

midtown
H O U S T O N

**MIDTOWN REDEVELOPMENT
AUTHORITY/ TIRZ#2
BOARD OF DIRECTORS
MEETING FEBRUARY 23, 2023**



**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, February 23, 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 January 26, 2023.
4. Consent Agenda for the Authority:
 - a. Minutes for January 26, 2023.
 - b. Monthly financial reports for January 2023.
 - c. Acknowledgment of AHOC Lease with OST/Almeda Corridors Redevelopment Authority.
 - d. Ratification of Demolition Settlement and Release Agreement with KCK Landscaping.
 - e. Annual renewal of Professional Services Agreement with The Goodman Corporation.

- f. Ratification and Acknowledgment of Sale of the Following Properties Located in Houston:
 - i. 6420 and 0 Cullen Boulevard;
 - ii. 3502 Emancipation Avenue;
 - iii. 0 Dumble Street;
 - iv. 2500 and 2500 Winbern Street; and
 - v. 2809 Emancipation Avenue

5. Approve Midtown Redevelopment Authority Amended Administrative Procedure Manual and Employee Policy Manual.

6. Resolution Regarding Annual Review of Investment Policy and List of Qualified Broker/Dealers of Midtown Redevelopment Authority and containing other provisions related thereto.

7. Midtown Affordable Housing Program:
 - a. Affordable Housing Operations Campus
 - i. Change Orders.
 - b. Recommendation from CCPPI/CPR Team for Grant of Land to Houston Habitat for Humanity, Inc. for Development of Single-Family Affordable Housing.
 - c. Affordable Housing Report.

8. Midtown Capital Improvements Program:
 - a. Caroline Street Reconstruction – ESPA Corp/KCI.
 - i. Change Orders.
 - b. Midtown Park – Front 90 Improvements - Walter P Moore / Design Workshop.
 - i. Change Orders.
 - c. Interlocal Agreement with City of Houston for Mill and Overlay of Certain Streets within the Zone.
 - d. Midtown Parks and Public Space Master Plan.

9. 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).

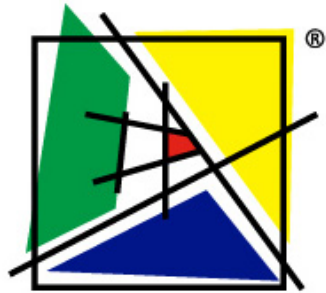
Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.

10. Adjourn.



Matt Thibodeaux

Executive Director MT/ks



midtown
H O U S T O N

CONSENT AGENDA

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

January 26, 2023

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, January 26, 2023, 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, Fenz and Thomas.

In attendance were Authority staff members: Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Sally Adame, and Jalisa Hurst; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Alex Ramirez of Design Workshop; Algenita Davis, Sean Haley and Angie Gomez of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Rachel Ray of Walter P. Moore Engineering; Carol Harrison of IDS Engineering; Aaron Moore and Chris Huddleston of Binkley and Barfield; Catherine Williford of One World Strategy Group; Jennifer Curley of the City of Houston; LeRon Wilson and Theodore Anderson of TIRZ #25; Brian Douglas of Emerald West Development; and Michael Lewis, Gregory Carter and John Mudd.

Vice Chairman Goren called the meeting to order.

MINUTES FOR DECEMBER 8, 2022.

Director Murphy made a motion to approve the minutes of December 8, 2022. The motion was seconded by Director Foster and carried by unanimous vote.

EXECUTIVE SESSION

The Board did not enter a closed executive session.

ADJOURN

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

Caton Fenz, Secretary

Date

DRAFT

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

January 26, 2023

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, January 26, 2023, 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
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In attendance were Authority staff members: Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Sally Adame, and Jalisa Hurst; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Alex Ramirez of Design Workshop; Algenita Davis, Sean Haley and Angie Gomez of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Rachel Ray of Walter P. Moore Engineering; Carol Harrison of IDS Engineering, Aaron Moore and Chris Huddleston of Brinkley and Barfield; Catherine Williford of One World Strategy Group; Jennifer Curley of City of Houston; LeRon Wilson and Theodore Anderson of TIRZ #25; Briar Douglas of Emerald West Development and Michael Lewis, Gregory Carter and John Mudd.

Vice Chairman Goren called the meeting to order.

PUBLIC COMMENTS

There were no public comments presented at this meeting.

CONSENT AGENDA FOR THE AUTHORITY

MINUTES FOR DECEMBER 8, 2022

MONTHLY FINANCIAL REPORTS FOR NOVEMBER & DECEMBER 2022

INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR DECEMBER 2022 & JANUARY 2023

ACKNOWLEDGMENT OF AHOC LEASE WITH THIRD WARD COMMUNITY FUND MANAGEMENT CORPORATION AND HOUSTON AREA URBAN LEAGUE

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

MIDTOWN AFFORDABLE HOUSING PROGRAM.

Todd Edwards, Affordable Housing Real Estate Asset Manager, presented the Affordable Housing Operations Campus Report for Marlon Marshall who was not in attendance at this meeting.

AFFORDABLE HOUSING OPERATIONS CAMPUS:**CHANGE ORDERS:**

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

CONSTRUCTION MANAGEMENT AND INSPECTION ADDITIONAL SERVICES REQUEST – MARTIN CONSTRUCTION MANAGEMENT & DESIGNS

Mr. Edwards reported that Martin Construction Management & Design provided the construction management and inspection services for the Affordable Housing Operations Center core and shell construction. This additional services request is to provide the construction management and inspection services for the tenant improvements currently underway on Levels 2 and 5 for CCPPI and OST/Alameda TIRZ #7. It will also include the tenant improvements for Third Ward Community Cloth Cooperative on Level 2. The total cost of services is \$143,500.00. The breakdown of the cost is included in the Board packet. Director Bond made a motion to approve the Construction Management and Inspection Additional Services Request with Martin Construction Management & Designs in an amount not to exceed \$143,500.00. The motion was seconded by Director Murphy and carried by unanimous vote.

DEVELOPMENT AND PURCHASE AGREEMENT WITH DAGGETT DEVELOPMENT LLC, D/B/A DAGGETT JONES, FOR DEVELOPMENT OF SINGLE-FAMILY HOMES FOR SALE TO QUALIFIED HOMEBUYERS

Mary Buzak of Bracewell, L.L.C. presented the Development and Purchase Agreement with Daggett Development LLC D/B/A Daggett Jones, for development of 34 single-family homes for sale to qualified homebuyers. The homes will be 2-3 bedrooms with the choice of 3 different floor plans ranging between 1,427 to 1,712 square feet. Director Murphy made a motion to approve the Development and Purchase Agreement with Daggett Development LLC. D/B/A Daggett Jones for Development of Single-Family Homes for Sale to Qualified Homebuyers. The motion was seconded by Director Middleton and carried by unanimous vote.

AFFORDABLE HOUSING REPORT

Mr. Edwards advised the Board that currently there are 146 single-family homes under construction bringing the total number of affordable single-family homes facilitated through the MRA Affordable Housing Program to 602.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Kandi Schramm, Administrative Manager, provided the report for the Midtown Capital Improvement Program on behalf of Marlon Marshall, Director of Engineering and Construction.

CHANGE ORDERS

Ms. Schramm reported that there are no change orders to present at this meeting.

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

CHANGE ORDERS

Ms. Schramm presented Change Order #3 for the installation of 30-amp receptacles at existing food truck electrical outlet pedestals to accommodate various food truck connections. The change order also includes the final contract quantity adjustments and the associated credits for the unused quantities. The cost for the additional receptacles is \$3,261.72, but the unused quantity adjustment the total change order amount [resulted in a credit of \$6,870.28. Director Foster made a motion to approve Change Order #3 in the amount of [a \$6,870.28 credit. The motion was seconded by Director Bond and carried unanimously.

URBAN REDEVELOPMENT PLAN.

Ms. Schramm reminded the Board that an Urban Redevelopment Plan was included as part of the Ion Development Agreement. Midtown staff continues to work closely with Rice Management Company and their consultants on the Urban Redevelopment Plan; the consultant teams are scheduled to complete their work in February and will make a presentation to the Board at either the February or March Board meeting.

HUMAN RESOURCES AND EMPLOYMENT MATTERS.

This agenda item was discussed in Executive Session. Upon returning to the open session no action was taken on this agenda item.

EXECUTIVE SESSION

The Board enter into a closed executive session to discuss Personnel matters (Section 551.074, Texas Government Code).

ADJOURN

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

Caton Fenz, Secretary

Date

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Midtown Redevelopment Authority
Profit & Loss
 July 2022 through January 2023

	Jul '22 - Jan 23
Ordinary Income/Expense	
Income	
400000 · Revenue & Support	
400007 · HISD PASS THROUGH	
400025 · Interest-Debt Service & Reserve	123,760.27
400026 · Interest-Other Bond Funds	6,087.97
400029 · Interest - Affordable Housing	82,088.91
400030 · Interest-Operating Funds	256,329.73
400032 · Other Revenue	377,042.78
400040 · 3131 EMANCIPATION	112,240.80
400041 · Affordable Housing Apts Units (Apartment rental income Affordable Housing units)	51,902.91
400042 · 402 & 410 Tenant Inome	112,701.84
	1,122,155.21
Total 400000 · Revenue & Support	
400441 · Bagby Park Kiosk Lease	24,500.00
	1,146,655.21
Total Income	
Gross Profit	1,146,655.21
Expense	
500000 · BOND FUND EXPENSES	
500419 · Camden Int.	348,427.23
504000 · Projects & Expenses	
500007 · T-0234 Parks and Open Space	99,554.24
500021 · T-0203 Entry Portals	27,845.00
500046 · T-0221 Midtown Park	1,195.25
	128,594.49
Total 504000 · Projects & Expenses	
Total 500000 · BOND FUND EXPENSES	477,021.72
510000 · INCREMENT PROJECTS/EXPENSE	
510008 · T-0220 Afford Housing Land Bnk	
510013 · T-0220 Affordable Housing Legal	157,968.75
510017 · T-0220 Drainage Fees	12,735.89
510018 · Fines	868.40
512001 · T-0220 Aff Hous Expense	1,696,517.72
512002 · Interest Expense	263,026.41
512003 · Operations Center (3117 Emancipation Ave & 3112 St Charles St.)	
5120034 · Operatings Center Insurance	1,031.42
5120037 · Tenant Emprovements (Professional project managements services to assist in the ma...	880.00
5120039 · 3131 Electricity	7,026.66
5120040 · Utilitites Water	
512003 · Operations Center (3117 Emancipation Ave & 3112 St Charles St.) - Other	1,204,831.41
	1,213,769.49
Total 512003 · Operations Center (3117 Emancipation Ave & 3112 St Charles St.)	
Total 510008 · T-0220 Afford Housing Land Bnk	3,344,886.66
510010 · T-0237 Baldwin Park Upgrades	174,769.04
510019 · T-0214 Caroline St	66,892.36
510024 · T-0204 Infrastruc/Street Lights	152.59
510041 · CIP Program Expenses	
510094 · Midtown CIP TM	26,275.00
510041 · CIP Program Expenses - Other	7,110.00
	33,385.00
Total 510041 · CIP Program Expenses	
510043 · T-0234 Parks & Open Space & Mob	40,155.94
510045 · T-0224 HTC I - Bldg Maintenance	143,018.84
510046 · T-0221 Midtown Pk	11,319.15
510102 · HMAAC Interest Expense	16,543.70
510400 · KIOS at Bagby Park	36,974.67
510534 · T-0225 Mobility & Pedest Imprv	219,073.62
510700 · Municipal Services Costs	70,000.00
511001 · T-0232 Public & Cultural Fac	1,595,000.00
511002 · T-0233 Midtown Park Garage	6,094.93
	5,758,266.50
Total 510000 · INCREMENT PROJECTS/EXPENSE	

