by special warranty deed to Developer indefeasible fee simple title to the Option Property, subject only to the Permitted Encumbrances, including the Affordable Housing Use Restrictions, and to the general encumbrances and "as is" provisions set forth in the Special Warranty Deed, substantially in the form of **Exhibit B** attached hereto and incorporated herein for all purposes (the "Deed"). The legal description of the Option Property set forth in the Title Commitment and Survey shall be incorporated into the Deed on approval of the same by MIDTOWN and the Title Company.

(h) **Governmental Authorizations.** Prior to the Closing, Developer, and its agents, representatives, and designees shall have the right to pursue all necessary authorizations, including, without limitation, permits, registrations, licenses, and any other approvals necessary for the intended use of the Option Property, from all applicable governmental authorities on such terms and conditions, as Developer deems acceptable and at Developer's expense (collectively, "Governmental Authorizations"); and to the extent necessary in connection therewith, MIDTOWN will reasonably cooperate with Developer in Developer's efforts to obtain any necessary Governmental Authorizations, including without limitation by executing any applications, agreements, affidavits, or other documentation that requires MIDTOWN's signature or acknowledgment and by providing any information necessary for the processing of any Governmental Authorizations provided that MIDTOWN shall not be required to incur any expense in connection with such matters. The foregoing notwithstanding, Developer shall not file or record any documents in the public records of Harris County, Texas in connection with the Governmental Authorizations or the Option Property until after Closing, except as described in Section 13 below.

(i) **Taxes and Assessments and Other Adjustments.** MIDTOWN shall pay in full all taxes, general and special, against the Option Property, if any, which are due or have accrued up to the Closing Date, and Developer shall pay all such taxes and assessments and installments of unpaid special assessments becoming due or accruing from and after the Closing Date. In the event that the amount of any such tax or assessment for the year in which the Closing Date occurs cannot be determined, then such proration shall be based upon 105% of the amount of such tax or assessment for the preceding year. Except as otherwise expressly set forth herein, any other items of revenue or expense shall be adjusted and prorated in the manner typically adjusted or prorated in connection with the conveyance of unimproved real property in Texas.

(j) **Closing.** The closing of the conveyance of the Option Property (the "Closing") will take place in the offices of Title Company on a mutually agreeable date and time no later than sixty (60) days after Option Exercise Date. The date on which Closing actually occurs shall be referred to herein as the "Closing Date".

At Closing, MIDTOWN shall deliver to Developer and Title Company the following (collectively, the "Seller's Closing Documents"):

- (i) The Deed conveying the Option Property to Developer;
- (ii) An Affidavit of Non-Foreign Status of MIDTOWN;
- (iii) Such statutory notices, authorizing resolutions and other documents (such as commercially reasonable affidavits) as may be required by the Title Company in order for the Title Company to issue the Title Policy; and
- (iv) Such other documents as are typically provided in connection with the conveyance of unimproved real property in Texas or as may be reasonably required to consummate the transaction contemplated hereby.

At Closing, Developer shall deliver to MIDTOWN and Title Company the following:

- (a) Original executed counterpart of the Deed;
- (b) Such statutory notices, authorizing resolutions and other documents as are typically provided in connection with the conveyance of unimproved real property in Texas or as may be reasonably required to consummate the transaction contemplated hereby or as may be required by the Title Company in order for the Title Company to issue the Title Policy.

At Closing, (x) Developer shall pay MIDTOWN's attorneys' fees up to \$ _____, and (y) Developer shall pay the cost of its attorneys' fees (if any) and all other costs of Closing including, without limitation, the escrow fees of Title Company, the premiums for the Title Policy and all endorsements thereto, the recording fees for the Deed and the costs of its inspections and the Survey.

(k) **Tax Credit Approval:**

(l) **Funding.** As a further condition precedent to each party's obligation to close under this Agreement, Developer shall have received and provided MIDTOWN with written evidence, satisfactory to Midtown, of Financing Commitments sufficient to pay the costs of developing the Project, including any required infrastructure.

(m) **Development.** As a further condition precedent to each party's obligation to close under this Agreement, Developer and MIDTOWN or a designated affiliate shall have entered into a development and purchase agreement for the development of the Project, which agreement shall be in form and substance satisfactory to MIDTOWN.

5. **Representations and Warranties of MIDTOWN.** MIDTOWN represents and warrants to Developer the accuracy of the following statements as of the Effective Date hereof and the date of Closing.

- (a) MIDTOWN is a non-profit local government corporation that is duly organized and validly existing and in good standing under the laws of the State of Texas.
- (b) MIDTOWN has all requisite power and authority to execute, deliver, and perform this Agreement and to consummate the conveyance of the Option Property in the event that Developer exercises the Option hereunder.
- (c) MIDTOWN is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code.
- (d) This Agreement is, and (when executed and delivered to Developer at the Closing) the Deed will be, a valid and binding obligation of MIDTOWN, enforceable against MIDTOWN by Developer in accordance with its terms, except in each case to the extent limited by application of general principles of equity and by bankruptcy, insolvency, debtor relief, and similar laws of general application affecting the enforcement of contractual rights and obligations and such laws as are applicable to governmental entities.
- (e) To the actual knowledge of the Executive Director of MIDTOWN without the duty of investigation or inquiry, there is no pending or threatened claim, cause of action, proceeding, or other litigation involving the Option Property (including but not limited to eminent domain, takings or condemnation of any portion of the Option Property or violations of applicable law) or MIDTOWN to the extent that same, if decided adversely to MIDTOWN would result in a lien against, or be binding upon the owner of, the Option Property from and after the Closing Date.

The representations and warranties set forth in this Section 5 shall survive Closing for a period of one (1) year.

6. **LIMITED WARRANTY.** EXCEPT WITH RESPECT TO THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SELLER'S CLOSING DOCUMENTS:

- (a) THE OPTION PROPERTY IS BEING ACQUIRED "AS IS, WHERE IS, AND WITH ALL FAULTS;" AND
- (b) MIDTOWN MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, VALUE OR QUALITY OF ANY OF THE OPTION PROPERTY, OR THE USE OR SUITABILITY THEREOF FOR ANY INTENDED PURPOSE, OR THE ABSENCE OF ANY LATENT OR PATENT DEFECTS THEREIN, OR THE WORKMANSHIP THEREOF, OR THE EXISTENCE, COMPLIANCE WITH OR SUFFICIENCY OF ANY LICENSES HELD OR REQUIRED IN CONNECTION WITH THE OWNERSHIP, USE OR OPERATION THEREOF, OR WITH RESPECT

TO THE STATUS, ASSIGNABILITY OR RIGHTS UNDER ANY CONTRACT, LICENSE OR ANY OTHER MATTERS, OR THE RISKS THAT MIGHT BE ENCOUNTERED IN THE OPERATION THEREOF.

THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED BY THE PARTIES HERETO AFTER DUE CONSIDERATION AND, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, OR THE DEED ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED OR STATUTORY, WITH RESPECT TO THE OPTION PROPERTY AND RIGHTS THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT, OR OTHERWISE. DEVELOPER HAS BEEN, OR WILL BE GIVEN UNDER THIS AGREEMENT THE OPPORTUNITY TO PERFORM THE DUE DILIGENCE IT DEEMS NECESSARY IN ORDER TO MAKE AN INFORMED DECISION AS TO WHETHER TO CONSUMMATE THE TRANSACTIONS DESCRIBED HEREIN. THE TERMS AND PROVISIONS OF THIS SECTION 6 SHALL SURVIVE THE CLOSING.

7. **Notices.** Any notices, requests or other communications required or permitted to be given hereunder shall be in writing and shall be deemed given (except as otherwise provided herein) when received if (i) delivered by hand, (ii) deposited with a widely recognized national overnight courier service, or (iii) transmitted by electronic mail (provided that a copy of such notice is subsequently delivered within one (1) business day by one of the methods described in clauses (i) or (ii) above), and in each case addressed to each Party at its address set forth below:

If to MIDTOWN:

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002
Attn: Executive Director
Email: matt@houstonmidtown.com

With copy to:

Peggy Foreman
Burney & Foreman
5445 Almeda, Suite 400
Houston, Texas 77004
Email: pforeman@burneyandforeman.com

and

Barron F. Wallace
Bracewell LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002-2770
Email: Barron.Wallace@bracewell.com

If to Developer: _____

Houston, Texas _____

Attention: _____, _____

Email: _____

Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, request or other communication. Either Party may from time to time change its notice address hereunder, upon written notice to the other Party. Notice tendered by counsel to one of the Parties hereto shall be deemed notice from the applicable Party itself.

8. **Developer's Remedies.** In the event of any material breach of or default under this Agreement or any of the terms and provisions hereof by MIDTOWN, Developer's sole remedies shall be to: (i) demand specific performance of MIDTOWN's obligation to close under this Agreement, provided that (A) Developer delivered the Option Notice (B) Developer is not in material breach or default of its obligations under this Agreement, and (C) all conditions precedent to MIDTOWN's obligation to close under this Agreement have been satisfied or waived in writing; or (ii) terminate this Agreement. The foregoing shall not limit MIDTOWN's liability for breaches under Section 5 of this Agreement, which shall be limited to Developer's actual damages for any breach thereof.

9. **MIDTOWN's Remedies.** In the event of any material breach of or default under this Agreement or any of the terms or provisions hereof by Developer, MIDTOWN's sole remedies shall be to: (i) demand specific performance of Developer's obligation to close under this Agreement, provided that (A) Developer has delivered the Option Notice, (B) MIDTOWN is not in material breach or default of its obligations under this Agreement, and (C) all conditions precedent to Developer's obligation to close under this Agreement have been satisfied or waived in writing; or (ii) terminate this Agreement.

10. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon MIDTOWN and Developer and their respective representatives, successors and assigns, and shall run with the land.

11. **Assignments.** Developer shall not be entitled to assign this Agreement or any rights hereunder without the prior written consent of MIDTOWN. In the event of an assignment of this Agreement to an Affiliate of Developer formed for the purpose of taking title to the Option Property, and upon such assignment, the assignee shall assume in writing all of Developer's rights and obligations under this Agreement. Subject to MIDTOWN's consent, Developer may be released and discharged from its obligations under this Agreement only after a fully executed copy of any such assignment and assumption is fully executed by all parties thereto. As used in this Section 11, the term "Affiliate" shall mean an entity that controls, is controlled by or is under common control with Developer.

12. **Governing Law.** This Agreement shall be construed in accordance with the laws of the State of Texas.

13. **Recording.** The Parties agree that this Agreement will not be recorded in the public records of Harris County, Texas; provided, however, that the parties agree to (a) execute and deliver a memorandum of this Agreement and a termination of memorandum of this Agreement on the Effective Date, each in recordable form and otherwise in form reasonably acceptable to the parties hereto, (b) have the memorandum of this Agreement recorded at the sole cost and expense of Developer on or promptly after the Effective Date, and (c) deposit the termination of memorandum of this Agreement with Burney & Foreman to hold in escrow until the earlier to occur of (i) either (A) the Outside Option Exercise Date if Developer has not delivered the Option Notice prior to such date, or (B) any early termination of this Agreement, in either of which cases the termination shall be recorded, or (ii) the Closing Date, in which case the termination shall be destroyed by Burney & Foreman and be of no further force or effect.

14. **Attorneys' Fees.** In the event either Party brings suit to construe or enforce the terms hereof, or raises this Agreement as a defense in a suit brought by another party, the prevailing party as determined by the court is entitled to recover its attorneys' fees and expenses.

15. **Counterparts.** The Parties acknowledge and agree that this Agreement may be executed by original or scanned signatures in any number of counterpart original instruments, all of which taken together shall constitute one fully executed Agreement.

16. **Timing.** Time is of the essence. If any day on which an event is scheduled to occur under this Agreement falls on a Saturday or Sunday or legal holiday, the time period for such event shall be automatically extended until the next business day.

17. **Severability.** All of the terms, covenants or conditions contained in this Agreement shall be construed together, but if it shall at any time be held that any one of said terms, covenants or conditions or any part thereof, is invalid or for any reason becomes unenforceable, no other terms, covenants, or conditions or any part thereof shall be thereby affected or impaired.

18. **Brokers.** MIDTOWN and Developer each represent and warrant to the other that, no real estate brokerage commission is payable to any person or entity in connection with the transaction contemplated hereby, and each agrees, to the extent allowed by law, to hold the other harmless against the payment of any commission to any other person or entity claiming by, through or under such party.