No assurance is provided on these financial statements

Midtown Redevelopment Authority
Profit & Loss
 July 2022 through January 2023

	Jul '22 - Jan 23
510034 · FTA Phase IV McGowen	32,500.00
550000 · General & Admin. Expense	
550002 · Contract Labor	
550003 · Rent Expense (Additional office space)	6,300.00
550004 · Salaries	
550005 · Salary Reimb & Office Expp (AH & MMD Reimbursements)	-136,889.07
550014 · Health Insurance	90,635.93
550015 · AFLAC	386.04
550018 · Life Insurance	193.87
550021 · 401K contributions	24,146.75
550004 · Salaries - Other	1,005,680.12
	984,153.64
Total 550004 · Salaries	
5500047 · Overtime	123.75
550007 · Courier Service	2,225.51
550008 · Office Supply & Expense	6,279.89
550009 · Misc Exp	20,265.13
550010 · Telephone & Utilities	
5500117 · GAS	1,120.96
550110 · Cellular Service	902.51
550113 · Drainage fee	82.56
550010 · Telephone & Utilities - Other	3,891.08
	5,997.11
Total 550010 · Telephone & Utilities	
550012 · Postage	571.59
550019 · Special Projects (Special Projects as determined by the City of Houston)	48.93
550022 · Bank Charges & Fees	16,850.98
550023 · Trust Expenses	12,275.00
550025 · Professional Services	183,811.93
550026 · Accounting Consultants	102,687.54
550028 · Legal Consultants	58,059.56
550031 · HTC Bldg Maintenance	33,605.04
550032 · Engineering Consultants	243,615.16
550034 · Equip Rent & Lease Expense	6,179.75
550036 · Licenses & Fees	1,213.83
550037 · Workman's Comp Insurance	2,618.99
550038 · Insurance - All	392,567.22
550039 · Computers & Repairs & Maint	43,134.22
550040 · Repair & Maintenance	9,524.58
550044 · Payroll Expense & PR Tax Exp	10,153.72
550045 · Payroll Fees	13,826.17
550046 · Reimb. Employee Office Exp.	64.06
550047 · Soc Sec - Medicare	69,820.56
550058 · Travel	6,246.04
550061 · Public Relations	60,000.00
550201 · CIP	-1,281.79
	2,290,938.11
Total 550000 · General & Admin. Expense	
600000 · Bond Related Expenses	
560040 · 2015 Bond Int Expense	26,186.46
600000 · Bond Related Expenses - Other	9,500.00
	35,686.46
Total 600000 · Bond Related Expenses	
66900 · Reconciliation Discrepancies (Discrepancies between bank statements and company records)	-0.01
Total Expense	8,594,412.78
Net Ordinary Income	-7,447,757.57

Midtown Redevelopment Authority
Profit & Loss
July 2022 through January 2023

	<u>Jul '22 - Jan 23</u>
Other Income/Expense	
Other Expense	
999990 · Ask My Accountant	-803.26
Total Other Expense	<u>-803.26</u>
Net Other Income	<u>803.26</u>
Net Income	<u><u>-7,446,954.31</u></u>

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Midtown Redevelopment Authority
Balance Sheet
As of January 31, 2023

	Jan 31, 23
ASSETS	
Current Assets	
Checking/Savings	
101001 · Wells Fargo Ope Acctg 64040	161,118.43
101002 · Infrastructure Projects 1731	957.90
101010 · WF Surplus Acct 63943	1,627,539.21
101020 · WF FTA Enhanced Path 63919	60.43
101030 · Wells Fargo 1094 (income from tenantss)	187,710.49
102200 · Logic Operating Account (Investment Account)	15,309,828.77
103200 · TexStar Operating Acct 1111	7,083.02
103600 · Wells Fargo Oper Inves 63901	735.03
103700 · WF Operating Saving 3215777180	45,079.48
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	2,442,739.14
104022 · WF Pilot Program 3935	346.19
104116 · TexStar Aff. Hsng MM 1800	2,052.53
104200 · Logic Affordable Housing (Investment Account)	4,148,831.16
1043000 · PNC BBVA USA	494,674.90
1044000 · Wells Fargo NAI - 2259 (NAI Partners Account)	11,448.51
Total 104000 · Affordable Housing Accounts	7,100,092.43
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	9,797.11
105002 · Debt Service Fund	7,534,302.65
105003 · Reserve Fund 422897	7,551,909.71
105009 · Austin Park Maint. Fund 422919	3,622.19
107000 · BOND FUNDS	4,477.09
Total 105000 · Trustee Investments	15,104,108.75
Total Checking/Savings	39,544,313.94
Accounts Receivable	
130100 · Tax Increments Receivable	-2,002,234.33
170000 · Accounts Receivable	
170008 · KIOS	-6,400.00
170010 · Midtown Management District	145,086.29
170011 · Midtown Parks Conservancy	19,171.92
170020 · HX Houston Exponential AR	46,471.84
170021 · HTC BUILTOUT	338,285.67
170050 · MRA AHF	-160,595.00
170000 · Accounts Receivable - Other	43,900.76
Total 170000 · Accounts Receivable	425,921.48
Total Accounts Receivable	-1,576,312.85
Other Current Assets	-19,172.00
Total Current Assets	37,948,829.09

Midtown Redevelopment Authority
Balance Sheet
As of January 31, 2023

	Jan 31, 23
Fixed Assets	
150000 · Fixed Assets	
150010 · Office Furniture & Equipment	43,044.66
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 Deprac-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	-167,995.33
1500784 · Acc Depr Office Housng & Garage	-820,804.00
150078A · Midtown (Superblock) Garage	13,784.20
150078B · Midtown (Superblockj) Park	5,299,848.40
150078C · Midtown Garage - Depreciable As	21,025,454.32
150078D · Midtown Park - Depreciable Asse	10,618,087.36
150078E · Land - Operations Center	1,999,033.00
150078F · Bagby Park	-104,979.00
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	29,095,076.00
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	36,123,520.46
Total 150080 · Land (Resale) (Land purchase for resale)	37,067,325.36
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 2-3	-504,735.00
Total 150000 · Fixed Assets	123,257,295.97
Total Fixed Assets	123,257,295.97
Other Assets	307.96
TOTAL ASSETS	161,206,433.02

Midtown Redevelopment Authority
Balance Sheet
As of January 31, 2023

	Jan 31, 23
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	1,482,526.47
Other Current Liabilities	
200001 · Current Liabilities	
200005 · Accrued Expenses	261,005.00
201000 · Operating Account Liabilities	-3,432.48
201001 · MIDCORP Kios	-45,726.98
201002 · Due to MPC	15,850.00
202000 · Project Fund Liabilities	18,578.35
2021061 · Due from FWRA for AFLAC	-1,806.56
2022100 · Security Deposit - Office Rent	5,878.89
204000 · HMAAC NOTE - CURRENT	715,234.00
2103008 · CRI Current Camden	-1.04
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	979,379.18
200CRI · CRI	3,000,000.00
2030112 · BBVA Taxable Loan	2,573,347.96
2030113 · BBVA LOAN TAX EXEMPT	4,670,250.11
2103007 · Developer Advances Midtown Park	3,534,090.00
25000 · Retainage Payable (Retainage)	48,136.98
Total Other Current Liabilities	14,805,204.23
Total Current Liabilities	16,287,730.70
Long Term Liabilities	
210000 · Long Term Liabilities	
210047 · Bonds Payable Series '13	21,875,000.00
210048 · Current Portion Bonds Payable	3,785,000.00
210049 · Bond Payable Series '15	5,180,000.00
210050 · Bond Payable Series 2017	35,255,000.00
210053 · Accrued Bond Int 2015 series	26,186.41
210055 · Accrued Bond Interest 13 Series	0.35
210056 · Accrued Bond Interest Series 11	0.02
210058 · Series 2013 BOND PREMIUM	842,345.07
210059 · Series 2015 Bond Prem	344,109.24
210060 · Accrued Bond Interst 2020	0.04
210061 · Series 2017 Bond Premium	3,169,302.45
210062 · Accrued Bond Interest Series 17	-2,501.08
210063 · Series 2020 Bond Premium	1,758,822.90
210064 · Bonds Payable Series 2020	8,565,000.00
2103000 · LOANS	-57,271.15
Total 210000 · Long Term Liabilities	80,740,994.25
Total Long Term Liabilities	80,740,994.25
Total Liabilities	97,028,724.95
Equity	
1110 · Retained Earnings (Retained Earnings)	71,624,662.38
Net Income	-7,446,954.31
Total Equity	64,177,708.07
TOTAL LIABILITIES & EQUITY	161,206,433.02

No assurance is provided no these financial statements

Midtown Redevelopment Authority
Wells Fargo Oper 64040 Disbursements
January 1 - February 20, 2023

Date	Num	Name	Memo	Credit
101001		Wells Fargo Ope Acctg 64040		
01/07/2023	ACH	T - Mobile	110855028Dec22	148.42
01/10/2023	ACH	Otis Elevators	Elevator Service	4,200.00
01/11/2023	ACH	Reliant Energy	410 PIERCE STREET - 75237956-0	3,198.00
01/11/2023	ACH	Reliant Energy	402 PIERCE ST - 75237953-7	4,099.43
01/12/2023	10538	Burney & Foreman	Legal	12,000.00
01/12/2023	10539	Bracewell LLP	Capital Improvement Project - October 2022	2,762.50
01/12/2023	10541	Bracewell LLP	Legal	35,119.34
01/12/2023	10540	Bee-Line Delivery Service, Inc.	550008	205.92
01/12/2023	10542	City of Houston 4	Annual Elevator Fee	228.20
01/12/2023	10543	City of Houston-Public Works	Project No: 51501294 Encroachment Fee	518.83
01/12/2023	10544	Comcast Business	402 & 410 SERVICE ACCT	4,532.50
01/12/2023	10545	Design Workshop, Inc.	Houston Midtown District Work Order#1 Projec...	5,702.57
01/12/2023	10546	DJ MAV MUSIC	Board Meeting sound provided 12-8-2022	1,115.00
01/12/2023	10547	Equi-Tax, Inc.	MontlyConsultation Service fee per contract	500.00
01/12/2023	10548	FedEx Freight	Lighting Fixtures Shipment	130.00
01/12/2023	10549	FireTron, Inc.	Troubleshoot	1,819.80
01/12/2023	10550	Goode Technology Group	Managed Service Agreement Comprehensive ...	2,046.10
01/12/2023	10551	IDS Engineering Group	Professional Serv through Nov 25, 2022 Proje...	2,527.42
01/12/2023	10552	Kirksey Architecture, LLC	CCPPI Third Ward Building Nov	456.00
01/12/2023	10553	Lion Heart	Parks and Open Space	53,948.00
01/12/2023	10554	Masterson Advisors LLC	Continuing Disclosure Annual Reporting Serv ...	3,500.00
01/12/2023	10555	Midtown Parks Conservancy	Lease Agreement for LaCalle, LLC {Kiosk leas...	3,500.00
01/12/2023	10556	Midtown Scouts Square Property. LP	Contract Parking Spaces - 12	900.00
01/12/2023	10557	NEVA Corporation	Monthly service charge - AC	2,000.00
01/12/2023	10559	Pitney Bowes Global Financial Servic...	LEASE	163.20
01/12/2023	10560	Ready Refresh	November - Office Water	207.32
01/12/2023	10561	RLI Surety	Surety Bonds	683.00
01/12/2023	10562	The Goodman Corporation	Consultants	53,250.00
01/12/2023	10563	The Morton Accounting Services	Nov 2022 CPA Services	13,862.15
01/12/2023	10564	Flextg Financial Services	CANNON/IR-C57501	1,598.98
01/12/2023	10565	Staples Advantage	Office Supplies	1,527.13
01/12/2023	10566	The Morton Accounting Services	Dec 2022 CPA Services	13,305.95
01/12/2023	10567	THR Enterprises, Inc.	Cleaning Serices - November	1,750.00
01/12/2023	10568	Vergel Gay & Associates	VOID: Project Mgt Services Emancipation Bld ...	
01/12/2023	10569	Walter P. Moore	Project M032203800 November 2022	5,472.13
01/12/2023	10570	Wulfe & Co.	Consulting for Bagby and Midtown Park	6,800.00
01/12/2023	10558	Purchase Power	Postage Refill	208.99
01/12/2023	ACH	G&A Partners	PR 1/15/23	103,392.11
01/20/2023	ACH	City of Houston - Water	155065	27.09
01/20/2023	ACH	City of Houston - Water	155065	38.13
01/23/2023	ACH	Liberty Bank and Trust	53752 Jan 2023	10,545.04
01/25/2023	ACH	CENTERPOINT ENERGY 4	GAS SERICE AT 410 & 402 PIERCE 640281...	746.17
01/25/2023	ACH	AFLAC	Jan 2023	2,815.86
01/26/2023	10574	Bee-Line Delivery Service, Inc.	550008	20.48
01/26/2023	10573	Design Workshop, Inc.	CIP	10,712.50
01/26/2023	10572	Goode Systems & Consulting Inc	IT Service - 410 Pierce Phone System Install	3,267.00
01/26/2023	10571	Hartford Fire Insurance Company	Business Travel Accident 2/1/23 - 2024	500.00
01/26/2023	10575	IDS Engineering Group	Professional Serv through Dec 25, 2022 Proje...	1,606.92
01/26/2023	10576	Kandi Schramm	550046	45.50
01/26/2023	10577	Pitney Bowes Global Financial Servic...	LEASE	32.00
01/26/2023	10578	OJB	CIP	9,342.50
01/26/2023	10579	Walter P. Moore	Engineering	30,104.02
01/26/2023	10580	Flextg Financial Services	CANNON/IR-C57501	516.83
01/26/2023	10581	Goode Systems & Consulting Inc	VOIP Monthly Phone Service - November 2022	60.00
01/26/2023	10582	Goode Technology Group	VOIP Monthly Phone Service - November 2022	820.00
01/26/2023	10583	United National Insurance Agency	Insurance Premium Property Insurance Rene...	391,037.22
01/26/2023	ACH	G&A Partners	PR 1/31/23	84,815.90
01/31/2023	ACH	City of Houston - Water	155065	929.46
01/31/2023	ACH	Ready Refresh	January - Building Water	54.22
02/08/2023	10584	Bee-Line Delivery Service, Inc.	550008	174.52

No assurance is provided on these financial statements

Midtown Redevelopment Authority
Wells Fargo Oper 64040 Disbursements
January 1 - February 20, 2023

Date	Num	Name	Memo	Credit
02/08/2023	10585	Bracewell LLP	Legal	11,172.66
02/08/2023	10586	Comcast	Utilities	785.87
02/08/2023	10587	David T. Thomas	Laminator and Pouch	96.68
02/08/2023	10588	DJ MAV MUSIC	Board Meeting sound provided 1-26-2023	1,115.00
02/08/2023	10589	Equi-Tax, Inc.	MontlyConsultation Service fee per contract	500.00
02/08/2023	10590	Midtown Scouts Square Property. LP	Contract Parking Spaces - 12	900.00
02/08/2023	10591	NEVA Corporation	AC Service	1,000.00
02/08/2023	10592	Houston Police Depart Mental Health...	Houston Police, Homeless Outreach Midtown I...	70,000.00
02/08/2023	10593	J & A Plumbing	Toilet and Urinal Repairs	927.00
02/08/2023	10594	Marlon Marshall	Reimbursements Klyde Warren Park/Southern...	1,065.37
02/08/2023	10595	Roberta F. Burroughs & Associates, ...	VOID: Project: Midtown Affordable Housing Pl...	
02/08/2023	10596	Urban Manufacturing Alliance	Houston Gathering Innovator Sponsor on beh...	5,000.00
02/08/2023	10597	McConnell & Jones, LLP	November 2021 through June 2022 profession...	2,016.00
02/08/2023	10598	Goode Technology Group	Technology	9,464.13
02/08/2023	10599	Goode Systems & Consulting Inc	Technology	5,716.85
02/08/2023	10600	Purchase Power	Postage	34.95
02/08/2023	10601	Ready Refresh	December - Office Water	509.78
02/08/2023	10602	Staples Advantage	Office supplies	1,573.21
02/08/2023	10603	The Morton Accounting Services	Jan 2022 CPA Services	13,961.50
02/10/2023	EFT	T - Mobile	110855028Jan22	144.43
02/13/2023	ACH	Reliant Energy	410 PIERCE STREET - 75237956-0	2,859.52
02/13/2023	ACH	Reliant Energy	402 PIERCE ST - 75237953-7	3,784.96
Total 101001 · Wells Fargo Ope Acctg 64040				1,028,218.26
TOTAL				<u>1,028,218.26</u>

Midtown Redevelopment Authority
 Wells Fargo Aff Housing Disbursements

January 1 - February 20, 2023

Type	Date	Num	Name	Memo	Credit
104000 - Affordable Housing Accounts					
104021 - WF Afford Hous 3927					
Bill Pmt -Check	01/12/2023	4031	American Fence Company, Inc.	AH Fencing	846.50
Bill Pmt -Check	01/12/2023	4032	Burney & Foreman	Legal Services	18,000.00
Bill Pmt -Check	01/12/2023	4033	Bracewell LLP	Affordable Housing Legal - October 31	712.50
Bill Pmt -Check	01/12/2023	4034	Bracewell LLP	Legal Services	15,143.75
Bill Pmt -Check	01/12/2023	4035	CCPPI	Amended Housing Grant Agreement (year 2) October 2022	109,833.34
Bill Pmt -Check	01/12/2023	4036	Four Eleven LLC	Landscape Services November 2022	36,531.49
Bill Pmt -Check	01/12/2023	4037	Jarrett's Appraisal Service	APPRAISALS	1,500.00
Bill Pmt -Check	01/12/2023	4038	JEFF MCSCHAN - Video Production	Video Production	2,250.00
Bill Pmt -Check	01/12/2023	4039	Roberta F. Burroughs & Associates, L...	Project: Midtown Affordable Housing Plan - Impl Srvs For Oct...	7,000.00
Bill Pmt -Check	01/24/2023	4040	TransTeQ	November Landscaping	48,023.36
Bill Pmt -Check	01/26/2023	4041	American Fence Company, Inc.	Property Fencing	1,151.00
Bill Pmt -Check	01/26/2023	4042	Vergel Gay & Associates	Project Mgt Sevices Emanicipation Bld Tenant improvement p...	4,402.00
Bill Pmt -Check	01/26/2023	4043	Roberta F. Burroughs & Associates, L...	Project: Midtown Affordable Housing Plan - Impl Srvs For No...	7,000.00
Bill Pmt -Check	01/26/2023	4044	Five Pillar Pro	Video and Photo - December (5915 Schroeder)	1,800.00
Bill Pmt -Check	01/26/2023	4045	Four Eleven LLC	Landscape Services December 2022	45,666.95
Bill Pmt -Check	01/26/2023	4046	TransTeQ	December Landscaping	49,654.66
Bill Pmt -Check	01/26/2023	4047	CCPPI	Amended Housing Grant Agreement (year 2) December 2022	109,833.34
Bill Pmt -Check	01/26/2023	4048	CCPPI	Amended Housing Grant Agreement (year 2) November 2022	109,833.34
Bill Pmt -Check	02/08/2023	4049	Bracewell LLP	Legal	20,556.25
Bill Pmt -Check	02/08/2023	4052	Smith & Company Architects, Inc.	Architects	588.00
Bill Pmt -Check	02/09/2023	4053	Roberta F. Burroughs & Associates, L...	Project: Midtown Affordable Housing Plan - Impl Srvs For No...	5,593.75
Bill Pmt -Check	02/16/2023	4054	American Fence Company, Inc.	Property Fencing	946.50
Total 104021 - WF Afford Hous 3927					596,866.73
Total 104000 - Affordable Housing Accounts					596,866.73
TOTAL					596,866.73

LEASE

between

MIDTOWN REDEVELOPMENT AUTHORITY

("Landlord")

and

OLD SPANISH TRAIL/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY

("Tenant")

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LEASE

THIS LEASE is made and entered by and between **MIDTOWN REDEVELOPMENT AUTHORITY**, a nonprofit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code (hereinafter called “Landlord”), and **OLD SPANISH TRAIL/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY**, a nonprofit local government corporation created and organized under the provisions of Texas Transportation Code Chapter 431 (hereinafter called “Tenant”).

WITNESSETH:

ARTICLE I GRANT AND TERM

Section 1.1 Leased Premises. For and in consideration of the rents, covenants and agreements hereinafter reserved and contained, Landlord demises and leases to Tenant and Tenant leases from Landlord **3,630** rentable square feet of space on the **second** floor (“Premises”) labeled as “TIRZ #7 Suite” and depicted in Exhibit “A” (which exhibit may be supplemented on or before the Commencement Date (as defined in Section 1.2) to include the floor plan of the Premises), within the building commonly known as One Emancipation Center (“Building”), located at 3131 Emancipation Avenue, Houston, Texas 77004 (“Land”). The Building, together with the Land, all other improvements situated on the Land or directly benefiting the Building and all additional facilities directly benefiting the Building that now exist or may hereafter be constructed in subsequent years, shall collectively be referred to herein as the “Project.”

Section 1.2 Commencement of Term. The Lease shall become effective on the date on which Landlord receives from Tenant the Security Deposit (as further described in Section 14.1 hereof) and the Lease has been executed by both parties hereto (“Effective Date”). The term of the Lease (“Term”) shall commence upon the earlier of (i) the date of Substantial Completion (as defined below) of the Tenant Improvements (as defined in Section 5.2 hereof); or (ii) the date that Tenant commences business in the Premises (“Commencement Date”). “Substantial Completion” shall mean the day on which the Tenant Improvements have been completed in accordance with the Tenant Improvement Plans so that Tenant may receive the beneficial use of the Premises (i.e., when Tenant may use the Premises for its intended purpose), subject to a punch list of non-material items that can be completed within thirty (30) days, all as determined by Landlord in its reasonable judgment. On or after the day that is **forty-five (45)** days prior to Substantial Completion of the Tenant Improvements, Tenant may enter onto the Premises at no cost to Tenant, subject to the terms and conditions of this Lease, for the purpose of installation of furniture, fixtures, and telecommunication and IT equipment.

Section 1.3 Time of Rent Payments. All Rent (as that term is defined in Section 4.1 hereof) due under this Lease shall be payable in advance for any partial month of occupancy on a prorated basis and thereafter on the first day of each month in advance. Tenant shall pay all Rent that becomes payable by Tenant to Landlord under this Lease at the times and in the manner provided in this Lease without demand, set-off or counterclaim. All Rent owed by Tenant to

Landlord under this Lease shall bear interest from the date due until paid at the lesser of (i) five percent (5%) above the per annum “prime rate” (or if the “prime rate” is discontinued, the rate announced as that being charged to the most creditworthy commercial borrowers for ninety (90) day unsecured loans) announced by JPMorgan Chase Bank, N.A. (or its successor), from time to time, or (ii) the maximum lawful contract rate per annum.

Section 1.4 Length of Term. The term of this Lease (“Term”) shall be for **sixty (60)** months, commencing upon the Commencement Date and ending at 11:59 p.m. on the last day of the **60th** full calendar month following the Commencement Date (“Expiration Date”).

ARTICLE II RENT

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

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

Months of Term	Base Rent Per Rentable Square Foot	Monthly Installment of Base Rent	Annual Base Rent
1-12	\$8.00	\$2,420.00	\$29,040.00
13-24	\$8.24	\$2,492.60	\$29,911.20
25-36	\$8.49	\$2,568.23	\$30,818.70
37-48	\$8.74	\$2,643.85	\$31,726.20
49-60	\$9.00	\$2,722.50	\$32,670.00

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

ARTICLE III TAXES, UTILITIES, AND OPERATING COSTS

Section 3.1 Proportionate Share. As used herein and further described in Section 3.4, Tenant's proportionate share of the Building's operating costs ("Tenant's Proportionate Share") shall equal **6.3%**, calculated based on dividing the rentable square footage of the Premises [**3,630** rentable square feet] by the rentable square footage of the Building [**57,381** rentable square feet]. The term "Common Areas" as used herein shall mean areas of the Building for use in common by tenants of the Building, and shall include parking areas and facilities, sidewalks, stairways, service corridors, elevators, landscaped areas, and portions of the Building which are not reserved for the exclusive use of any Building tenants.

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

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

Section 3.4 Operating Expenses. (a) Tenant shall pay as Additional Rent Tenant's Proportionate Share of the Project's operating costs, including Real Estate Taxes, insurance, Utility Expenses, and CAM Expenses, as hereinafter defined (collectively "Operating Expenses"). Operating Expenses are initially estimated to be **Eleven and 46/100 Dollars (\$11.46)** per rentable square foot per year as further detailed in Exhibit "C" attached hereto.

(b) Tenant shall reimburse Landlord for costs and expenses paid or incurred by or on behalf of Landlord relating to the repair, maintenance and operation of the Project, the Building and Common Areas of the Building for which Landlord shall have a repair or maintenance obligation ("CAM Expenses"). CAM Expenses shall be determined on an accrual basis in

accordance with generally accepted accounting principles consistently applied. Without limiting the generality of the foregoing, CAM Expenses shall include the cost of: (i) normal and customary replacement (excluding replacement of capital investment items, except as provided in subsection (b)(ii) of this Section 3.4) and repairing any facilities of the Building and Common Areas, (ii) amortization (together with reasonable financing charges) of the cost of capital investment items that are installed primarily for the purpose of reducing Operating Expenses, promoting safety, complying with governmental requirements, or maintaining the quality of the Project, (iii) policing and protecting the Project, (iv) cleaning, painting, and landscaping of the Project, (v) premiums for worker's compensation and employer's liability insurance for on-site employees at the Project, and (vi) casualty and commercial general liability insurance that Landlord is obligated or deems necessary to carry covering the Project.