19. **Statutory Notices:** MIDTOWN hereby gives and Developer hereby acknowledges the following notices and disclosures regarding the Option Property and agrees to execute related documents on or before Closing at the request of MIDTOWN or Title Company:

(1) **Statutory District Notice:** If the Option 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 MIDTOWN to deliver and Developer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district.

(2) Tide Water: If the Option 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 this Agreement.

(3) Public Improvement Districts: If the Option Property is in a public improvement district, §5.014, Property Code, requires MIDTOWN to notify Developer 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. Failure to pay the assessments could result in a lien on and the foreclosure of the Option Property.

(4) Additional Taxes: The following disclosure is made for the purpose of complying with the provisions of Section 5.010 of the Texas Property Code:

NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES

If for the current ad valorem tax year the taxable value of the land that is the subject of this Agreement is determined by a special appraisal method that allows for the appraisal of the land at less than its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in use of the land. The taxable value of the land and the applicable method of appraisal for current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located

[Remainder of page intentionally left blank; signature pages follow]

MIDTOWN and Developer have executed this Agreement as of the Effective Date.

MIDTOWN:

MIDTOWN REDEVELOPMENT AUTHORITY,
a Texas non-profit local government corporation

By: _____
Name: _____
Title: _____

DEVELOPER:

By: _____
Name: _____
Title: _____

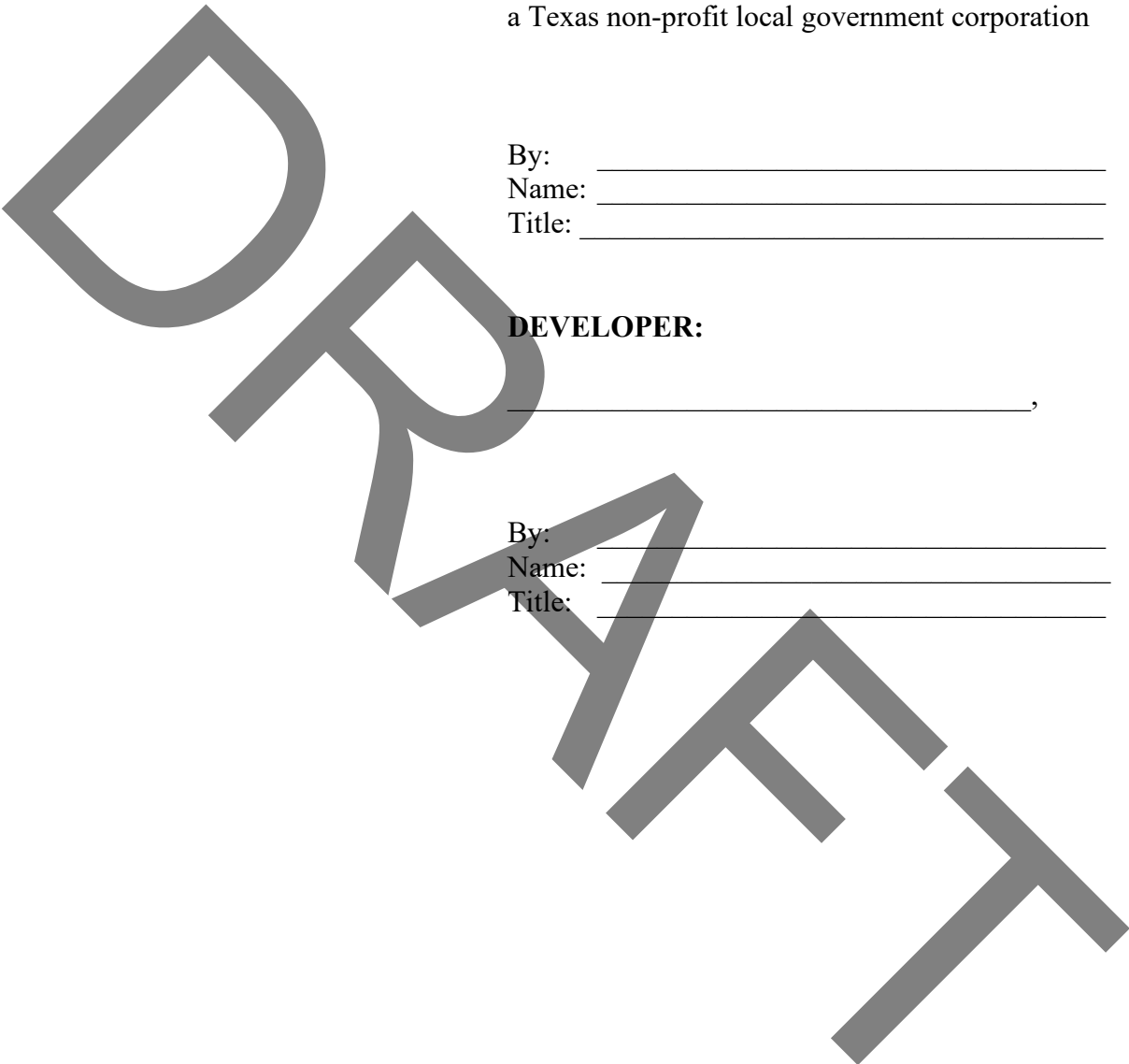


EXHIBIT A

Option Property

DRAFT

EXHIBIT B

Form of Special Warranty Deed

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 _____, a _____, created and organized under the laws of the State of Texas (“**Grantee or Developer**”), whose address is , Houston, Texas , 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 Developer 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 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 Developer 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 as such Qualified Homebuyer’s principal residence 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 Developer, 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 Developer 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 Developer 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 Developer or its successors and assigns of its election to exercise its Reconveyance Right. The Property shall be reconveyed by Developer 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 _____ **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 Developer 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), Developer 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 Developer 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 Developer or its successors and assigns. If Grantor delivers written notice to Developer or its successors and assigns within such thirty (30) day period that Grantor elects to exercise its option, then Developer 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 Developer 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. Developer 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 Developer 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

DEVELOPER:

Houston, Texas _____
Attention: _____, _____
Email: _____

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Developer, 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 Developer, 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 _____, 202__.

“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 _____, 202__, 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]

Developer's Acceptance of Special Warranty Deed

Developer accepts this Special Warranty Deed and consents to its form and substance. Developer 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. Developer 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__.

"DEVELOPER"

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on this ____ day of _____, 202__, by _____, of _____, 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

EXHIBIT B
PERMITTED ENCUMBRANCES OF RECORD

[To be inserted from title commitment.]

DRAFT

EXHIBIT B

Form of Grant Agreement

(See Attached)

DRAFT

GRANT AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms2
 Section 1.02. Singular and Plural.....3

ARTICLE II
GENERAL REPRESENTATIONS

Section 2.01. Representations of the Zone.....3
 Section 2.02. Representations of the Authority3
 Section 2.03. Representations of the Grantee4

ARTICLE III
THE PROJECT

Section 3.01. General Purpose4
 Section 3.02. Modification of the Project5
 Section 3.03. Completion of the Project6

ARTICLE IV
CONVEYANCE, FINANCING AND FUNDING

Section 4.01. Conveyance of the Property6
 Section 4.02. Funding for the Project6

ARTICLE V
COVENANTS OF THE GRANTEE REGARDING PROJECT

Section 5.01. Conflict of Interest6
 Section 5.02. Additional Covenants of Grantee.....6

ARTICLE VI
DEFAULT

Section 6.01. Events of Default7
 Section 6.02. Remedies Upon Event of Default.7

ARTICLE VII
INDEMNIFICATION AND RELEASE

Section 7.01. Indemnification8
 Section 7.02. Release9
 Section 7.03. Other Indemnities.....9

ARTICLE VIII
GENERAL

Section 8.01. Inspections, Audits.....9
 Section 8.02. The Grantee Operations and Employees.....9
 Section 8.03. Dispute Resolution.....9
 Section 8.04. Personal Liability of Public Officials11
 Section 8.05. Notices11
 Section 8.06. Amendments11
 Section 8.07. Waivers12
 Section 8.08. Invalidity.....12
 Section 8.09. Successors and Assigns.....12
 Section 8.10. Exhibits; Titles of Articles, Sections and Subsections.....12
 Section 8.11. Construction/Governing Law.....12
 Section 8.12. Waiver of Consequential.....12
 Section 8.13. Entire Agreement.....13
 Section 8.14. Term.....13
 Section 8.15. Memorandum of Agreement.....13
 Section 8.16. Approval by the Parties.....13
 Section 8.17. Survivability.....13

Exhibit A – Project Specifications A-1
 Exhibit B – Form of Unimproved Property Contract B-1
 Exhibit C – Form of Special Warranty Deed..... C-1
 Exhibit D – Description of Property Being Granted to Grantee D-1

GRANT AGREEMENT

This Grant Agreement (the “Agreement”), effective as of _____, 202__, 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 _____ (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 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 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, the Authority has determined that the Project (as defined herein) is consistent with the City’s then current affordable housing policy; and

WHEREAS, the Zone, the Authority 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.

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 the special warranty deed 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.

“HUD” means the United States Department of Housing and Urban Development.

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

“Project” means the development of affordable single-family homes 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 granted to the Grantee hereunder.

“**Property Grant**” means the grant approved pursuant to this Agreement and evidenced by the execution of the Deed conveying the Property to the Grantor

“**Qualified Homebuyer(s)**” means those purchasers that meet the requirements to purchase the affordable 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 both such Agreements at the time it needs sufficient 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 _____ affordable single-family residences, consistent with the approved specifications (the “Project Specifications”).

(c) Grantee shall prepare or cause to be prepared Project Specifications and submit them for approval to the Authority’s Representative. The Authority’s Representative shall promptly approve, reject, or make comments or queries to the Project Specifications. The Project Specifications approved by the Authority’s Representative shall be the Project Specifications and shall be attached to this Agreement as **Exhibit 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 no fewer than _____ affordable 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 affordable single-family residences contemplated hereunder, the Grantee shall cause such single-family residences to be sold to Qualified Homebuyers for not more than \$ _____ each (inclusive 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 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 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, 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 develop 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, 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 announcement 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', materialmens', employees', or any other person directly or indirectly employed by any of them or for whose actions they may be liable) actions or inactions under this Agreement, the Work, any breach of warranty made herein by 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: _____

Attention: _____, _____

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

with a copy to:

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

and

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

Each party may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this Section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when received for by, or actually received by the Zone, the Authority or the 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, Authority and the Zone may **not** assign their rights and obligations under this Agreement or any interest herein, without the prior written consent of the Grantee, Authority or Zone, as necessary. Provided, however, that if any rights and/or obligations are assigned, any such assignee must specifically assume all of the obligations of the 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.

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the _____ day of _____, 202__.

MIDTOWN REDEVELOPMENT AUTHORITY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Exhibit A
to
Grant Agreement

Project Specifications

_____ shall construct _____ affordable single-family homes on the Property, each with a minimum of three (3) bedrooms, two (2) bathroom, and an attached 2-car garage. When complete, each home shall have a gross living area ranging from approximately _____ square feet and each home shall be constructed on a lot size of approximately 5000 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.