(c) Notwithstanding anything set forth above to the contrary, CAM Expenses shall not include costs or expenses arising from the replacement of capital investment items, except as provided in subsection (b)(ii) of this Section 3.4. Additionally, CAM Expenses shall not include the following: (i) the cost of any work which Landlord performs solely for any other tenants and the costs of any services rendered or costs reimbursed to a tenant which are not generally rendered or reimbursed to other tenants; (ii) the cost of repairs or maintenance costs necessitated by the negligence of Landlord, or its agents, contractors or employees; (iii) legal and other fees, leasing commissions, advertising expenses and other costs incurred in connection with development or leasing of the Building; (iv) any amounts for which Landlord is reimbursed by insurance or otherwise compensated, including direct reimbursement by any tenant (provided, however, that CAM Expenses shall include commercially reasonable deductibles paid by Landlord); (v) replacement or repairs covered by and reimbursed under construction contracts or contractor's warranties; (vi) expenses relating to vacant or vacated space; (vii) the costs or expenses of Utilities or other services separately metered or billed to specific tenants of the Building; (viii) any bad debt or rental loss and any reserves or insurance for such losses; (ix) the cost of Landlord's federal, state or local income taxes; (x) interest or principal payments on any mortgage or deed of trust or any ground lease payments; (xi) reserves for anticipated future expenses; and (xii) with respect to any personnel costs included by Landlord in CAM Expenses, if such personnel do not work exclusively for the Project, the portion of such costs equivalent to the percentage of time spent by such personnel on matters other than the Project. Except for the management fee specified in Exhibit "C", no additional administration or management fees shall be charged.

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

any partial calendar year. Tenant's obligation to pay any amounts due under this Section shall survive the Expiration Date or earlier termination of this Lease.

(e) Information Technology/Telecommunication Services. Landlord will be responsible for providing fiber optic connectivity to the Building. Tenant shall be required to use the third party provider with whom Landlord has contracted to provide internet services to the Building. Tenant shall electronically submit technology/telecommunications services provider's entry permission documents and/or plans for running transmission lines for the Premises ("IT Provider Plans") to Landlord for review and approval (which approval shall not be unreasonably withheld, conditioned or delayed), together with a written notice specifying that Landlord shall have ten (10) business days from Tenant's submission within which to review and provide comments regarding the IT Provider Plans ("IT Provider Plans Review Period"), which notice shall specify the due date for Landlord's response. The IT Provider Plans Review Period may be extended for a reasonable amount of time by Landlord's provision of written notice to Tenant prior to the expiration of the IT Provider Plans Period indicating that Landlord requires additional time to review the IT Provider Plans and specifying a new due date by which Landlord will provide its response to Tenant.

ARTICLE IV TENANT'S COVENANTS

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

Section 4.2 Landlord's Right of Entry. Landlord and persons authorized by Landlord shall at any and all reasonable times have the right to enter and inspect the Premises, to supply janitorial service or any other service to be provided by Landlord to Tenant hereunder or to show the Premises to current or prospective lenders, purchasers or tenants or to make repairs, improvements or alterations to the Premises, all without being deemed guilty of an eviction of Tenant and without abatement of Rent. During the pendency of any such entry, Landlord shall use good faith efforts to minimize any interference with the conduct of Tenant's business. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises and any other loss occasioned thereby.

Section 4.3 Use of Premises. (a) Tenant shall have the right to use the Premises for the purpose of general office use, and ancillary administrative operations therefor (the "Permitted Use"), so long as such use complies with lawful business and commercial purposes.

(b) Tenant shall comply with, and Tenant shall cause its agents, contractors, customers, employees, invitees, licensees, servants and visitors to comply with, all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) relating to the use, condition, occupancy, maintenance or alteration of the Premises or the conduct of Tenant's business therein including, without limitation, the Americans With Disabilities Act of 1990 and the Texas Accessibility Standards (together, the "ADA" and

collectively with all such laws, the “Laws”) and shall cause the Premises to comply with all Laws, all at Tenant’s sole cost and expense.

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

Section 4.4 Assignment and Subletting. (a) Provided there is no change in the Permitted Use of the Premises, Tenant shall have the right, without the prior written consent of Landlord, to sublet, in whole or in part, this Lease or any estate or interest therein (a “Permitted Sublet”), by giving Landlord 30 days’ notice prior to the effective date of such Permitted Sublet, to be accompanied by true and complete copies of the documents that will evidence the Permitted Sublet. If Tenant should desire to assign, in whole or in part, this Lease or any estate or interest therein, Tenant shall give Landlord written notice thereof at least thirty (30) days in advance of the date on which Tenant desires to make such assignment. The notice shall include the identity of the proposed assignee, the most recent three (3) years of financial data of the proposed assignee, its nature of business and intended use of the Premises, and shall specify any other financial terms of the proposed assignment (which may include rental, commissions, tenant build-out allowances and other inducements) and the term of the proposed assignment. Landlord shall then have a period of fifteen (15) days following receipt of such notice within which to notify Tenant in writing that Landlord consents to the proposed assignment, which consent shall not be unreasonably withheld, delayed or denied so long as (i) the proposed assignee’s intended use is consistent with the use of the Building for commercial office space, as further provided in Section 4.3, and (ii) Landlord has determined that the proposed assignee has the financial capacity to assume Tenant’s obligations under the Lease, based upon a review of the financial data and the financial terms of the proposed assignment. Consent by Landlord to one or more assignments of this Lease shall not operate to exhaust Landlord’s rights under this Section 4.4. Tenant may not assign, or sublet, in whole or in part, this Lease or any estate or interest therein, except as set forth herein, and any assignment or subletting in violation of this Section 4.4 shall be void. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease, and Tenant shall remain fully liable hereunder.

(b) Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder and in the Building and all other property referred to herein, and in such event and upon such transfer (any such transferee to have the benefit of, and be subject to,

the provisions of Sections 10.1 and subsection (c) of this Section 4.4). Landlord shall be released from any further obligations hereunder that arise after the date of such transfer and no further liability or obligation shall thereafter accrue against Landlord hereunder.

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

Section 4.5 Parking. During the standard business hours of operation for the Building, as set forth in Exhibit "D" attached hereto ("Business Hours"), Tenant, its employees and customers, shall have the non-exclusive right to use all common area parking in the parking garage associated with the Building ("Parking Garage"). Landlord agrees for the Term to provide ten (10) parking spaces to Tenant, based on a parking ratio of not less than three parking spaces per one thousand rentable square feet, during Business Hours (except on Saturdays), which shall not be subject to reduction or restriction by Landlord. During the Term, for the use of unreserved parking spaces ("Unreserved Spaces") and for the use of reserved parking spaces ("Reserved Spaces") during Business Hours, Tenant shall pay Landlord \$35.00 per space per month for the Unreserved Spaces and \$50.00 per space per month for the Reserved Spaces.

ARTICLE V DELIVERY, CONSTRUCTION, ALTERATIONS AND LIENS

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

Section 5.2 Tenant Improvements.

(a) Landlord shall perform all work for Tenant's initial occupancy of the Premises ("Tenant Improvements") in accordance with a schematic plan, a construction budget and a full and detailed architectural and engineering plan for the Tenant Improvements prepared on behalf of and approved by the Landlord (collectively, the "Tenant Improvement Plans"). Tenant hereby

acknowledges that it has reviewed and approved the Tenant Improvement Plans. The Tenant Improvements shall be constructed in a good and workmanlike manner in keeping with applicable statutes, laws, codes and other government requirements, including ADA rules and regulations.

(b) The total cost of construction of the Tenant Improvements in accordance with the Tenant Improvement Plans is stipulated to be \$509,929.50 (“Stipulated Tenant Improvements Cost”). Landlord shall provide to Tenant a tenant allowance of \$254,964.75, being an amount equal to 50% of the Stipulated Tenant Improvements Cost, and Tenant shall be responsible for the remaining 50% of the Stipulated Tenant Improvements Cost, being the amount of \$254,964.75 (“Tenant’s Share”). In conjunction with its execution of this Lease, Tenant has appropriated, allocated and set aside from its available funds an amount equal to Tenant’s Share, which shall hereby be deemed escrowed exclusively for purposes of funding Tenant’s Share hereunder and which may not be used by Tenant for any other purpose (“Tenant’s Escrowed Funds”). If the total cost of constructing the Tenant Improvements exceeds the amount of the Stipulated Tenant Improvements Cost due to a change to the Tenant Improvements requested by Landlord (“Landlord Change Order”), Landlord shall be responsible for such additional costs caused by the Landlord Change Order. If the total cost of constructing the Tenant Improvements exceeds the amount of the Stipulated Tenant Improvements Cost due to a change to the Tenant Improvements requested by Tenant (“Tenant Change Order”), Tenant shall be responsible for such additional costs caused by the Tenant Change Order (“Excess Tenant Change Order Costs”), and Landlord shall have the right, by delivering notice to Tenant, to require Tenant to add to Tenant’s Escrowed Funds an amount equal to the Excess Tenant Costs prior to commencement of the work contemplated in the Tenant Change Order. If the total cost of constructing the Tenant Improvements exceeds the amount of the Stipulated Tenant Improvements Cost due to a change to the Tenant Improvements mutually agreed to by Landlord and Tenant (“Mutual Change Order”), Landlord and Tenant each shall be responsible for 50% of the total of such additional costs caused by the Mutual Change Order (each, a “Mutual Change Order Cost Share”), and Landlord shall have the right, by delivering notice to Tenant, to require Tenant to add to Tenant’s Escrowed Funds an amount equal to Tenant’s Mutual Change Order Cost Share prior to commencement of the work contemplated in the Mutual Change Order. Landlord may request a draw and release from Tenant’s Escrowed Funds (each, a “Draw Request”) by submitting an invoice and other supporting documentation related thereto identifying the specific amount of Tenant’s Escrowed Funds to be released, which Tenant shall release to Landlord within ten (10) days of Tenant’s receipt of the Draw Request therefor. In addition to the foregoing, all costs associated with the installation of telecommunication, data, or IT equipment for the Premises shall be at Tenant’s sole cost and expense.

Section 5.3 Construction and Alterations. Tenant shall not make or allow to be made (except as otherwise provided in this Lease) any alterations or physical additions (including fixtures) in or to the Premises or place safes, vaults, filing cabinets, libraries or other heavy furniture or equipment within the Premises without first obtaining the written consent of Landlord. Tenant’s alterations or physical additions in or to the Premises subsequent to the construction of the Tenant Improvements shall be undertaken in accordance with the terms and conditions of Section 5.2 with respect to construction of the Tenant Improvements.

Section 5.4 Liens. Tenant shall indemnify and hold harmless Landlord from and against all costs (including reasonable attorney’s fees and costs of suit), losses, liabilities, or causes of

action arising out of or relating to any alterations, made by Tenant or its contractors as otherwise permitted pursuant to the terms and conditions of this Lease, including but not limited to any mechanics' or materialmen's liens asserted in connection therewith. Should any mechanics' or other liens be filed against the Premises or any portion of the Building or the land on which the Building is situated or any interest therein by reason of Tenant's acts or omissions or because of a claim against Tenant or its contractors, Tenant shall cause the same to be cancelled or discharged of record by bond or otherwise within ten (10) days after notice of such lien by Landlord or otherwise. If Tenant shall fail to cancel or discharge said lien or liens within said ten (10)-day period, which failure shall be deemed to be an Event of Default hereunder, Landlord may, at its sole option and in addition to any other remedy of Landlord hereunder, cancel or discharge the same and upon Landlord's demand, Tenant shall promptly reimburse Landlord for all costs incurred in canceling or discharging such lien or liens plus fifteen percent (15%) for administrative cost recovery.

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

Section 6.1 Maintenance, Repair, Janitorial and Rules of the Building. (a) Tenant shall comply with and observe, and shall cause its agents, contractors, customers, employees, invitees, licensees, servants and visitors to comply with and observe, the rules and regulations of the Building set forth on Exhibit "D" and any additional reasonable rules and regulations reasonably established by Landlord from time to time for the safety, care or cleanliness of the Premises and the Building, or for preservation of good order therein (as same may be amended or modified from time to time pursuant hereto, the "Building Rules and Regulations"). Landlord may from time to time amend or modify the Building Rules and Regulations for the use, safety, cleanliness and care of the Premises and the Building and for the comfort, quiet enjoyment and convenience of all tenants and their employees, agents and customers. Amendments or modifications to the Building Rules and Regulations will be effective upon notice to Tenant from Landlord or Landlord's designee. In the event of any breach of the Building Rules and Regulations, or any amendments or modifications thereto, Landlord will have all remedies provided in the Lease, or at law or in equity, including the right to enjoin a breach of the Building Rules and Regulations. In the event of any conflict between the provisions of this Lease and the Building Rules and Regulations, the provisions of this Lease will control.

(b) The Landlord is responsible for maintenance, repair, and replacement of the Common Areas, roof, foundation, exterior walls, and building structure. Landlord will, and with reasonable dispatch after being notified in writing by Tenant of the need thereof, maintain and make such repairs as required by this Lease, and as may be necessary to keep the same in a good condition and repair. In exercising this right, Landlord agrees to use reasonable efforts not to interfere with the conduct of Tenant's business in the Premises. Upon written receipt from Tenant of a notice indicating the name and contact information of Tenant's facility manager for the Premises, Landlord agrees to accept direction/work orders from Tenant's facility manager via email. The procedures for Tenant to make repair or maintenance requests are further described in the Building Rules and Regulations.

(c) Landlord shall provide to the Premises central heat and air conditioning in season, subject to curtailment as required by governmental laws, rules, or regulations, in such amounts as are necessary for reasonable comfort as determined by Landlord, during Business Hours.

(d) Landlord shall not be liable for, and Tenant shall not be entitled to, any abatement or reduction of Rent by reason of Landlord's failure to maintain temperature or electrical constancy levels or to furnish any of the foregoing services when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbance or labor dispute of any character, governmental regulation, moratorium or other governmental action, the failure of any utility to supply its service, inability by exercise of reasonable diligence to obtain electricity, water or fuel, or by any other cause beyond Landlord's reasonable control, nor shall any such failure, stoppage or interruption of any such service be construed as an eviction of Tenant, or relieve Tenant from the obligation to perform any covenant or agreement herein, and in no event shall Landlord be liable for damage to persons or property, or in default hereunder, as a result of such failure, stoppage or interruption of any such service. In the event of any such failure, stoppage or interruption of any such service, however, Landlord shall use reasonable diligence to resume such service promptly. No representation is made by Landlord with respect to the adequacy or fitness of the Building's ventilating, air conditioning or other systems to maintain temperatures as may be required for the operation of any computer, data processing or other special equipment of Tenant.

(e) During the Term, Tenant will keep and maintain the Premises in good condition and repair. Tenant will not commit or allow any waste or damage to be committed on any portion of the Premises.

(f) Landlord shall provide daily janitorial services, except on weekends and holidays, in accordance with the specifications outlined in the Building Rules and Regulations.

(g) Tenant will surrender the Premises at the expiration of the Term or at such other time as Tenant may vacate the Premises in good condition and repair, broom-clean, excepting ordinary wear and tear, damage by fire or accident not occasioned by reason of Tenant's neglect or negligence, or act of God.

Section 6.2 Compliance with Law. Upon receipt of notice from any duly constituted public authorities, Tenant shall comply with their lawful requirements and hold Landlord harmless from penalties, fines, costs or damages resulting from Tenant's occupancy and use of the Premises.

Section 6.3 Signs. Landlord shall provide and install letters and numerals at the entrance to the Premises identifying Tenant and Tenant's suite number at Tenant's sole cost and expense ("Tenant Signage"), in accordance with Landlord's signage standards for the Building ("Signage Standard") and the Building Rules and Regulations and subject to all applicable signage criteria and other requirements of the City of Houston and/or any other governmental entities or agencies having jurisdiction thereover. Except as otherwise provided with respect to Tenant Signage installed by the Landlord, Tenant may not display or allow to be displayed any signs, numerals, letters or other graphics on the exterior of, or which may be visible from outside the Premises, without first obtaining written permission from the Landlord.

**ARTICLE VII
INSURANCE AND CASUALTY**

Section 7.1 Tenant's Insurance.

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

Each Occurrence (Combined Single Limit Bodily Injury or Property Damage)	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury Liability	\$1,000,000
Fire Damage Legal Liability	\$ 50,000
Medical Payments	\$ 5,000

Tenant shall also maintain minimum excess coverage of not less than Five Million Dollars (\$5,000,000.00) per occurrence, provided Tenant shall carry such greater limits of coverage as Landlord may reasonably request from time to time. Landlord, any property manager, and any other parties that Landlord designates shall be named as additional insureds on all commercial general liability and excess liability policies. Tenant shall also carry workers' compensation and employers' liability insurance on its employees in accordance with applicable state laws. All policies required to be carried by Tenant hereunder shall be issued by and binding upon an insurance company licensed to do business in Texas with a rating of at least "A VIII" or better as set forth in the most current issue of Best's Insurance reports, unless otherwise approved by Landlord. Tenant shall not do or permit anything to be done that would invalidate the insurance policies required.

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

(c) Liability insurance maintained by Tenant shall be primary coverage without right of contribution by any similar insurance that may be maintained by Landlord. All policies shall name the Landlord and/or Landlord's designees as additional insured (except for workers'

compensation) and shall contain a provision by which the insurer agrees that such policy shall not be canceled, materially changed, terminated or not renewed with respect to the Premises except after at least fifteen (15) days' advance written notice to Landlord and/or such designees.

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

(e) At all times that Tenant is undertaking improvement work in the Premises, the Tenant specifically agrees to carry, or cause its contractors to carry, builder's risk completed value insurance on the improvements, in an amount approved by Landlord, not to exceed One Million Dollars (\$1,000,000.00). Tenant shall deliver to Landlord, and obtain Landlord's written approval of, certificates of insurance showing Tenant's compliance with such insurance requirements and compliance with the additional insurance requirements set forth in subsection (f). Such approval will not be unreasonably withheld, delayed, or conditioned and shall be granted within five (5) days after Tenant's written request for approval. If Landlord fails to respond within such time period, Landlord's approval shall be deemed given.

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

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

Section 7.2 Fire Insurance. Landlord agrees, during the Term, to carry "all-risk" property insurance against fire, vandalism, malicious mischief and such other perils as are from time to time included in a standard extended coverage endorsement and, at Landlord's option, special extended coverage endorsements insuring the improvements to the Premises in an amount determined solely by Landlord, but not less than eighty percent (80%) of the full replacement cost, if available.

Section 7.3 Damage or Destruction.

(a) In the event the Premises shall be partially or totally destroyed by fire or other casualty insured under the insurance carried by Landlord pursuant to Section 7.2 hereof, as to become partially or totally untenable, the damage to the Premises shall be promptly repaired by Landlord, unless Landlord shall elect not to rebuild as hereinafter provided, and a just and proportionate part of the Rent and all other charges shall be abated, until so repaired. The

obligation of Landlord hereunder shall be limited to reconstructing the Premises in accordance with the initial plans and specifications for the construction of the Premises with all of Landlord's work complete (the "Restoration Condition"). In no event shall Landlord be required to repair or replace any alterations made by Tenant pursuant to Section 5.3 of this Lease, nor any of Tenant's merchandise, trade fixtures, furnishings or equipment, nor any portion of Tenant's Improvements that is not covered by Landlord's property insurance policy. If more than twenty-five percent (25%) of the Premises shall be damaged or destroyed by fire or other casualty then Landlord may elect either to repair or rebuild the Premises, as the case may be, or to terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within one hundred twenty (120) days after the occurrence of such damage or destruction. If Landlord is required or elects to repair or rebuild the Premises as herein provided, Tenant shall repair or replace its merchandise, trade fixtures, furnishings and equipment in a manner and to at least a condition equal to that prior to its damage or destruction. If, for whatever reason, Landlord has not restored the Premises to the Restoration Condition within two hundred ten (210) days after the date of any casualty, Tenant shall have the right to terminate this Lease by giving irrevocable written notice of termination to Landlord any time prior to the date on which the Premises are restored to the Restoration Condition, but not thereafter.

If the Premises or any other portion of the Building is damaged by fire or other casualty resulting from the fault or negligence of Tenant or its agents, contractors, customers, employees, invitees, licensees, servants or visitors, the Rent shall not abate as to the portion of the Premises rendered untenable, and Tenant shall be liable to Landlord for the cost of repair and restoration of the Building to the extent such costs are not covered by insurance proceeds.

ARTICLE VIII DEFAULTS AND REMEDIES

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

- (a) the failure by Tenant to pay when due any sum of money to be paid by Tenant under this Lease, such failure continuing for a period of five (5) days after written notice thereof (provided that Landlord shall not be required to provide such notice and opportunity to cure with respect to more than one (1) such default in any one (1) calendar year period);
- (b) the failure by Tenant to comply with or perform any of the other terms, provisions, covenants or conditions which Tenant is required to observe and to perform; or the vacation or abandonment by Tenant of the Premises or any part thereof during the Term or any renewals or extensions thereof; or, if Tenant is an entity, if Tenant ceases to exist in good standing in the state of its organization or is dissolved or otherwise liquidated; and any of the above-mentioned failures or actions continue for a period of twenty (20) days after notice thereof; provided, however, if the nature of the default is such that it cannot be cured with the exercise of Tenant's best efforts within the twenty (20)-day period, Tenant shall have up to ninety (90) days from the date of Landlord's notice to cure such default, provided Tenant undertakes such curative action within the twenty (20)-day period and diligently and continuously proceeds with such curative action using Tenant's best efforts (but notwithstanding the foregoing, Landlord shall not be required to provide such

notice and opportunity to cure with respect to more than one (1) default of the same nature in any one (1) calendar year period);

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

(d) the filing of any voluntary petition in bankruptcy by Tenant or the filing of an involuntary petition by Tenant's creditors, which involuntary petition remains undischarged or unstayed for a period of sixty (60) days, provided, that in the event that under applicable law the trustee in bankruptcy or Tenant has the right to affirm this Lease and continue to perform the obligations of Tenant hereunder, such trustee or Tenant shall, in such time period as may be permitted by the bankruptcy court having jurisdiction, cure all defaults of Tenant hereunder outstanding as of the date of the affirmation of this Lease and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligations under this Lease;

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

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

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

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

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

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

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

(c) Do whatever Tenant is obligated to do under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) without being liable for prosecution or any claim for damages therefor, and Tenant agrees to reimburse Landlord upon demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, plus interest thereon at the lesser of the highest nonusurious rate permitted by law or eighteen percent (18%) per annum (the "Default Rate"), and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action; and

(d) Alter all locks and other security devices at the Premises with or without terminating this Lease. Landlord shall not be obligated to provide a key or other means of ingress to Tenant or Tenant's agents or to provide re-entry for any reason or under any circumstances whatsoever.

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

Section 8.4 Landlord Termination. In the event Landlord elects to terminate this Lease by reason of an event of default, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord at the address specified for notice to Landlord herein (i) the sum of all Rent and other amounts payable to Landlord pursuant to the terms of this Lease which have accrued to date of such termination, plus (ii) an amount equal to the present value, as of the date of such termination, of the total Rent and other amounts that would have been payable to Landlord hereunder for the remaining portion of the Term (had such Term not been terminated by Landlord prior to the stated date of expiration of this Lease), less the present value, as of the date of such termination, of any net amounts that Tenant proves Landlord can reasonably expect to recover by reletting the Premises, taking into consideration the availability of acceptable tenants and other market conditions (present values shall be calculated using a discount rate equal to the 90-day U.S. Treasury Bill Rate at the date of such termination), plus (iii) any other amounts reasonably

necessary to compensate Landlord for all damages proximately caused by Tenant's default, including (without limitation) costs of reletting described in Section 8.6 below, plus (iv) interest thereon at the Default Rate.

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

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

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

Section 8.8 Waiver by Landlord. One or more waivers of any covenant or condition by Tenant shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring such Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to

or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease by Tenant shall be deemed to have been waived by Landlord, unless such waiver be in writing by Landlord.

Section 8.9 Landlord's Default. If Landlord fails to perform any of its obligations hereunder within thirty (30) days after written notice from Tenant specifying such failure (provided Landlord shall be allowed such additional time as may be reasonable necessary so long as Landlord commences performance within such thirty (30) day period and thereafter diligently pursues such failure to completion), Tenant's exclusive remedy shall be an action for damages. Unless Landlord fails to cure any default after such notice and after expiration of such cure period, Tenant shall not have any remedy or cause of action by reason thereof. Liability of Landlord to Tenant for any default by Landlord shall be limited to actual, direct damages therefor and shall be recoverable only from the interest of Landlord in the Building and the land on which the Building is situated, and Landlord shall have no personal liability therefor. Under no circumstances shall Landlord ever be liable for punitive, consequential or special damages, including without limitation any damages as a result of interruption of Tenant's business or any loss of income therefrom. **TENANT HEREBY WAIVES ITS STATUTORY LIEN UNDER SECTION 91.004 OF THE TEXAS PROPERTY CODE.** Landlord's obligations under this Lease are independent of Tenant's obligations, and any default by Landlord not timely cured shall give Tenant no right to withhold, abate or set-off Rent, (but Tenant shall have such other rights and remedies as may be available to Tenant under applicable laws, subject to the other provisions of this Lease).