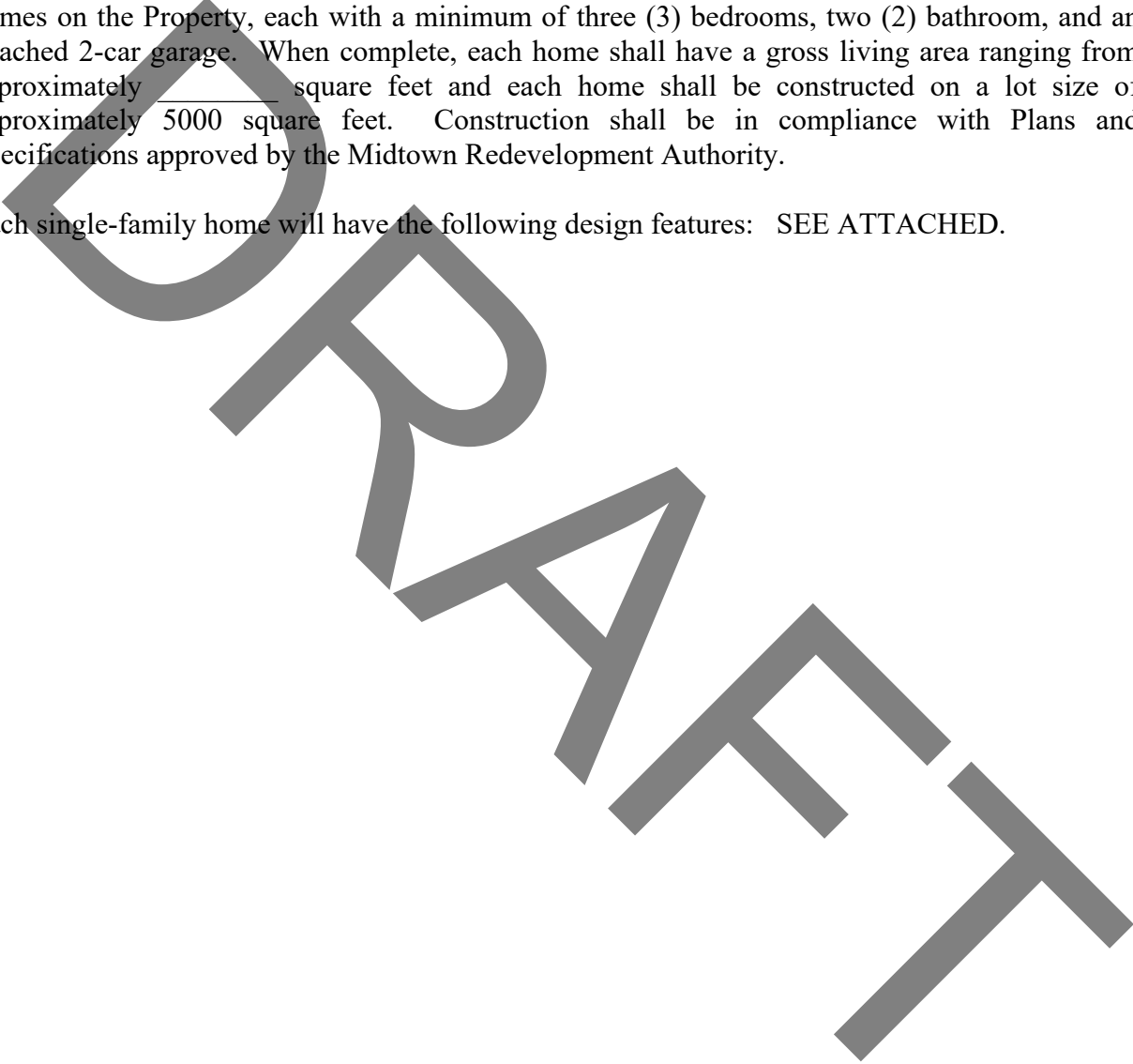


Exhibit B
to
Grant Agreement

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 \$ _____ 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 Deferred Payment Forgivable Promissory Note from Buyer to Seller** in the amount of \$ _____ or such other amount as the parties may mutually agree, 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 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 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: _____

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 _____, a non-profit corporation created and organized under the laws of the State of Texas ("**Grantee or Developer**"), whose address is _____, Houston, Texas 770____, 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 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 110% 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 _____ **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:

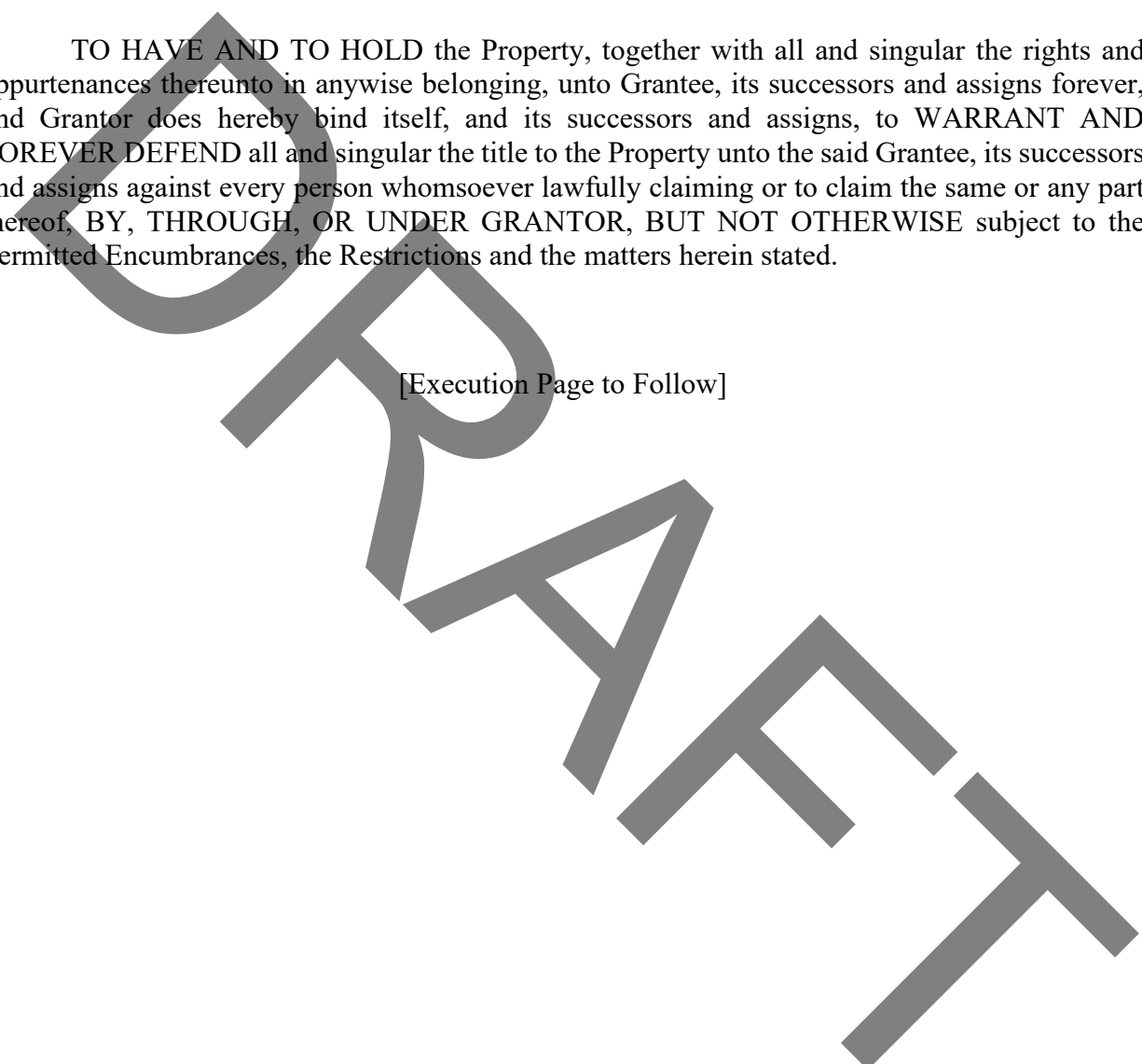
Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002
Attn: Executive Director

GRANTEE:

Attention: _____, _____

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 _____, 202__.

“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 _____,
202__, 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 _____, 202__.

"GRANTEE"

_____, 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 _____, 202__, by _____, _____ of _____, 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 _____, Street, Houston, Texas 770__)*
(HCAD Account No. _____)

Tract 2: *(Commonly known as _____, Street, Houston, Texas 770__)*
(HCAD Account No. _____)

Tract 3: *(Commonly known as _____, Street, Houston, Texas 770__)*
(HCAD Account No. _____)

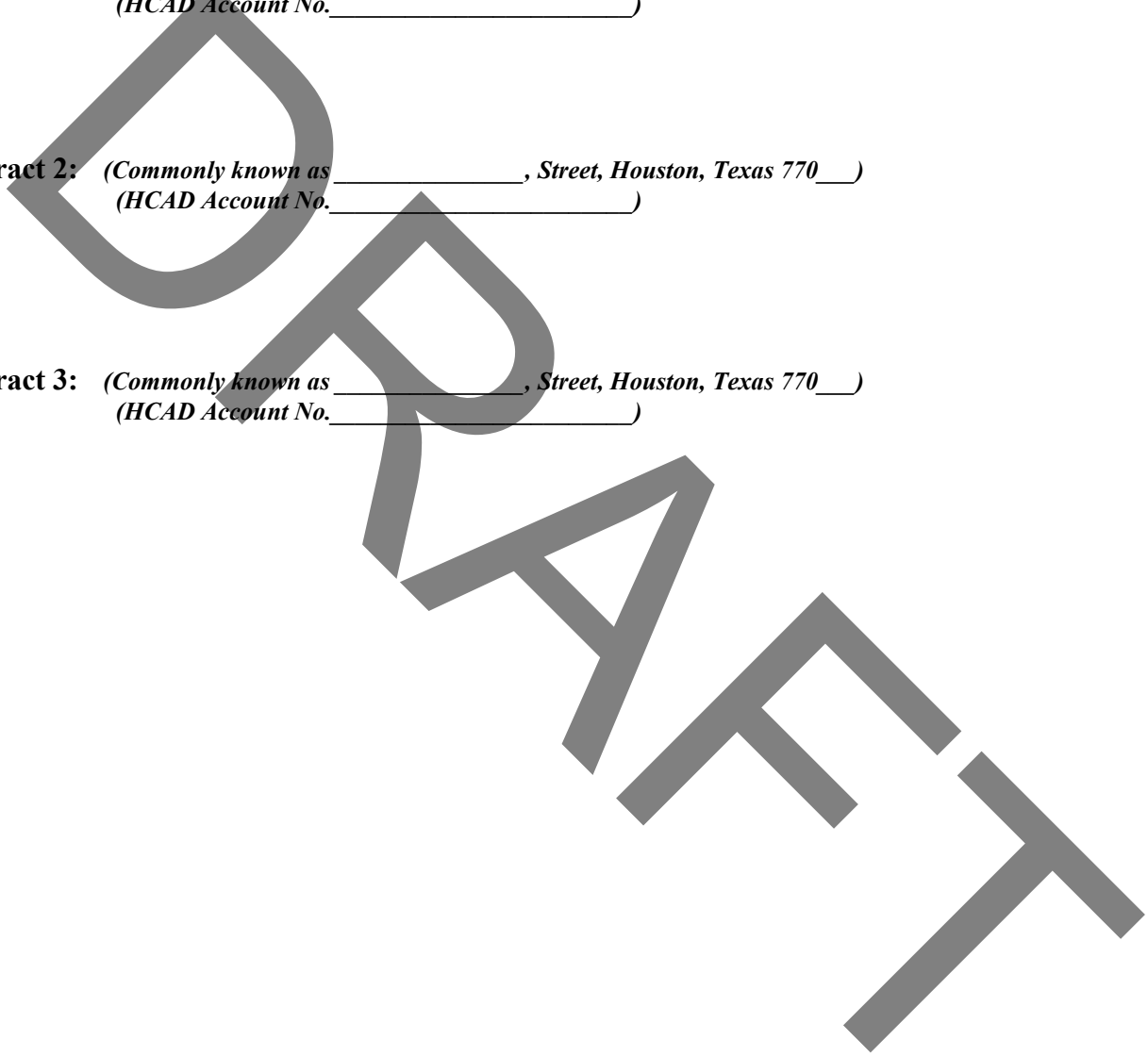


EXHIBIT C

Form of Development and Purchase Agreement

(See Attached)

DRAFT

DEVELOPMENT AND PURCHASE AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms2
 Section 1.02. Singular and Plural.....3

ARTICLE II
GENERAL REPRESENTATIONS

Section 2.01. Representations of the Zone.....3
 Section 2.02. Representations of the Authority3
 Section 2.03. Representations of the Developer4

ARTICLE III
THE PROJECT

Section 3.01. General Purpose4
 Section 3.02. Modification of the Project5
 Section 3.03. Completion of the Project6

ARTICLE IV
CONVEYANCE, FINANCING AND FUNDING

Section 4.01. Conveyance of the Property6
 Section 4.02. Funding for the Project6

ARTICLE V
COVENANTS OF THE DEVELOPER REGARDING PROJECT

Section 5.01. Conflict of Interest6
 Section 5.02. Additional Covenants of Developer.....6

ARTICLE VI
DEFAULT

Section 6.01. Events of Default7
 Section 6.02. Remedies Upon Event of Default.7

ARTICLE VII
INDEMNIFICATION AND RELEASE

Section 7.01. Indemnification and Release8
 Section 7.02. Indemnity to City Property9
 Section 7.03. Release9

ARTICLE VIII
GENERAL

Section 8.01. Inspections, Audits.....9
Section 8.02. The Developer Operations and Employees.....9
Section 8.03. Dispute Resolution.....9
Section 8.04. Personal Liability of Public Officials11
Section 8.05. Notices11
Section 8.06. Amendments11
Section 8.07. Waivers12
Section 8.08. Invalidity.....12
Section 8.09. Successors and Assigns.....12
Section 8.10. Exhibits; Titles of Articles, Sections and Subsections.....12
Section 8.11. Construction/Governing Law.....12
Section 8.12. Waiver of Consequentials.....12
Section 8.13. Entire Agreement.....13
Section 8.14. Term.....13
Section 8.15. Memorandum of Agreement.....13
Section 8.16. Approval by the Parties.....13
Section 8.17. Survivability.....13

Exhibit A – Project Specifications
Exhibit B – Form of Unimproved Property Contract
Exhibit C – Form of Special Warranty Deed
Exhibit D – Description of Property Being Sold to Developer

DEVELOPMENT AND PURCHASE AGREEMENT

This Development and Purchase Agreement (the “Agreement”), dated as of _____, is made by and among REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (the “Zone”), a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code, MIDTOWN REDEVELOPMENT AUTHORITY (the “Authority” or “Authority”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and _____ (the “Developer”), a Texas for 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 Affordable Housing; and

WHEREAS, the Authority seeks to facilitate the development of such land for Affordable Housing, by entering into this Agreement with Developer as part of a pilot project, and model for future projects, 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 Developer has requested that the Authority sell certain tracts of vacant land located within the City at a consideration that is less than the fair market value of such land in order to provide safe, sanitary and affordable housing for low and moderate income persons; and

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

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

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

ARTICLE I DEFINITIONS

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

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

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

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

"Deed" means any one of up to _____ special warranty deeds executed by the Authority conveying the property to the Developer 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.