Section 8.10 Remedies Nonexclusive. The rights and remedies of either party herein stated shall be in addition to any and all other rights and remedies which either party has or may hereafter have at law or in equity, and each party stipulates and agrees that the rights herein granted to each party are commercially reasonable.

ARTICLE IX NOTICES

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

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, TX 77002
Attention: Executive Director

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

Old Spanish Trail Alameda Corridors Redevelopment Authority
5445 Alameda, Suite 545
Houston, Texas 77004
Attention: Executive Director

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

ARTICLE X QUIET ENJOYMENT AND HOLDING OVER

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

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

ARTICLE XI EMINENT DOMAIN

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

Section 11.2 Partial Condemnation. If only a part of the Premises shall be taken by any public authority under the power of eminent domain, then, except as otherwise provided in this Section 11.2 and Section 11.3, this Lease and the Term shall continue in full force and effect, but, from and after the date possession shall be taken by such public authority, the Rent shall be reduced in the proportion which the area or the part of the Premises so acquired bears to the total area of the Premises immediately prior to such condemnation. If, by reason of such condemnation, more than twenty-five percent (25%) of the combined area of the Building is taken or Tenant no longer has a reasonable means of access to the Premises, Landlord or Tenant shall have the right to terminate this Lease and declare the same null and void, by written notice of such termination to the other party within ten (10) days after such taking. In the event neither party exercises said

rights of termination the Term shall cease only as to the part so taken as of the day possession shall be taken by such public authority and Tenant shall pay Rent up to that day, with an appropriate refund by Landlord of such Rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter all the terms herein provided shall continue in effect, except that the Rent shall be reduced in proportion to the amount of the Premises taken and Landlord shall, to the extent practicable, restore the Premises so that the remaining portion of the Premises shall be partitioned off from the portion so taken or condemned; however, Landlord shall be obligated to restore or rebuild the damaged property only to the extent that the net proceeds of such taking are available to Landlord for the purposes of rebuilding and restoration.

Section 11.3 Landlord's and Tenant's Damages. All damages awarded for any taking under the power of eminent domain, whether for the whole or a part of the Premises, shall belong to and be the property of Landlord, whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee of the Premises; provided, however, that Landlord shall not be entitled to any award specifically made for depreciation to, and cost of removal of, Tenant's stock and trade fixtures, and unamortized improvements.

ARTICLE XII LIABILITY AND WAIVER OF SUBROGATION

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

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

SHAREHOLDERS, AND EACH PARTY COVENANTS THAT NO INSURER SHALL HOLD ANY RIGHT OF SUBROGATION AGAINST SUCH OTHER PARTY.

**ARTICLE XIII
SUBORDINATION**

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

**ARTICLE XIV
GENERAL**

Section 14.1 Security Deposit. Upon receipt from Tenant of the sum equal to the last month's Base Rent, which sum is due and payable on or before the date of execution of this Lease ("Security Deposit"), such sum shall be held by Landlord without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that such security is not an advance payment of rent or a measure of Landlord's damages in case of default by Tenant. If at any time during the Lease Term any of the Rent or additional charges herein reserved shall be overdue and unpaid, or any other sum payable by Tenant to Landlord hereunder shall be overdue and unpaid, then Landlord may at its option apply any portion of said Security Deposit to the payment of any such overdue Rent or other charges. In the event of the failure of Tenant to keep and perform any of the other terms, covenants and conditions of this Lease to be kept and performed by Tenant, then Landlord, at its option, may apply the Security Deposit, or so much thereof as may be necessary, to compensate Landlord for loss, cost or damage sustained, incurred or suffered by Landlord due to such breach on the part of Tenant. Should the Security Deposit or any portion thereof be applied by Landlord as herein provided, Tenant shall, upon written demand of Landlord, remit to Landlord a sufficient amount in cash to restore the Security Deposit to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute an event of default by Tenant under this Lease. Any remaining balance of such Security Deposit shall be returned by Landlord to Tenant at such time after termination or expiration of this Lease that all of Tenant's obligations under this Lease have been fulfilled.

Section 14.2 Estoppel Certificates. Within fifteen (15) business days following receipt of a written request from Landlord, Tenant shall execute, acknowledge and deliver to the Landlord

a written statement certifying (i) that this Lease is in full force and effect and unmodified or, if modified, stating the nature of such modification, (ii) the date to which Rent has been paid, and (iii) that there are not, to the Tenant's knowledge, any uncured defaults, or specifying such defaults, if any are claimed.

Section 14.3 Broker's Commission. Landlord and Tenant represent they have not had any dealings with any real estate broker other than Ryland Enterprise Inc., dba ARVO Realty Advisors, and Cushman & Wakefield of Texas Inc. ("Landlord's Brokers"). Landlord shall pay to Landlord's Brokers any commissions or fees that are due to Landlord's Brokers with respect to this Lease in accordance with the provisions of Landlord's separate commission contract with Landlord's Brokers. Each party represents and warrants to the other, that, to its knowledge, no other broker, agent or finder (a) negotiated or was instrumental in negotiating or consummating this Lease on its behalf, or/and (b) is or might be entitled to a commission or compensation in connection with this Lease. Landlord and Tenant shall each indemnify and hold the other harmless against any party other than Landlord's Brokers claiming under the indemnifying party for any such fees, including without limitation, reasonable attorneys' fees and court costs.

Section 14.4 Disclaimer of Representations and Warranties. It is understood and agreed by Tenant that Landlord and Landlord's agent have made no representations, promises or warranties with respect to the Premises or the making or entry into this Lease except as are expressly set forth in this Lease and that no claim or liability, or cause for termination, shall be asserted by Tenant against Landlord for, and Landlord shall not be liable by reason of, the breach of any representations, promises or warranties not expressly stated in this Lease. Landlord's duties and warranties are limited to those set forth in this Lease and shall not include any implied duties or warranties, all of which are hereby disclaimed by Landlord and waived by Tenant. **EXCEPT TO THE EXTENT EXPRESSLY SET OUT IN THIS LEASE, TO THE FULLEST EXTENT ALLOWED BY LAW, LANDLORD EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES TO TENANT OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION REPRESENTATIONS AS TO TITLE, HABITABILITY, CONDITION OF THE PREMISES (INCLUDING WITHOUT LIMITATION THE ENVIRONMENTAL CONDITION OF THE PREMISES OR ITS SUITABILITY FOR A PARTICULAR PURPOSE OR COMMERCIAL USE), AND PROVISION OF SERVICES. TENANT HAS HAD A FULL AND FAIR OPPORTUNITY TO INSPECT THE PREMISES AND TO HAVE QUALIFIED EXPERTS INSPECT THE PREMISES PRIOR TO THE EXECUTION OF THIS LEASE AND FINDS THAT THE PREMISES SUIT TENANT'S PURPOSES AND ACCEPTS THE PREMISES "AS IS, WHERE IS," AND WITH ALL DEFECTS, IF ANY.**

Section 14.5 Not a Joint Venture. Any intention to create a joint venture or partnership relation between the parties hereto is hereby expressly disclaimed.

Section 14.6 Applicable Law. This Lease shall be construed under the laws of the State of Texas, wherein it is made. In any action brought under this Lease, Tenant submits to the jurisdiction of the courts of the state of Texas and to venue in Harris County.

Section 14.7 Entire Agreement. This Lease, and any exhibits attached hereto and forming a part hereof, set forth all the promises, agreements, conditions and understandings

between Landlord and Tenant relative to the Premises, and there are no other promises, agreements, conditions or understandings, either oral or written, between them other than those herein set forth. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both Landlord and Tenant.

Section 14.8 Relocation. Landlord shall have the option to relocate Tenant to alternative space in the Building, which alternative space shall be of comparable size to the Premises. Landlord shall give Tenant not less than ninety (90) days' prior written notice of such relocation, which notice shall include the date on which Tenant shall be required to relocate or move and a description of the space to which Tenant will be relocated. Landlord shall pay all out-of-pocket costs and expenses of relocating Tenant (including the cost of preparing such comparable space for occupancy). However, if Tenant is relocated prior to occupancy and fitting out the Premises with tenant improvements, Landlord shall only be required to pay the costs and expenses incident to changes in the tenant improvements as a result of such relocation in excess of those which would have been borne by Tenant if there had been no relocation. In the event of such relocation, such alternative space shall for all purposes be deemed the Premises hereunder and this Lease shall continue in full force and effect without any change in the other terms or conditions hereof.

Section 14.9 Successors, Assigns, Captions, etc. This Lease shall be binding upon the parties hereto, their personal representatives, successors and assigns (except as otherwise provided herein), and shall inure to their benefit. The use of one gender in this Lease shall include any gender and the singular shall include the plural or the plural the singular, as the context hereof may require. The various captions used in this Lease are for convenience of reference only and shall not in any way limit or amplify the terms hereof.

Section 14.10 Confidentiality. Tenant acknowledges that the terms and conditions of this Lease are to remain confidential for Landlord's benefit and may not be disclosed by Tenant to anyone (other than Tenant's attorneys, accountants, consultants or as required by law), by any manner or means, directly or indirectly, without Landlord's prior written consent. The consent by Landlord to any disclosures shall not be deemed to be a waiver on the part of Landlord of any prohibition against any future disclosure.

Section 14.11 [Intentionally Omitted].

Section 14.12 Waiver of Trial by Jury. Landlord and Tenant agree that, to the extent permitted by law, each shall and hereby does waive trial by jury in any action, proceeding or counterclaim brought by either against the other on any matter whatsoever arising out of or in any way connected with this Lease.

Section 14.13 Recordation. Neither this Lease nor any memorandum hereof shall be recorded in any public records without the prior written consent of Landlord.

Section 14.14 Counterparts. This Lease (and any subsequent amendments or consent provided in connection with the Lease) may be executed in one or more counterparts, which, when placed together, constitute a single binding document as if all signatures were on a single page. In addition, such documents may, once so executed, be delivered by each party hereunder to each

other party by facsimile or electronic mail to the extent that a facsimile or electronic mail is included in any party's notice address (or otherwise provided in a writing designating such electronic mail address as a valid notice address) and provided that the delivering party shall have received written confirmation of receipt of such facsimile or electronic delivery. Any copies of such documents delivered as set forth in this Section shall have the full force and effect and shall be treated as if such documents bear original signatures.

Signature Page to Follow

DRAFT

Exhibit "B"

Commencement Date Agreement

An Agreement made this ___ day of _____, 20___, by and between _____
(the "Landlord") and _____ (the "Tenant").

W I T N E S S E T H:

WHEREAS, on the ___ day of _____, 20___, Landlord and Tenant entered into a Lease
(the "Lease") relating to the Premises (as defined in the Lease) located within the building
commonly known as One Emancipation Center, located at 3131 Emancipation Avenue, Houston,
TX 77004.

WHEREAS, on the ___ day of _____, 20___, Landlord delivered possession of the
Premises to Tenant and therefore, pursuant to Section 1.2 of the Lease, the term of the Lease
("Term") has commenced; and

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

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

- (1) The Term commenced on _____ ("Commencement Date").
- (2) Tenant's rental obligation under the Lease commenced on _____ ("Rent Commencement Date").
- (3) The initial Term shall expire on _____ ("Expiration Date").
- (4) On _____, Tenant opened for business at the Premises.
- (5) Premises address: 3131 Emancipation Avenue, Suite _____, Houston, TX 77004.
- (6) The Lease is in full force and effect and is hereby ratified and confirmed.