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

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

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

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

“**Qualified Homebuyer(s)**” means those purchasers that meet the requirements to purchase the single-family residences developed under this Agreement, more particularly defined in **Exhibit C**.

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

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

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

ARTICLE II GENERAL REPRESENTATIONS

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

- (a) The Zone is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.
- (b) The Zone has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, will not violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.
- (c) This Agreement has been duly authorized, executed and delivered by the Zone and, constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms.
- (d) The execution, delivery and performance of this Agreement by the Zone does not require the consent or approval of any person which has not been obtained.

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

- (a) The Authority is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.
- (b) The Authority has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, will not violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default

under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

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

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

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

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

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

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

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

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

ARTICLE III THE PROJECT

Section 3.01. General Purpose.

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

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

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

(d) Developer covenants and agrees that:

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

(ii) the Property shall be used solely to construct _____ affordable single-family residences,

(iii) all single-family residences developed on the Property shall qualify as Affordable Housing at all times for the greater of (1) the Term of this Agreement or (2) the Affordability Period, as defined in **Exhibit C** hereto.

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

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

(vi) Developer shall sell the Property with improvements thereon to Qualified Homebuyers as provided herein, and use customary documents, in form and substance acceptable to the Authority, to evidence each such transaction, including but not limited to a Promissory Note and Subordinate Lien Deed of Trust to secure the Qualified Homebuyer’s obligations with respect to the Property.

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

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

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

Section 3.03. **Completion of Project**. The Project shall reach completion no later than 240 days (the “Completion Date”) from the date of acquisition of each of the three (3) tracts of vacant land, respectively, as provided for in this Agreement. Upon written request by the Developer, 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 Developer 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 sell the Property to Developer for \$1.50 per square foot, which is less than the fair market value of such Property in order to facilitate the provision of decent, safe, sanitary and affordable housing for low and moderate income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed, in the Harris County Clerk’s Records, subject to the terms and conditions set forth in an Unimproved Property Contract to be entered into by the Developer and the Authority substantially in the form attached hereto as **Exhibit B**. The Parties agree that the Executive Director or his designee shall have the sole right to determine when to enter into an Unimproved Property Contract with Developer for each of the tracts of vacant land to be conveyed hereunder, *provided however*, that the Authority shall initially enter into Unimproved Property Contracts for no fewer than one tract of vacant land.

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

ARTICLE V COVENANTS OF THE DEVELOPER REGARDING THE PROJECT

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

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

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

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

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

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

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

ARTICLE VI DEFAULT

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

(a) Developer fails to purchase the Property as provided for in this Agreement;

(b) Developer fails to complete construction of any one or more of the _____ single-family residences within the requirements of Section 3.03;

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

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

(e) Developer fails to comply with the covenants relating to Single Family Residential Use and Affordable Housing further detailed in Section 3.01 and in the Deed.

(f) Developer fails to comply with the covenants detailed throughout this Agreement.

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

Section 6.02. Remedies Upon Event of Default.

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

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

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

ARTICLE VII INDEMNIFICATION AND RELEASE

Section 7.01. Indemnification and Release.

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

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

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

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

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

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

ARTICLE VIII GENERAL

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

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

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

Section 8.03. Dispute Resolution.

(a) In the event of any claim, dispute or controversy arising out of or relating to this Agreement (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of torts, contracts, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, or seeks damages or any other relief) which the Parties have been unable to settle or agree upon within a period of thirty (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 Developer having the right to file any legal or equitable action against the Authority.

(c) Subject to Developer's obligation to comply with the requirements of the foregoing subsections as a condition precedent to Developer having any right to file any legal or equitable action against the Authority, for purposes of all legal or equitable proceedings arising out of, relating to or connected with this Agreement, Developer hereby agrees that this Agreement is performable in whole or in part in Houston, Harris County, Texas and hereby submits to the jurisdiction of the state courts within Harris County, and agrees that such jurisdiction shall be exclusive with respect to any such proceeding filed by Developer. Developer hereby irrevocably waives any claim which it may now or hereafter have that any

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

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

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

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

Developer:

Attention: _____,

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 Developer, as the case may be.

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the _____ day of _____, 202__.

MIDTOWN REDEVELOPMENT AUTHORITY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

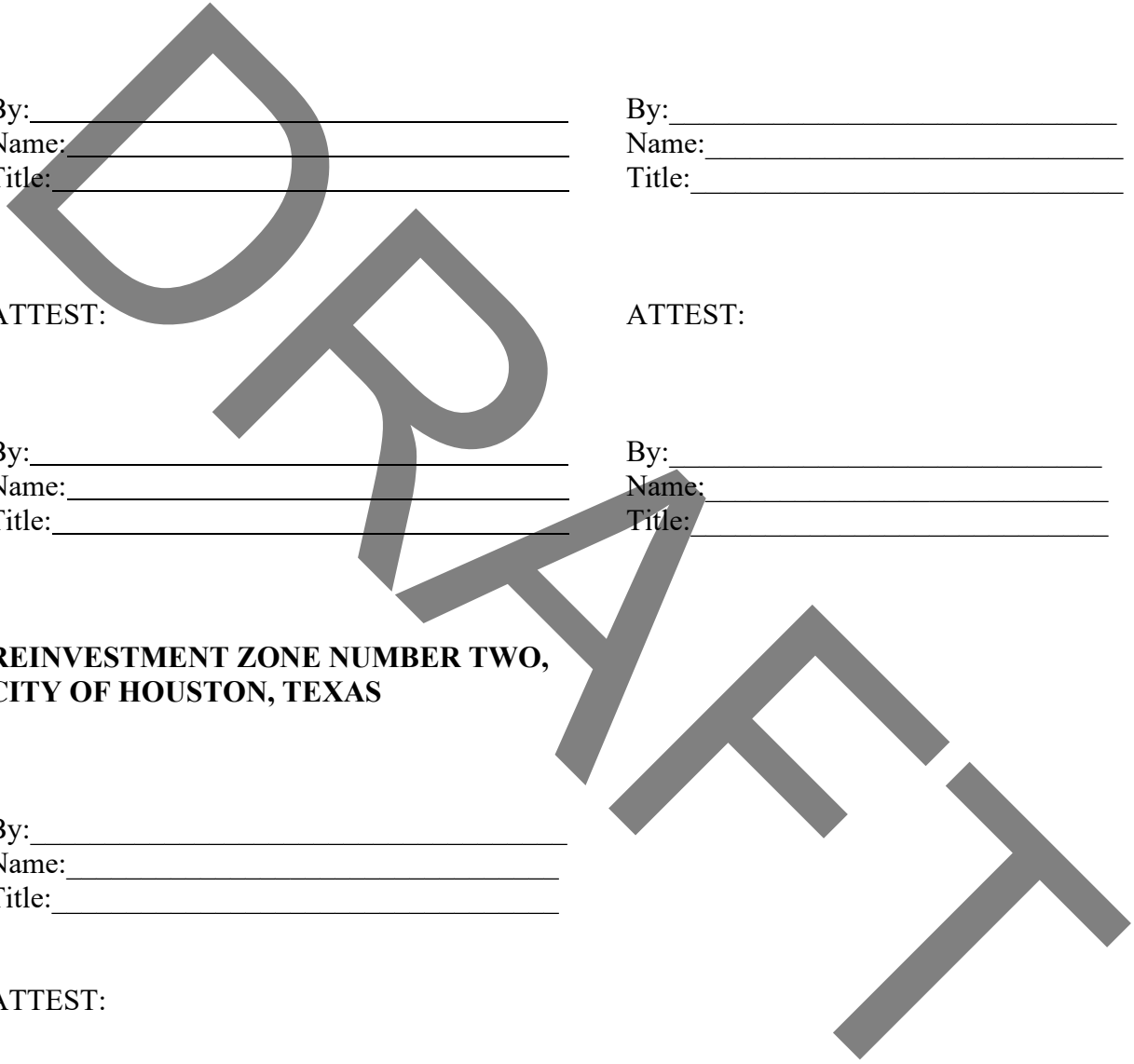


Exhibit A

to

Development and Purchase Agreement

Project Specifications

_____ shall construct _____ 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 and each home shall be constructed on a lot size of approximately 5000 square feet after replatting. 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.

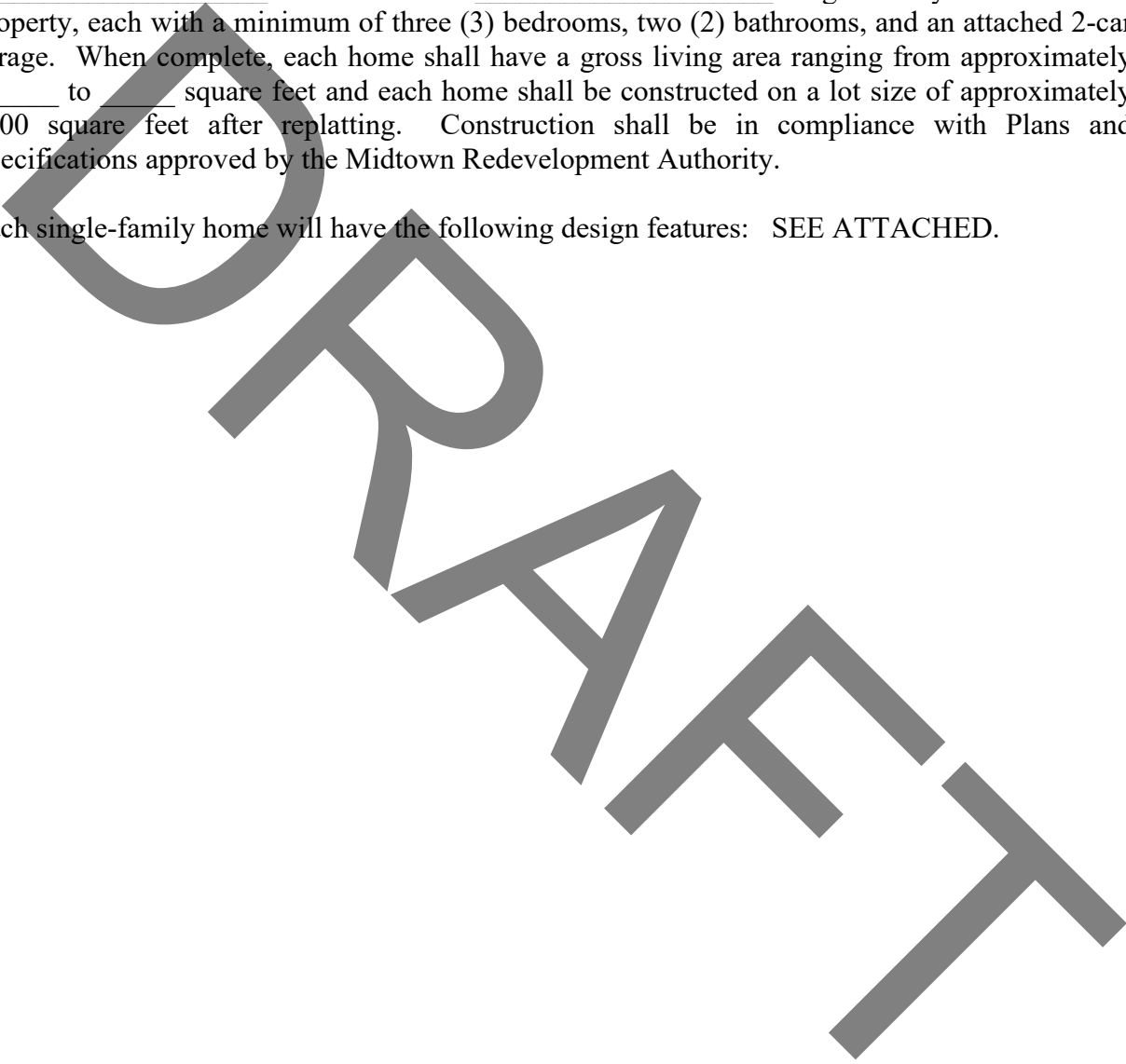


Exhibit B

to

*Development and Purchase 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 Deferred Payment Forgivable Promissory Note from Buyer to Seller** in the amount of \$ _____ or such other amount as the parties may mutually agree, 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 \$500.00 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 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 checked="" 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