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

LANDLORD

TENANT

MIDTOWN REDEVELOPMENT
AUTHORITY, a Texas nonprofit
local government corporation

OLD SPANISH TRAIL/ALMEDA
CORRIDORS REDEVELOPMENT
AUTHORITY, a Texas nonprofit local
government corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

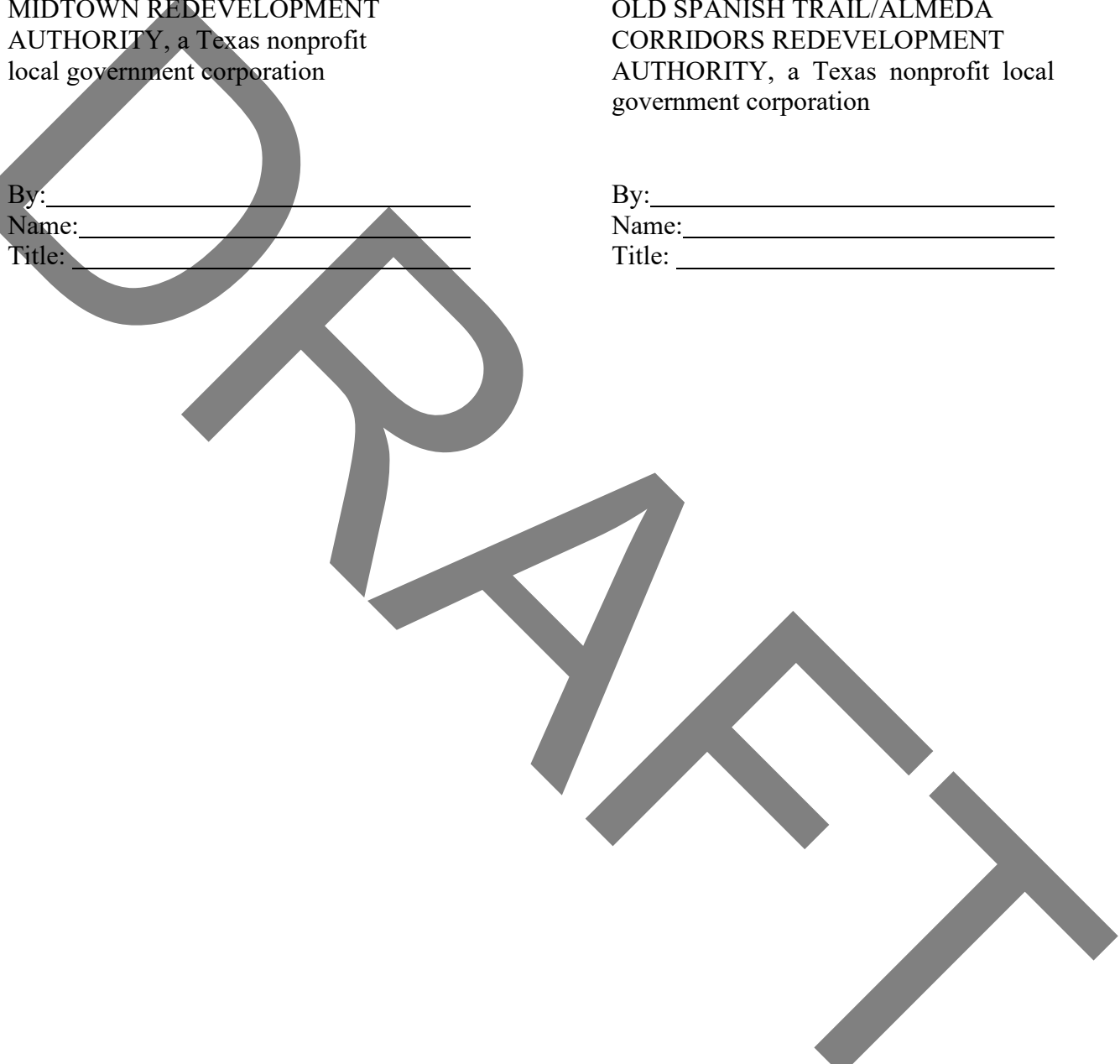


Exhibit "C"

Operating Expenses

EXPENSES	Cost/psf
Payroll & Benefits	\$2.27
Repairs & Maintenance	\$0.79
Garage Expenses	\$0.14
Contract Services	\$5.25
G & A	\$0.47
Utilities	\$1.79
Management Fees	\$0.75
Taxes	\$0.00
Insurance	\$0.00*
	*paid directly by Landlord
Total Operating Expenses	\$11.46

Exhibit "D"

3131 Emancipation Avenue

Building Rules and Regulations

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

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

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

3. Movement of furniture or office equipment in or out of the Building, or dispatch or receipt by Tenant of any heavy equipment, bulky material or merchandise which requires use of elevators or stairways, or movement through the Building's service dock or lobby entrance shall be restricted to such reasonable hours as Landlord shall designate. All such movement shall be in a manner to be agreed upon between Tenant and Landlord in advance. Such prior arrangements shall be initiated by Tenant. The time, method and routing of movement and limitations for safety or other concern which may prohibit any article, equipment or other item from being brought into the Building shall be subject to Landlord's discretion and control. Any hand trucks, carryalls or similar appliances used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as the Building shall require. All damage done to the Building, including without limitation, any Building elevator, by the installation or removal of any property of Tenant from the Building shall be repaired by Landlord at Tenant's expense, Tenant hereby agreeing to pay Landlord for the cost of any such repair plus an administrative fee of five percent 5% as Rent, within ten (10) days of Tenant's receipt of an invoice therefor. Although Landlord or its personnel may participate in or assist in the supervision of such movement, Tenant assumes final responsibility for all risks as to damage to articles moved and injury to persons or property engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this

service for Tenant, from the time of entering the property to completion of work. Landlord shall not be liable for the acts of any person engaged in, or any damage or loss to any of said property or persons resulting from any act in connection with such service performed for Tenant with exception if it is due to Landlord. If Landlord or its personnel elects to participate or assist in the supervision of such movement, Tenant shall reimburse Landlord for the costs and expenses incurred by Landlord in connection therewith (including, without limitation, for any overtime pay), as Rent, within ten (10) days of Tenant's receipt of an invoice therefor.

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

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

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

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

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

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

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

11. Landlord and Tenant shall mutually have the right to determine and prescribe the weight and proper position of any unusually heavy equipment, including computers, safes, large files, etc., that are to be placed in the Building, and only those which in the exclusive judgment of the Landlord will not do damage to the floors, structure and/or elevators may be moved into the Building. Any damage caused by installing, moving or removing such aforementioned articles in the Building shall be paid for by Tenant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36. Access to the Building and the Parking Garage may be controlled by the use of electronic card key or by other method deemed necessary by Landlord. Tenant shall be issued card keys or other ingress/egress devices and in the event that Tenant shall damage or lose the card

key(s) or device(s), a deposit for each card key or device shall be paid upon any necessary re-issuance of the card key or device.

37. Landlord reserves the right to require payment, in advance, for certain services not required of Landlord under this Lease. Such charges include, but are not limited to, processing “bounced” checks, changing locks, providing after-hours HVAC rates, etc. and are subject to reasonably change at any time with prior written notice.

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DEMOLITION SETTLEMENT AND RELEASE AGREEMENT

THIS DEMOLITION SETTLEMENT AND RELEASE AGREEMENT (this "Agreement") is entered into by and between Midtown Redevelopment Authority, a nonprofit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code (the "Authority") and KCK Demolition and Landscaping, a Texas limited liability company ("KCK") (each individually, a "Party," and collectively, the "Parties").

RECITALS

- A. **WHEREAS**, the Authority owns certain property located at 5702 Griggs Road, Houston, Texas 77021 (the "Property"); and
- B. **WHEREAS**, the Authority determined it was necessary for certain demolition work to be performed on three buildings located on the property (the "Buildings") to preserve and protect the public health and safety of area residents and to remedy unforeseen damage to the Buildings ("Demolition Services"); and
- C. **WHEREAS**, the Authority requested that KCK perform Demolition Services for each of the three Buildings located on the Property, and KCK was compensated for a portion of such Demolition Services; and
- D. **WHEREAS**, the Demolition Services were not covered under any contract in existence during that time; and
- E. **WHEREAS**, the Parties now desire to enter into this Agreement to compensate KCK for the remaining Demolition Services and to settle any and all claims that have been or could be asserted by KCK, whether known or unknown, now or in the future, including but not limited to all claims in any way relating to or arising from all Demolition Services.

AGREEMENT

NOW, THEREFORE, in consideration of the matters discussed in the recitals, the mutual promises and agreements herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.** The terms "Agreement," "Authority," "KCK," "Party," "Parties," "Property," "Buildings," and "Demolition Services," shall have the meanings set forth in the preamble and recitals to this Agreement. For purposes of this Agreement, the terms listed below shall have the following meanings:
 - a) "Payment" shall have the meaning set forth in Section 4 of this Agreement.
 - b) "Effective Date" shall have the meaning set forth in Section 13 of this Agreement.

2. **Affirmation of Recitals.** Each of the Parties acknowledges and confirms that the recitals set forth above are true and correct, and that by this reference the recitals are incorporated into and made a part of the body of this Agreement.
3. **Representations and Warranties of KCK.** KCK represents and warrants that:
 - a) the Demolition Services were done and completed in a workmanlike manner;
 - b) the fair market value of the remaining Demolition Services is \$38,000; and
 - c) aside from the amount of the remaining Demolition Services set forth above in Section 3(b), no other payments are due to KCK or any of KCK's subcontractors, consultants, or any other third party, if any exist.
4. **Payment.** The Authority shall pay and KCK shall accept payment in an amount of \$38,000 (the "Payment"), the invoice for which is attached hereto as **Exhibit A**, which sum is the full amount of this Agreement, and KCK agrees to accept the Payment as full and complete payment for the remaining Demolition Services. Furthermore, the Parties agree and understand that no other payments, aside from the Payment described in this Section 4, are due to KCK or any of KCK's subcontractors, consultants, or any other third party, if any exist. The Payment shall be made not later than five (5) business days after the Effective date.
5. **No Admission of Fault.** The Parties agree and understand that this Agreement includes compromises of claims related to the Demolition Services and the Payment and that the consideration exchanged under this Agreement is not to be construed as an admission of any legal, social, moral, or other fault or liability.
6. **Covenant Not to Sue Authority.** KCK, on behalf of itself and all of its current and former employees, agents, representatives, attorneys, insurers, successors, and assigns, acknowledges, agrees, and **COVENANTS NOT TO SUE**, prosecute, or otherwise assert any claims, actions, lawsuits, or causes of action (or seek any relief—monetary, injunctive, equitable, or otherwise) against the Authority or its employees, agents, representatives, predecessors, successors, and assigns in any forum, whether state, federal, or foreign, related to or arising in any way from Demolition Services, the Payment, any of the facts asserted or that could have been asserted by the Parties related thereto, and/or any communications between the Parties prior to or after the execution of this Agreement.
7. **Full Release of Authority.** In return for and in consideration of the Payment and the obligations, representations, covenants, and acknowledgements in this Agreement, KCK, on behalf of its current and former employees, agents, representatives, attorneys, insurers, predecessors, successors, and assigns, hereby **RELEASES, ACQUITS, and FOREVER DISCHARGES** the Authority, its current and former employees, agents, representatives, attorneys, insurers, predecessors, successors, and assigns from any and all injuries, liabilities, claims, causes of action, remedies, debts, demands, liens, charges, losses of every kind or nature, damages (including punitive or exemplary damages), penalties, fees, attorneys' fees, expert fees, expenses, and costs of any kind or nature, whether known or unknown nor or in the future, direct or indirect, fixed or contingent, whether in contract, based on statute, in tort,

at law, in equity, or otherwise, including but not limited to **ANY** and **ALL** claims that it ever had against the Authority, including but not limited to those arising from the Demolition Services, the Payment, any of the facts asserted or that could have been asserted by the Parties related thereto, and/or any communications between the Parties prior to or after the execution of this Agreement.

8. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of each of the Parties hereto and their respective successors and assigns.
9. **Severability.** Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement.
10. **Third Parties.** This Agreement is intended to inure only to the benefit of the Parties hereto. This Agreement is not intended to create, nor shall it be deemed or construed to create, any rights in third parties.
11. **Immunity Retained.** The Authority does not waive or relinquish any immunity or defense on behalf of itself, its officers, employees, agents, or volunteers as a result of its execution of this Agreement and the performance of the covenants contained herein.
12. **Governing Law; Jurisdiction.** This Agreement shall be governed in all respects, including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the State of Texas. In the event of a dispute involving this Agreement or any other instrument executed in conjunction herewith, the Parties hereto agree that venue for such dispute shall lie in any court of competent jurisdiction in Harris County, Texas.
13. **Effective Date.** This Agreement shall be effective upon full execution and delivery of this Agreement by each of the Parties hereto, including delivery by electronic means (the "Effective Date").
14. **Certification of Consent and No Duress.** **EACH PARTY TO THIS AGREEMENT HAS ENTERED INTO IT FREELY AND WITHOUT DURESS AFTER HAVING THE OPPORTUNITY TO CONSULT WITH PROFESSIONALS OF ITS CHOICE. EACH PARTY AGREES THAT IT HAS READ AND UNDERSTANDS THIS AGREEMENT.**
15. **Entire Agreement.** This Agreement contains the entire agreement between the Parties and supersedes all prior agreements, understandings, negotiations, and discussions, oral or written. There are no warranties, representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter hereof that are not fully expressed or provided for herein, and the Parties shall not be bound by or liable for any alleged warranty, agreement, representation, or understanding. Neither Party has relied on any statements or representations that have been made by the other Party that are not set forth in this Agreement, and neither Party is entitled to rely on any representation, agreement, or obligation that is not expressly stated in this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto and is effective as of the Effective Date.