Listing Broker Firm _____ License No. _____

Represents Seller and Buyer as an intermediary
 Seller only as Seller's agent

Licensed Supervisor of Associate _____ Telephone _____

Licensed Supervisor of Listing Associate _____ Telephone _____

Associate _____ Telephone _____

Listing Associate _____ Telephone _____

Other Broker's Address _____ Facsimile _____

Listing Broker's Office Address _____ Facsimile _____

City _____ State _____ Zip _____

City _____ State _____ Zip _____

Associate Email Address _____

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

Date: _____

By: _____
 Thomas Hartman, Escrow Agent/Officer

Email Address: _____

Address: 1225 North Loop West, Suite 750

Telephone: 713-766-7192

Houston Texas 77008
 City State Zip

Facsimile: 713-583-7930

Exhibit A

to

Unimproved Property Contract

Property Description

DRAFT

Exhibit B

to

Unimproved Property Contract

Form of Special Warranty Deed

[See attached Exhibit C to the Development and Purchase Agreement]

DRAFT

Exhibit C

to

Development and Purchase 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 _____, a Texas for profit corporation created and organized under the laws of the State of Texas ("**Grantee or Developer**"), whose address is _____, Houston, Texas 77004, 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 Developer 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 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 Developer 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 Developer, 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 Developer 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 Developer 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 Developer or its successors and assigns of its election to exercise its Reconveyance Right. The Property shall be reconveyed by Developer 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 _____ **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 Developer 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), Developer 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 Developer 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 Developer or its successors and assigns. If Grantor delivers written notice to Developer or its successors and assigns within such thirty (30) day period that Grantor elects to exercise its option, then Developer 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 Developer 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. Developer 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 Developer 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

DEVELOPER:

Attention: _____, _____

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Developer, 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 Developer, 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]

Developer's Acceptance of Special Warranty Deed

Developer accepts this Special Warranty Deed and consents to its form and substance. Developer 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. Developer 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__.

"DEVELOPER"

_____, a Texas _____

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this ____ day of _____, 20__, by _____, _____ of _____, a Texas for 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

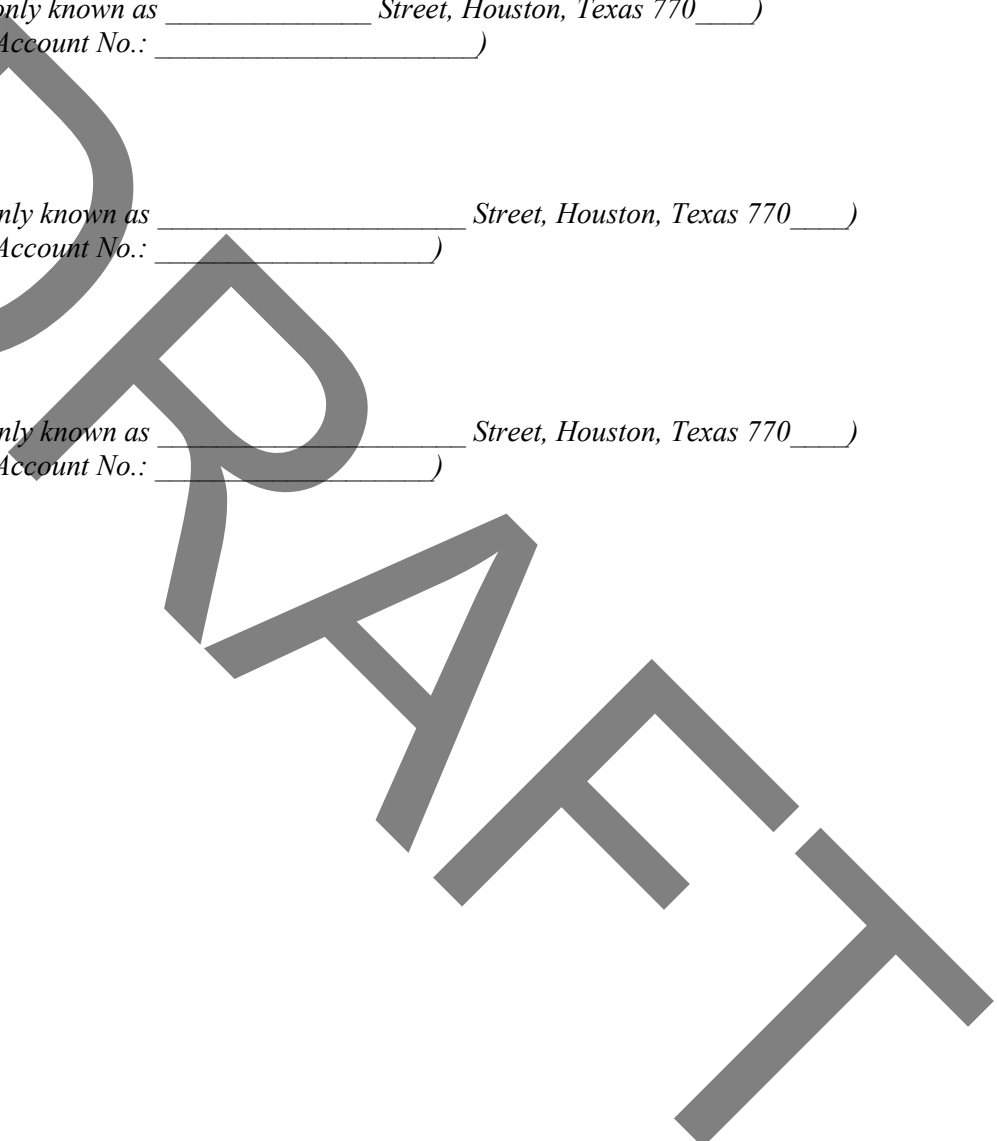
*to
Development and Purchase Agreement*

Description of Property Being Sold to Developer

Tract 1: *(Commonly known as _____ Street, Houston, Texas 770 ____)*
(HCAD Account No.: _____)

Tract 2: *(Commonly known as _____ Street, Houston, Texas 770 ____)*
(HCAD Account No.: _____)

Tract 3: *(Commonly known as _____ Street, Houston, Texas 770 ____)*
(HCAD Account No.: _____)



MAYBERRY HOMES

DRAFT

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

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

1. The Board convened in regular session on the 27th day of October, 2022, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of said Board, to-wit:

1	Camille Foster	Director/ Assistant Secretary
2	Donald Bond	Director
3	Vacant	Director
4	Michael F. Murphy	Director
5	Al Odom	Director/Chair
6	Abe S. Goren	Director/Vice Chair
7	Caton M. Fenz	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 (THE "AUTHORITY") OR ITS AGENT TO ENTER INTO A DEVELOPMENT AND PURCHASE AGREEMENT WITH MAYBERRY HOMES, 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 (THE “AUTHORITY”) OR ITS AGENT TO ENTER INTO A DEVELOPMENT AND PURCHASE AGREEMENT WITH MAYBERRY HOMES, 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 Southeast area of the City for such purpose, and now desires to enter into a development and purchase agreement (the “Development and Purchase Agreement”), between and among the Authority, the Zone and Mayberry Homes, Inc. (the “Developer”), substantially in the form attached hereto as **Exhibit A**, in order to convey certain of such parcels of land to the Developer to be developed as affordable housing; and

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

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

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

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

PASSED AND APPROVED this 27th day of October, 2022.

Al Odom
Chair, Midtown Redevelopment Authority

ATTEST:

Caton M. Fenz
Secretary, Midtown Redevelopment Authority

DRAFT

EXHIBIT A

Development and Purchase Agreement

(See Attached)

DRAFT

DEVELOPMENT AND PURCHASE AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

MAYBERRY HOMES, INC.

October 27, 2022

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms2
 Section 1.02. Singular and Plural.....3

ARTICLE II
GENERAL REPRESENTATIONS

Section 2.01. Representations of the Zone.....3
 Section 2.02. Representations of the Authority3
 Section 2.03. Representations of the Developer4

ARTICLE III
THE PROJECT

Section 3.01. General Purpose4
 Section 3.02. Modification of the Project5
 Section 3.03. Completion of the Project6

ARTICLE IV
CONVEYANCE, FINANCING AND FUNDING

Section 4.01. Conveyance of the Property6
 Section 4.02. Funding for the Project6

ARTICLE V
COVENANTS OF THE DEVELOPER REGARDING PROJECT

Section 5.01. Conflict of Interest6
 Section 5.02. Additional Covenants of Developer.....6

ARTICLE VI
DEFAULT

Section 6.01. Events of Default7
 Section 6.02. Remedies Upon Event of Default.7

ARTICLE VII
INDEMNIFICATION AND RELEASE

Section 7.01. Indemnification and Release8
 Section 7.02. Indemnity to City Property9
 Section 7.03. Release9

ARTICLE VIII
GENERAL

Section 8.01. Inspections, Audits.....	9
Section 8.02. The Developer Operations and Employees.....	9
Section 8.03. Dispute Resolution.....	9
Section 8.04. Personal Liability of Public Officials	11
Section 8.05. Notices	11
Section 8.06. Amendments	11
Section 8.07. Waivers	12
Section 8.08. Invalidity.....	12
Section 8.09. Successors and Assigns.....	12
Section 8.10. Exhibits; Titles of Articles, Sections and Subsections.....	12
Section 8.11. Construction/Governing Law.....	12
Section 8.12. Waiver of Consequentials.....	12
Section 8.13. Entire Agreement.....	13
Section 8.14. Term.....	13
Section 8.15. Memorandum of Agreement.....	13
Section 8.16. Approval by the Parties.....	13
Section 8.17. Survivability.....	13
Exhibit A – Project Specifications	
Exhibit B – Form of Unimproved Property Contract	
Exhibit C – Form of Special Warranty Deed	
Exhibit D – Description of Property Being Sold to Developer	

DEVELOPMENT AND PURCHASE AGREEMENT

This Development and Purchase Agreement (the “Agreement”), dated as of October 27, 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 “Authority” or “Authority”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and MAYBERRY HOMES, INC. (the “Developer”), a Texas for 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 Affordable Housing; and

WHEREAS, the Authority seeks to facilitate the development of such land for Affordable Housing, by entering into this Agreement with Developer as part of a pilot project, and model for future projects, 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 Developer has requested that the Authority sell certain tracts of vacant land located within the City at a consideration that is less than the fair market value of such land in order to provide safe, sanitary and affordable housing for low and moderate income persons; and

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

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

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

ARTICLE I DEFINITIONS

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

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

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

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

"Deed" means any one of up to three (3) special warranty deeds executed by the Authority conveying the property to the Developer 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.

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

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

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

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

“**Qualified Homebuyer(s)**” means those purchasers that meet the requirements to purchase the single-family residences developed under this Agreement, more particularly defined in **Exhibit C**.

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

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

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

ARTICLE II GENERAL REPRESENTATIONS

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

- (a) The Zone is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.
- (b) The Zone has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, will not violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.
- (c) This Agreement has been duly authorized, executed and delivered by the Zone and, constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms.
- (d) The execution, delivery and performance of this Agreement by the Zone does not require the consent or approval of any person which has not been obtained.

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

- (a) The Authority is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.
- (b) The Authority has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, will

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

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

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

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

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

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

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

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

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

ARTICLE III THE PROJECT

Section 3.01. General Purpose.

(a) The Authority has entered into this Agreement relating to the Project in reliance upon the representations, warranties, covenants and agreements of the Developer contained herein, and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the completion of the Project and upon the

performance by the Developer of its obligations hereunder, as of the date hereof and the date of completion.

(b) The Project shall consist of the design, construction, assembly, installation and implementation of no fewer than forty (40) affordable single-family residences, consistent with the approved specifications (the “Project Specifications”).

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

(d) Developer covenants and agrees that:

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

(ii) the Property shall be used solely to construct forty (40) affordable single-family residences,

(iii) all single-family residences developed on the Property shall qualify as Affordable Housing at all times for the greater of (1) the Term of this Agreement or (2) the Affordability Period, as defined in **Exhibit C** hereto.

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

(v) upon completion of construction of the single-family residences contemplated hereunder, the Developer shall cause each such single-family residence to be sold to Qualified Homebuyers for not more than TWO HUNDRED FIFTY THOUSAND DOLLARS AND NO/100 (\$250,000.00) or such other amount as the Executive Director may designate in writing.

(vi) Developer shall sell the Property with improvements thereon to Qualified Homebuyers as provided herein, and use customary documents, in form and substance acceptable to the Authority, to evidence each such transaction, including but not limited to a Promissory Note and Subordinate Lien Deed of Trust to secure the Qualified Homebuyer’s obligations with respect to the Property.

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

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

Section 3.03. Completion of Project. The Project shall reach completion no later than 240 days (the "Completion Date") from the date of acquisition of each of the three (3) tracts of vacant land, respectively, as provided for in this Agreement. Upon written request by the Developer, 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 Developer 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 sell the Property to Developer for \$1.50 per square foot, which is less than the fair market value of such Property in order to facilitate the provision of decent, safe, sanitary and affordable housing for low and moderate income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed, in the Harris County Clerk's Records, subject to the terms and conditions set forth in an Unimproved Property Contract to be entered into by the Developer and the Authority substantially in the form attached hereto as **Exhibit B**. The Parties agree that the Executive Director or his designee shall have the sole right to determine when to enter into an Unimproved Property Contract with Developer for each of the tracts of vacant land to be conveyed hereunder, *provided however*, that the Authority shall initially enter into Unimproved Property Contracts for no fewer than one tract of vacant land.

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

ARTICLE V COVENANTS OF THE DEVELOPER REGARDING THE PROJECT

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

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

- (a) the Developer shall provide the Authority with all reports reasonably requested by the Authority;
- (b) any marketing, public awareness campaigns or signage related to the Project shall recognize the Authority's contributions in a prominent manner and, in the case of written materials, the Authority's name shall be in text no smaller than one-half (1/2) of the size of the Developer's name and of an equal size as that if any other Project participants being recognized;
- (c) any expenses related to the Project shall be recorded and physically maintained separately and distinctly from the expenses related to the general operations of the Developer;
- (d) the Project shall be completed and the Developer shall pay all costs associated with the Project; and
- (e) the Property shall at all times be maintained in a safe and sanitary condition. The covenant to maintain the Property includes the removal of debris, trash, illegal occupiers or squatters, and unsightly landscaping conditions.

ARTICLE VI DEFAULT

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

- (a) Developer fails to purchase the Property as provided for in this Agreement;
- (b) Developer fails to complete construction of any one or more of the forty (40) single-family residences within the requirements of Section 3.03;
- (c) Developer fails to complete the Project in substantial compliance with the Project Specifications and any such deviation, alteration or amendment has not received written approval by the Authority pursuant to Section 3.02.
- (d) Developer is in default under any other agreement related to the Project, as default is defined such agreement and the Developer has not notified the Authority of the default within ten days of the default occurring;
- (e) Developer fails to comply with the covenants relating to Single Family Residential Use and Affordable Housing further detailed in Section 3.01 and in the Deed.
- (f) Developer fails to comply with the covenants detailed throughout this Agreement.
- (g) Developer becomes insolvent, is dissolved, or a voluntary or involuntary action in bankruptcy is filed by or against the Developer.

Section 6.02. Remedies Upon Event of Default.

(a) Upon the occurrence of an Event of Default by the Authority and if such default remains uncured for a period of 30 days after the first occurrence of the Event of Default, in addition to the other rights given to the Developer under this Agreement, the Developer may terminate this Agreement or enforce specific performance.

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

**ARTICLE VII
INDEMNIFICATION AND RELEASE**

Section 7.01. Indemnification and Release.

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

WITHOUT LIMITATION THE TEXAS DECEPTIVE TRADE PRACTICES ACT, OR STRICT LIABILITY WITHOUT REGARD TO FAULT.

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

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

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

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

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

ARTICLE VIII GENERAL

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

control relating to the Project that the Authority deems necessary to assist the Authority in determining the Developer's compliance with this Agreement. Developer shall allow the Authority reasonable access to the Project to conduct visual inspections of the Project. All inspections will be made only after giving the Developer notice at least 24 hours in advance thereof.

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

Section 8.03. Dispute Resolution.

(a) In the event of any claim, dispute or controversy arising out of or relating to this Agreement (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of torts, contracts, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, or seeks damages or any other relief) which the Parties have been unable to settle or agree upon within a period of thirty (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 Developer having the right to file any legal or equitable action against the Authority.

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

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

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

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

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

Developer: Mayberry Homes, Inc.
4412 Almeda Road
Houston, Texas 77004
Attention: Sharone Mayberry, President & CEO

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

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

and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the _____ day of _____, 2022.

**MIDTOWN REDEVELOPMENT
AUTHORITY**

MAYBERRY HOMES, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

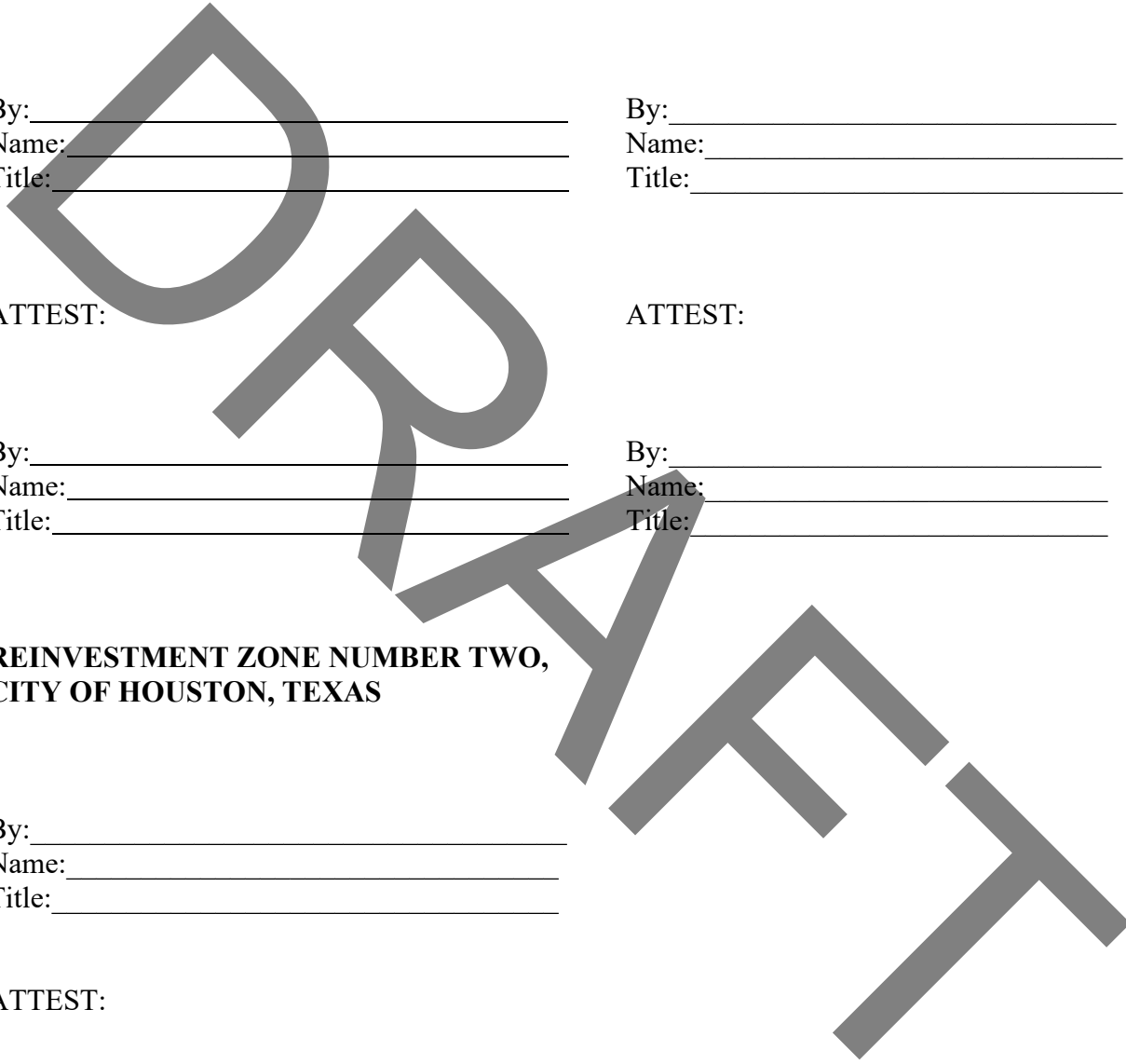


Exhibit A

to

Development and Purchase Agreement

Project Specifications

MAYBERRY HOMES, INC. shall construct forty (40) 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 and each home shall be constructed on a lot size of approximately 5000 square feet after replatting. 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
Development and Purchase 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 Deferred Payment Forgivable Promissory Note from Buyer to Seller** in the amount of \$ _____ or such other amount as the parties may mutually agree, 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 \$500.00 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 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 checked="" 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:

MAYBERRY HOMES, INC.

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

Listing Broker Firm _____ License No. _____

Represents Seller and Buyer as an intermediary
 Seller only as Seller's agent

Licensed Supervisor of Associate _____ Telephone _____

Licensed Supervisor of Listing Associate _____ Telephone _____

Associate _____ Telephone _____

Listing Associate _____ Telephone _____

Other Broker's Address _____ Facsimile _____

Listing Broker's Office Address _____ Facsimile _____

City _____ State _____ Zip _____

City _____ State _____ Zip _____

Associate Email Address _____

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

Date: _____

By: _____
 Thomas Hartman, Escrow Agent/Officer

Email Address: _____

Address: 1225 North Loop West, Suite 750

Telephone: 713-766-7192

Houston Texas 77008
 City State Zip

Facsimile: 713-583-7930

Exhibit A

to

Unimproved Property Contract

Property Description

DRAFT

Exhibit B

to

Unimproved Property Contract

Form of Special Warranty Deed

[See attached Exhibit C to the Development and Purchase Agreement]

DRAFT

Exhibit C

to

Development and Purchase 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 MAYBERRY HOMES, INC., a Texas for profit corporation created and organized under the laws of the State of Texas (“**Grantee or Developer**”), whose address is 4412 Almeda Road, Houston, Texas 77004, 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 Developer 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 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 Developer 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 Developer, 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 Developer 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 Developer 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 Developer or its successors and assigns of its election to exercise its Reconveyance Right. The Property shall be reconveyed by Developer 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 _____ **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 Developer 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), Developer 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 Developer 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 Developer or its successors and assigns. If Grantor delivers written notice to Developer or its successors and assigns within such thirty (30) day period that Grantor elects to exercise its option, then Developer 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 Developer 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. Developer 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 Developer 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

DEVELOPER:

MAYBERRY HOMES, INC.
4412 Almeda Road
Houston, Texas 77004
Attention: Sharone Mayberry, President & CEO

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Developer, 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 Developer, 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]

Developer's Acceptance of Special Warranty Deed

Developer accepts this Special Warranty Deed and consents to its form and substance. Developer 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. Developer 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__.

"DEVELOPER"

MAYBERRY HOMES, INC., a Texas for 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 MAYBERRY HOMES, INC., a Texas for 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

Development and Purchase Agreement

Description of Property Being Sold to Developer



TRACT 1

BEING A TRACT CONTAINING 1.2266 ACRES (53,431 SQUARE FEET) BEING LOT 12, BLOCK 95, RIVERSIDE TERRACE, SECTION 22, RECORDED IN VOLUME 22, PAGE 46, MAP RECORDS HARRIS COUNTY, TEXAS (M.R.H.C.T.) AND LOTS 36, 37 AND 38, JOSIE R. BROWN SUBDIVISION, RECORDED IN VOLUME 998, PAGE 70, DEED RECORDS HARRIS COUNTY, TEXAS (D.R.H.C.T.) SAVE AND EXCEPT A 0.0559 ACRE TRACT CONVEYED TO THE CITY OF HOUSTON, RECORDED IN COUNTY CLERK FILE No. (C.C.F. No.) 20120253480, OFFICIAL RECORDS HARRIS COUNTY, TEXAS (O.R.H.C.T.), SAID SAVE AND EXCEPT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: (BEARINGS ARE BASED IN C.C.F. No. 20120253480, O.R.H.C.T.)

BEGINNING at a point at the intersection of the south right-of-way (ROW) line of Madalyn Lane (60' ROW) and the west ROW line of MLK Boulevard for the common northeast corner of said Lot 12, Block 95 and the Northeast corner of herein described Tract;

THENCE S 17°25'55" W, 252.67', along the west ROW line of said MLK Boulevard, to a point in the east line of said Lot 37 for the South corner of herein described Tract;

THENCE N 12°40'04" E, 105.87', severing said Lots 37 and 38, to a found cut "X" in concrete in the common division line of said Lot 12, Block 95 and Lot 38 for an Interior corner of herein described Tract;

THENCE S 84°11'06" W, 4.19', along a common South line of herein described Tract and the common division line of said Lot 12, Block 95 and Lot 38, to a found capped iron rod for an Exterior corner of herein described Tract;

THENCE N 17°25'55" E, 133.67', severing said Lot 12, Block 95 and along the West line of herein described Tract, to a found capped iron rod for an Interior corner of herein described Tract;

THENCE N 27°05'04" W, 20.28', continuing severing said Lot 12, Block 95 and along the Southwest line of herein described Tract, to a found capped iron rod in the south ROW line of said Madalyn Lane and a curve to the right for the Northwest corner of herein described Tract;

THENCE in an Easterly direction along the common North line of herein described Tract, the south ROW line of said Madalyn Lane and said curve to the right having a RADIUS of 530.00' and an ARC LENGTH of 26.88' to the POINT OF BEGINNING containing 3,000 square feet (0.0689 acre) of land.

TRACTS 2 and 3

BEING 1.9546 ACRES (85,142 SQUARE FEET) TRACT BEING ALL OF LOTS 32, 33, 34, 35 AND A PORTION OF LOT 31, JOSIE R. BROWN SUBDIVISION, AN UNRECORDED SUBDIVISION SITUATED IN THE LUKE MOORE SURVEY, ABSTRACT No. 51, HARRIS COUNTY, TEXAS AND BEING THOSE SAME TRACTS CONVEYED TO PAN AFRICAN ORTHODOX CHRISTIAN CHURCH, RECORDED IN COUNTY CLERK FILE Nos.) 2368856 (LOTS 34 AND 35) AND K863979 (31, 32 AND 33), OFFICIAL PUBLIC RECORDS HARRIS COUNTY, TEXAS (O.P.R.H.C.T.) AND BEING MORE PARTICULARLY DESCRIBED BY MENES AND BOUNDS AS FOLLOWS: (BEARINGS ARE BASED UNDER FILM CODE No. 626274, MAP RECORDS HARRIS COUNTY, TEXAS (M.R.H.C.T.)

BEGINNING at a found cut "X" in concrete in the westerly right-of-way (ROW) line of Martin Luther King Jr. Boulevard for the common Southeast corner of herein described Tract and the northeast corner of Kipp Inc MLK, Replat No. 1, recorded under Film Code No. 626274, M.R.H.C.T. (basis of Bearings);

THENCE N 79°09'48" W, 359.37', departing the westerly ROW line of said Martin Luther King Jr. Boulevard, severing said Lot 31 and along the common Southerly line of herein described Tract and the northerly line of said Kipp Inc MLK, Replat No. 1, to a point in the easterly line of Riverside Court Addition, recorded in Volume 34, Page 60, Deed Records Harris County, Texas for the common Southeast corner of herein described Tract and the northwest corner of said Kipp Inc MLK, Replat No. 1;

THENCE N 17°13'24" E, 238.40', along the common Westerly line of herein described Tract and the easterly line of said Riverside Court Addition, to a point for the common Northwest corner of herein described Tract and the common westerly corner of Lots 35 and 36, from which a found fence corner post Bears S48°13'10"E, 1.73';

THENCE S 79°09'48" E, 359.37', along the common Northerly line of herein described Tract and the common division line of said Lots 35 and 36, to a set 5/8" iron rod with orange plastic cap stamped "Precision Surveyors" in the westerly ROW line of said Martin Luther King Jr. Boulevard for the common Northeast corner of herein described Tract and the common easterly corner of said Lots 36 and 35;

THENCE S 17°13'24" W, 238.40', along the common Easterly line of herein described Tract and the westerly ROW line of said Martin Luther King Jr. Boulevard to the POINT OF BEGINNING containing 1.9546 acres (85,142 square feet) of land.

AGAPE HOMES

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 27th day of October, 2022, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of said Board, to-wit:

1	Camille Foster	Director/ Assistant Secretary
2	Donald Bond	Director
3	Vacant	Director
4	Michael F. Murphy	Director
5	Al Odom	Director/Chair
6	Abe S. Goren	Director/Vice Chair
7	Caton M. Fenz	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

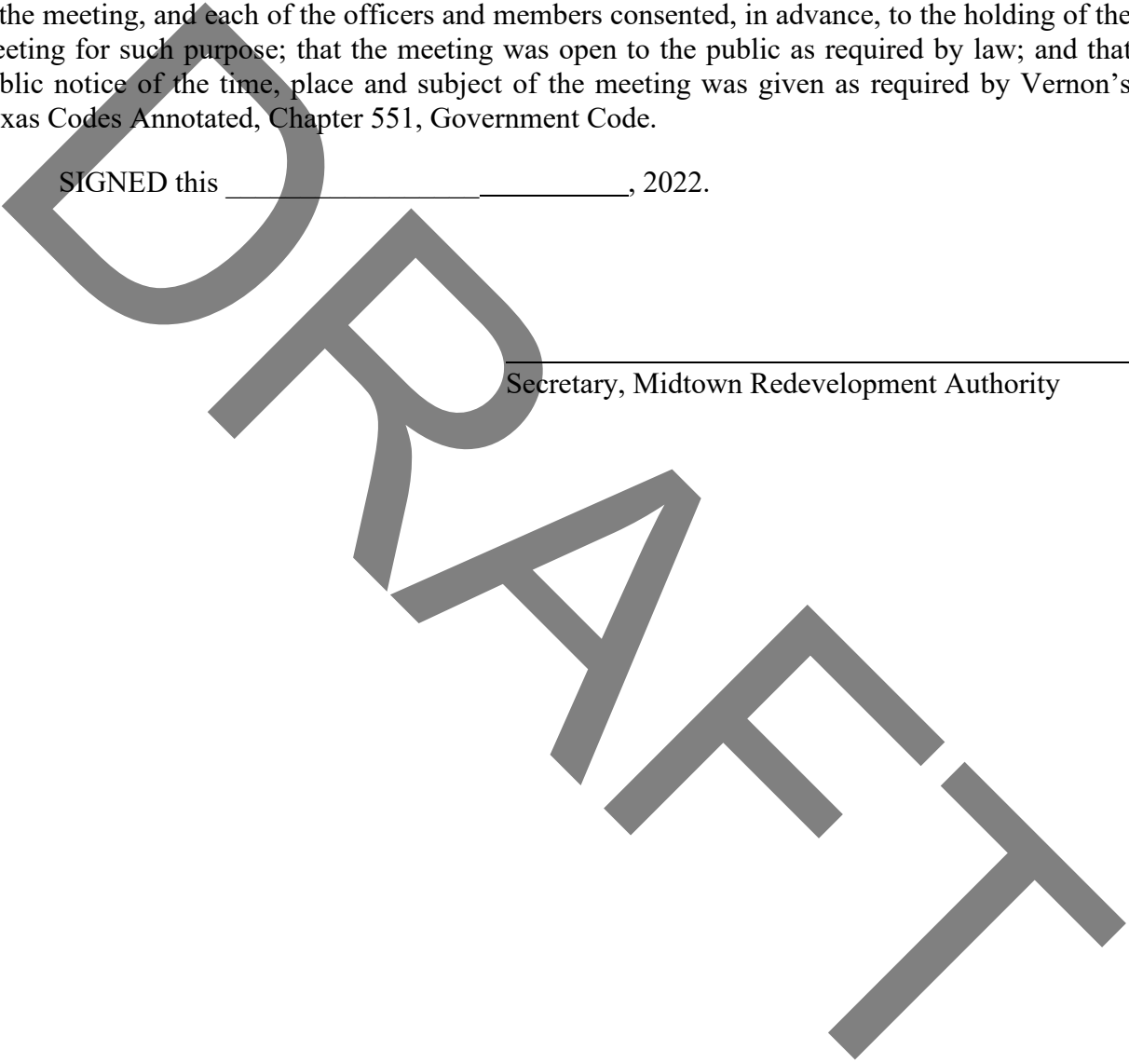
RESOLUTION AUTHORIZING THE MIDTOWN REDEVELOPMENT AUTHORITY (THE "AUTHORITY") OR ITS AGENT TO ENTER INTO A GRANT AGREEMENT WITH AGAPE HOMES CDC PROVIDING FOR THE CONVEYANCE AND DEVELOPMENT OF CERTAIN PROPERTIES IN ACCORDANCE WITH THE TERMS OF SUCH AGREEMENT; AND AUTHORIZING THE AUTHORITY OR ITS AGENT 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 (THE “AUTHORITY”) OR ITS AGENT TO ENTER INTO A GRANT AGREEMENT WITH AGAPE HOMES CDC 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 neighborhoods to be developed as affordable housing and to commit certain available tax increment or bond proceeds received for this purpose; and

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

WHEREAS, pursuant to the Grant Agreement, the Authority will grant and convey to the Grantee the property described in Exhibit D to the attached Grant Agreement (herein, the “Grant Properties”), at a consideration that is less than the fair market value of such Grant Properties, in order to provide decent, safe, sanitary and affordable housing for low and moderate income persons; and

WHEREAS, the Authority believes it is in the best interest of the Authority to enter into the Grant Agreement and to convey the Grant Properties to the Grantee for the purposes described

herein and in the Grant Agreement, and the Board desires hereby to approve the Grant Agreement and such actions.

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

1. That the Board adopts the findings and recitations set out in the preamble to this Resolution and finds them to be true and correct.
2. That the Board hereby approves and authorizes the execution of the Grant Agreement substantially in the form attached hereto as **Exhibit A**, and the Unimproved Property Contract and Special Warranty Deed substantially in the forms attached to the Grant Agreement as **Exhibits B** and **C**, respectively. Further, the Board hereby authorizes the Board officers, the Executive Director or his agent with delegated authority, to make such changes, additions, deletions or modifications of the Grant Agreement, any Unimproved Property Contract(s), and any Special Warranty Deed(s) as may be necessary, *provided* any such changes, additions, deletions or modifications are not materially inconsistent with the purpose, intent and general substantive parameters of the Grant Agreement, any Unimproved Property Contract(s), and Special Warranty Deed(s) as attached.
3. That the Board hereby approves and authorizes the grant and subsequent conveyance of the Grant Properties for a consideration of \$10.00, which is less than the fair market value of such Grant Properties.
4. That the Board hereby further authorizes the officers of the Board, the Executive Director, and Authority staff and consultants to take all steps necessary to finalize, execute and carry out the terms of the Grant Agreement, including the payment of any associated costs and legal fees, and to execute any certificates, receipts, affidavits and necessary related agreements pertaining to the Grant Agreement and the conveyances described therein.

PASSED AND APPROVED this 27th day of October, 2022.

Al Odom
Chair, Midtown Redevelopment Authority

ATTEST:

Caton M. Fenz
Secretary, Midtown Redevelopment Authority

DRAFT

EXHIBIT A

Form of Grant Agreement

(See Attached)

DRAFT

GRANT AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

AGAPE HOMES CDC

October 27, 2022

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms2
Section 1.02. Singular and Plural.....3

ARTICLE II
GENERAL REPRESENTATIONS

Section 2.01. Representations of the Zone.....3
Section 2.02. Representations of the Authority3
Section 2.03. Representations of the Grantee4

ARTICLE III
THE PROJECT

Section 3.01. General Purpose4
Section 3.02. Modification of the Project5
Section 3.03. Completion of the Project6

ARTICLE IV
CONVEYANCE, FINANCING AND FUNDING

Section 4.01. Conveyance of the Property6
Section 4.02. Funding for the Project6

ARTICLE V
COVENANTS OF THE GRANTEE REGARDING PROJECT

Section 5.01. Conflict of Interest6
Section 5.02. Additional Covenants of Grantee.....6

ARTICLE VI
DEFAULT

Section 6.01. Events of Default7
Section 6.02. Remedies Upon Event of Default.7

ARTICLE VII
INDEMNIFICATION AND RELEASE

Section 7.01. Indemnification8
 Section 7.02. Release9
 Section 7.03. Other Indemnities.....9

ARTICLE VIII
GENERAL

Section 8.01. Inspections, Audits.....9
 Section 8.02. The Grantee Operations and Employees.....9
 Section 8.03. Dispute Resolution.....9
 Section 8.04. Personal Liability of Public Officials11
 Section 8.05. Notices11
 Section 8.06. Amendments11
 Section 8.07. Waivers12
 Section 8.08. Invalidity.....12
 Section 8.09. Successors and Assigns.....12
 Section 8.10. Exhibits; Titles of Articles, Sections and Subsections.....12
 Section 8.11. Construction/Governing Law.....12
 Section 8.12. Waiver of Consequential.....12
 Section 8.13. Entire Agreement.....13
 Section 8.14. Term.....13
 Section 8.15. Memorandum of Agreement.....13
 Section 8.16. Approval by the Parties.....13
 Section 8.17. Survivability.....13

Exhibit A – Project Specifications A-1
 Exhibit B – Form of Unimproved Property Contract B-1
 Exhibit C – Form of Special Warranty Deed..... C-1
 Exhibit D – Description of Property Being Granted to Grantee D-1

GRANT AGREEMENT

This Grant Agreement (the “Agreement”), effective as of October 27, 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 AGAPE HOMES CDC (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 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 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, the Authority has determined that the Project (as defined herein) is consistent with the City’s then current affordable housing policy; and

WHEREAS, the Zone, the Authority 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.

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 the special warranty deed 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.

“HUD” means the United States Department of Housing and Urban Development.

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

“Project” means the development of affordable single-family homes 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 granted to the Grantee hereunder.

“**Property Grant**” means the grant approved pursuant to this Agreement and evidenced by the execution of the Deed conveying the Property to the Grantor

“**Qualified Homebuyer(s)**” means those purchasers that meet the requirements to purchase the affordable 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 both such Agreements at the time it needs sufficient 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 eight (8) affordable single-family residences, consistent with the approved specifications (the “Project Specifications”).

(c) Grantee shall prepare or cause to be prepared Project Specifications and submit them for approval to the Authority’s Representative. The Authority’s Representative shall promptly approve, reject, or make comments or queries to the Project Specifications. The Project Specifications approved by the Authority’s Representative shall be the Project Specifications and shall be attached to this Agreement as **Exhibit 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 no fewer than eight (8) affordable 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 affordable single-family residences contemplated hereunder, the Grantee shall cause such single-family residences to be sold to Qualified Homebuyers for a sales price ranging from \$210,000.00 to \$260,000.00 each (inclusive 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 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 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, 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 develop 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, 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 announcement 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', materialmens', employees', or any other person directly or indirectly employed by any of them or for whose actions they may be liable) actions or inactions under this Agreement, the Work, any breach of warranty made herein by 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: AGAPE HOMES CDC
P.O. Box 460061
Houston, TX 77056
Attention: Kirk Craig, 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 received 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, Authority and the Zone may **not** assign their rights and obligations under this Agreement or any interest herein, without the prior written consent of the Grantee, Authority or Zone, as necessary. Provided, however, that if any rights and/or obligations are assigned, any such assignee must specifically assume all of the obligations of the 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.

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the _____ day of _____, 2022.

**MIDTOWN REDEVELOPMENT
AUTHORITY**

AGAPE HOMES CDC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Exhibit A

*to
Grant Agreement*

Project Specifications

AGAPE HOMES CDC shall construct eight (8) affordable single-family homes on the Property, each with a minimum of three (3) bedrooms, two (2) bathrooms, and an attached garage. When complete, each home shall have a gross living area ranging from approximately 1090 to 1450 square feet and each home shall be constructed on a lot size of approximately 5000 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 \$ _____ 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 Deferred Payment Forgivable Promissory Note from Buyer to Seller** in the amount of \$ _____ or such other amount as the parties may mutually agree, 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 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 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.	Listing Broker Firm	License No.
Represents <input type="checkbox"/> Buyer only as Buyer's agent <input type="checkbox"/> Seller as Listing Broker's subagent		Represents <input type="checkbox"/> Seller and Buyer as an intermediary <input type="checkbox"/> Seller only as Seller's agent	
Licensed Supervisor of Associate	Telephone	Licensed Supervisor of Listing Associate	Telephone
Associate	Telephone	Listing Associate	Telephone
Other Broker's Address	Facsimile	Listing Broker's Office Address	Facsimile
City	State	City	State
	Zip		Zip
Associate Email Address		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 Date: _____

By: _____ Email Address: _____
 Thomas Hartman, Escrow Agent/Officer

Address: 1225 North Loop West, Suite 750 Telephone: 713-766-7192

Houston Texas 77008 Facsimile: 713-583-7930
 City State Zip

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 AGAPE HOMES CDC, a non-profit corporation created and organized under the laws of the State of Texas ("**Grantee or Developer**"), whose address is P.O. Box 460061, Houston, Texas 77056, 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 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 110% 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 _____ **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:

AGAPE HOMES CDC
P.O. Box 460061
Houston, TX 77056
Attention: Kirk Craig, 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 _____, 2022.

“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 _____,
2022, 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 _____, 202__.

"GRANTEE"

AGAPE HOMES CDC, 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 _____, 202__, by _____, _____ of AGAPE HOMES CDC, 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 6825 New York, Street, Houston, Texas 77021)*
(HCAD Account No.: 0572820190007)

LT 7 & TR 8A BLK 19, GRAND PARK

Tract 2: *(Commonly known as 0 Dumble, Houston, Texas 77021)*
(HCAD Account No.: 0540290000013)

LTS 13 & 14 BLK 11, SOUTH COURT

Tract 3: *(Commonly known as 0 Paris Ave, Houston, Texas 77021)*
(HCAD Account No.: 0572820190010)

LT 12 & TR 11A BLK 19, GRAND PARK

Tract 4: *(Commonly known as 0 Calhoun Road, Houston, Texas 77021)*
(HCAD Account No.: 0572750050002)

LTS 2 & 3 BLK 5, GRAND PARK



**DAGGETT
DEVELOPMENT LLC**

To: Todd Edwards
Midtown Redevelopment Authority

From: Algenita Scott Davis, Member, Comprehensive Review Process Team

Re: Recommendation Regarding a Proposal Submitted by **Daggert Development LLC dba Daggert Jones** for Conveyance of One 3.54 Acre Tract for 33 Single Family for-Sale Houses – **PALM PLACE SUBDIVISION**

Date: October 14, 2022

Daggert Development LLC dba Daggert Jones, has submitted a proposal to receive one 3.54 acre MRA-owned tract of land, located at 5635 Martin Luther King Boulevard in the targeted area covered by the *Southeast Houston Affordable Housing Initiative*. (See attached Site Plan). The proposal for a Palm Place subdivision was submitted as a completed *Initiative* application for subdivision and For-Sale Single Family Home construction.

The Comprehensive Review Team has vetted the proposal and recommends the MRA Board authorize the negotiation of a development agreement with **Daggert Jones** in anticipation of bringing the agreement to the next Board meeting for action.

PROJECT DESCRIPTION

If authorized to do so via a development agreement between **Daggert Jones** and Midtown Redevelopment Authority, **Daggert Jones** proposes to construct thirty-three single family for-sale homes on one developed tract of land of 3.54 acres, located at 5635 Martin Luther King Blvd. The tract is adjacent to the METRO Purple Line, across from an elementary school and will require full construction of infrastructure with requisite platting and permitting, including private access easements. The principals contracted by **Daggert Jones** have experience in submission of parcels for platting to the City of Houston Planning Department. **Daggert Jones** will submit all applications necessary for construction utilizing engineering, architectural and surveying professionals to perform activities as it has done on previous occasions. It is anticipated that the parcel will be subject to updated detention requirements.

Daggert Jones has requested the following tract:

Address	Acreage	HCAD Number	Units to be Constructed
5635 Martin Luther King Blvd	3.54 acres	0410 0703 100013	33

APPLICANT EXPERIENCE

Daggert Jones is an experienced neighborhood builder with its development team having constructed single- and two-story houses in Houston area neighborhoods. It has assembled a group of development professionals with more than 125 years of combined experience that designed for this project a modern single-family, transit-oriented affordable home community. The builder team includes an experienced real estate professional (Nicole White), architect (Jermain Mack), project manager (Jim McKinnon), engineers and other professionals utilized on earlier projects. The team members of the group have successfully platted a property in the area. **Daggert Jones** identified its financial resources that include both a lead lender and a construction lender. It provided the design, elevation, features, anticipated construction costs and sales price for each model proposed unit. The construction companies are MS Construction and NTP Construction, which builders contract with the company. Terms and conditions will be included in the negotiation of the agreement.

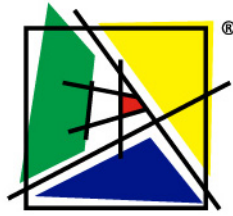
Daggert Jones proposes to construct the subdivision utilizing private financing through its construction lender. Individual house prices will approximate a range of approximately \$ 247,000 to a maximum of \$272,000+. The sales prices for each of the three plans proposed by **Daggert Jones** are as follows:

Plan A	\$ 246,974	1427 Sq. Ft.
Plan B	\$ 259,698	1609 Sq. Ft.
Plan C	\$ 272,331	1712 Sq. Ft.

Daggert Jones provided examples of how these homes will be available to purchasers at the 120% or less Area Median Income level. The project will not be contingent on receipt of funding from the city Affordable Housing Developer Program or other public funding. It will utilize the Houston Area Urban League for its counseling and certification of potential buyers, along with other supportive services. Buyers will also be encouraged to seek support from other available grant and down payment resources.



1 SITE PLAN - MLK 2



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.
- Remaining electrical items have been installed.
- Construction has been completed, and project closeout is in progress.

Change Orders

- CO #3 – Glover Park gutter, Baldwin Park outlet switches, electrical material delivery delay, and unused allowance deductions.
 - o Amount: -(\$3,672.32)

Construction Contract Budget

- Original Contract Amount: \$463,558.31
- Net Change Orders: \$41,894.85
- Contract Amount to Date: \$505,453.16

Caroline Street Reconstruction

- Contractor has started installation of final pavement markings.
- TxDOT has hired consultant to complete internal review of punch list to determine which items contractor will be required to address.
- CenterPoint has two pole removals remaining in conflict with sidewalk and intersection ramp installations.
- Upcoming work includes installation of remaining pavement markings, regulatory signage, rain garden lighting, and TDLR inspection.

Construction Contract Budget

- Original Contract Amount: \$12,380,276.54
- Net Change Orders (including TxDOT fee): \$1,675,892.35
- Contract Amount to Date: \$14,056,168.89
- Change Order Time Adjustment Total – 173 days

Midtown Park – Front 90 Plaza Improvements

- Midtown Park Front 90 Plaza Improvements Project includes installation of food truck electrical outlets, water hose bib, exhaust fans, and re-grading of the existing slopes and drains in the garage tunnels connecting to the Front 90 Plaza.
- Food truck electrical outlets have been installed, and regrading of slopes and drains at garage tunnel stair landings is complete.
- Upcoming work includes installation of water hydrant with hose bib, concrete staining at stair landing, and landscaping.
- Project completion expected in December 2022.

Construction Contract Budget

- Original Contract Amount: \$294,264.50
- Net Change Orders: \$14,130.50
- Contract Amount to Date: \$308,395.00