THE AUTHORITY:

Midtown Redevelopment Authority

By: _____

Matt Thibodeaux
Executive Director

DRAFT

KCK:

KCK Demolition and Landscaping

By:  _____

Name: Kenneth Jones

Title: CEO

DRAFT

EXHIBIT A

Invoice for Remaining Demolition Services

Artemio's Enterprises, Inc

P.O. Box 650066
Houston, TX 77264-0066 US
artemios.enterprises@yahoo.com

Estimate

ADDRESS
Ken Jones
5702 Griggs Road
Houston, TX 77021

SHIP TO
Ken Jones
5702 Griggs Road
Houston, TX 77021

ESTIMATE 46
DATE 04/28/2022

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Labor	* Instructed by Ken Jones.	1		38,000

- Demo of building #2. - Haul away all trash in our Dumpsters, concrete slab to remain.

-Permits are not including in this estimate such as demolition, plumbing, etc....

* Note: Not include asbestos permits if required by city of Houston.

Labor

SUBTOTAL	
TAX	0.00
TOTAL	38,000

Accepted By

Accepted Date



DRAFE

ATTACHMENT B
Form of Work Order
WORK ORDER NO. 4

This Work Order No. 4 (this "Work Order") is issued subject to and is governed by that certain Professional Services Agreement between Midtown and Consultant date as of March 31, 2022 (the "PSA").

Work Order Date: 3/1/2023

Consultant: The Goodman Corporation

Type of Compensation: Lump Sum

Compensation: \$124,000

Location of Services: Houston, TX

Description of Services: Funding Identification and Pursuit

Schedule Requirements: Commencement of Services: 3/1/2023

Completion of Services: 10/30/2024

Midtown:

MIDTOWN REDEVELOPMENT
AUTHORITY

By: _____

Matt Thibodeaux, Executive Director

Date: _____

Consultant:

THE GOODMAN CORPOORATOIN

By: 

Jim Webb, CEO

Date: 2/21/2023

Midtown Redevelopment Authority Funding Identification and Pursuit

February 2023

This scope of services will facilitate two items:

- It will provide TGC with resources to scan, research, identify and provide the Authority with monthly reports on funding opportunities and programs that fit within the organization's mission and goals. This set fee will also support TGC's participation in MRA Board meetings, Committee meetings, ad-hoc meetings, and other activities related to understanding new and ongoing projects and initiatives the Authority is endeavoring towards.
- It will provide a budgetary allocation so that upon concurrence of the Authority, TGC can complete individual grant applications and detailed work related to funding pursuit itself. This budgetary amount is meant to provide TGC with the resources, flexibility, and expediency necessary to develop and submit grant pursuit documentation given tight timeframe requirements.

Task 1 – Monitor and Present Funding Opportunities

TGC will actively monitor, review, and synthesize Notices of Funding Opportunity (NOFO) from a variety of regional, state, and federal agencies related to funding programs which MRA may be interested in pursuing.

Entities and opportunities that TGC will monitor include, but are not limited to:

- Congressionally directed funding opportunities
- Economic Development Administration
- Environmental Protection Agency
- Federal Emergency Management Administration
- Federal Highway Administration, Federal Transit Administration
- General Land Office
- Houston-Galveston Area Council
- National Not for Profits
- Texas Department of Emergency Management
- Texas Department of Transportation
- Texas Parks and Wildlife Department
- Texas Water Development Board

TGC will coordinate with the MRA staff, board, committees, and consultants on projects, project development, and activities on a monthly basis or as appropriate to remain engaged on projects and initiatives. This may range from approximately one to three meetings a month, depending on activity and necessity. TGC will discuss projects, goals, objectives, and other pertinent items with federal, state, regional, and local officials and partners towards funding pursuit as necessary as appropriate.

Finally, TGC will provide a monthly written report to MRA with information on opportunities and their relevancy to the Authority. TGC will discuss the applicability and relevancy of opportunities with MRA board, staff, and various committees as appropriate. Action on individual opportunities will occur via Task 2.

Task 2 – Pursuit of Funding

Upon concurrence from the Authority, TGC will develop grant applications and related materials inclusive of project narrative documentation, benefits documentation and related appendices, support documentation (and related coordination), technical reports and related graphics and production support. The cost of each effort will be discussed and agreed upon by MRA staff on the individual level of effort, but a general overview is provided in the table below. The resources made available in this task are those that are initially authorized and may be increased or otherwise adjusted upon in the future. The following grant applications are anticipated to occur within the life of this contract; this is not a limitation or a prescriptive list, just a general identification of anticipated needs:

- FY24 Appropriations Submissions (2 applications)
- H-GAC Call for Projects (2 applications)
- FY24 Reconnecting Communities Application (1 application)
- FY24 Safe Roads and Streets for All (1 application)

Tier Level (Type of Grant, Per Application)	Approximate Cost Per Application
Tier 1 - Grants and opportunities which require only a narrative	\$3,000
Tier 2 - Grants which require detailed narrative and a level of basic analysis	\$8,500
Tier 3 - Grants which require detailed narrative, coordination related to application portals, basic analysis, project development, and benefits analysis	\$17,500
Tier 4 - Grants which require Tier 3 elements along with a more detailed level of analysis and project development. This Tier also requires a higher level of coordination with elected officials and other stakeholders.	\$35,000
Tier 5 - Grants which require Tier 4 elements and a higher level of analysis, project development, and benefits analysis. This Tier is inclusive of the highest level of coordination with elected officials and other stakeholders.	\$52,500

Budget Summary

Task 1 progress payments will be invoiced monthly up to a maximum monthly rate of \$2,000 per the table below. This assumes approximately 12 hours of staff time per month at TGC's average hourly rate of \$177.39. Note that this does not limit TGC staff time, just Midtown's financial exposure measured against an approximate TGC level of effort. Task 2 progress payments will be made based on the agreed upon cost of each individual pursuit of funding effort, as agreed upon prior. Invoices, including progress reports, will be provided each month. The costs within this scope are inclusive of all direct and indirect costs (e.g., travel, overhead, printing).

BUDGET SUMMARY		
TASK	DESCRIPTION	COST
1	Monitor and Present Funding Opportunities	\$24,000
2	Pursuit of Funding	\$100,000
	Total Authorized	\$124,000

Accepted for Midtown Redevelopment Authority

Signature

Date

Print

Accepted for The Goodman Corporation


Signature

2/21/2023
Date

Jim Webb, CEO

Print



midtown
H O U S T O N

**ADMINISTRATIVE
PROCEDURE MANUAL
AND
EMPLOYEE POLICY
MANUAL**

Originally Adopted on August 30, 2018
Ratified: December 12, 2019
Ratified and Amended: January 28, 2021
Ratified: May 26, 2022
[Ratified and Amended: February 23, 2023](#)

ADMINISTRATIVE PROCEDURE MANUAL

Midtown
Redevelopment
Authority

Midtown Redevelopment Authority Administrative Procedure Manual

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Section 1. PREAMBLE

The Midtown Redevelopment Authority (the “Authority”) was created by Resolution No. 95-96, adopted on June 28, 1995, to aid, assist and act on behalf of the City of Houston, Texas (the “City”) in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Midtown and neighboring areas as described in Ordinance No. 94-1345. Many of the contractual obligations and administrative practices of the Authority are contained in a certain amended and restated Agreement dated July 18, 2000, and approved as Ordinance No. 2000-494, by and between the City, the Authority, and the Tax Increment Reinvestment Zone Number Two, City of Houston, Texas (the “Midtown Zone”) (the “Tri-Party Agreement”).

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

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

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

Section 2. AUTHORITY MANAGEMENT

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

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

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

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Section 3. FINANCIAL PRACTICES

A. Bank Accounts.

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

B. Financial Reporting

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

Section 4. PROCUREMENT AND CAPITAL IMPROVEMENTS

A. Construction Contracts

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

B. Change Order Policy

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

C. Non-Construction Contracts Funded by Federal Awards

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

from at least three (3) qualified sources and records of quotes must be maintained by the Authority.

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

D. MWBE Policy

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

Section 5. RECORD RETENTION POLICY

A. Purpose

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

B. Definitions

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

C. Requirements

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

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

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

D. Litigation Hold

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

E. Storage

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

F. Record Retention Schedule

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

G. Employment Record Retention Schedule

In addition to the Local Government Retention Schedule, the Authority maintains employment records according to the following schedule. Please note that if any records listed in this

schedule are also covered in the Local Government Retention Schedule, then the Authority must retain the record for the length of time of the schedule with *the longest retention period*.

Employee Benefits

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

EEO

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

General Personnel

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

Personnel Actions

Data or record category	Retention Period
Documents relating to charges and investigations of harassment or discrimination	Later of 4 years after employee termination or 1 year after charge or litigation is resolved
Records relating to applicants for employment or hiring (including, without limitation job ads, recruiting records, resumes, employment inquiries, offer letters and rejected offers of employment)	4 years
Employee Immigration Reports (I-9 Form)	3 years from the date of completion or 1 year from termination of employment, whichever is later
Layoff records	5 years
Pre-employment screening documents (including pre-employment drug tests and background checks)	Later of duration of employment +2 years or 5 years from the date of the screen

Data or record category	Retention Period
Records related to background checks or drug or alcohol tests on current employees	Later of duration of employment +2 years or 5 years from the date of the background check
Personnel files	Duration of employment + 8 years
Employment contracts; employment termination agreements	34 years from their last effective date
Consent/Authorization forms	Duration of employment + 8 years
Pre-adverse action and adverse action notices	5 years from date of adverse action
Employment leave of absence records	Duration of employment + 8 years
All other records relating to employment actions not specifically covered in another category	Duration of employment + 8 years

Salary Administration

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

Safety

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

Section 6. ADOPTION AND REVISION

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

Adopted on the ~~26th~~^{23rd} day of ~~May~~^{February}, ~~2022~~²⁰²³.

EXHIBIT A
INVESTMENT POLICY

DRAFT

SECRETARY'S CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

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

1. The Board convened in regular session on the ~~26th~~23rd day of ~~May~~February, ~~2022~~2023, at the regular meeting place thereof within said Midtown Zone, and the roll was called of the duly constituted officers and members of the Board to-wit:

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

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

Administrative Procedure Manual

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

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

SIGNED this ~~26th~~23rd day of ~~May~~February, ~~2022~~2023.

~~Assistant~~ Secretary
Midtown Redevelopment Authority

ACKNOWLEDGMENT OF RECEIPT OF MANUAL

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

Signature

Printed Name

Date

Summary report:	
Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 2/20/2023 2:09:15 PM	
Style name: Bracewell Style	
Intelligent Table Comparison: Active	
Original DMS: dm://DM/8206102/1	
Modified DMS: dm://DM/8346097/1	
Changes:	
Add	18
Delete	24
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	42

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Ratified and Amended: May 26, 2022
[Ratified and Amended: February 23, 2023](#)

EMPLOYEE POLICY MANUAL

Midtown Redevelopment Authority

Midtown Redevelopment Authority
Employee Policy Manual

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Section 1. PREAMBLE

The Midtown Redevelopment Authority (the “Authority”) was created by Resolution No. 95-96, adopted on June 28, 1995, to aid, assist and act on behalf of the City of Houston, Texas (the “City”) in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Midtown and neighboring areas as described in Ordinance No. 94-1345. The Midtown Management District (“MMD”) was created in 1999 by the Texas Legislature with the consent of the City, and operates under Chapter 375, Texas Local Government Code, and Chapter 3809, Texas Special Districts Local Laws Code. The Midtown Parks Conservancy (“MPC”) is an entity that works in conjunction with the Authority and MMD under various agreements.

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

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

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

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

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

Section 2. EMPLOYEE POLICIES AND PROCEDURES

A. General Provisions.

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

B. Equal Employment Opportunity (EEO)

1. The Authority is an equal opportunity employer. ~~It is the commitment of the~~ The Authority ~~to select and retain~~ is committed to selecting and retaining the best qualified individuals based upon job-related qualifications, regardless of race, sex, sexual orientation, gender identity, color, religion, national origin, citizenship, age, military and/or veteran status, disability, genetic information, or any other characteristic protected by applicable federal, state, or local law. This commitment includes recruitment, selection, transfers, promotions, scheduling, corrective action, compensation, benefits, separation or any other term or condition of employment.
2. ~~As needed, the~~ The Authority will provide reasonable accommodations in accordance with applicable laws to qualified individuals with known physical or mental disabilities, unless undue hardship would result.

3. The Authority will provide reasonable accommodations in accordance with applicable laws to employees with known limitations due to pregnancy, childbirth or related medical conditions, unless undue hardship would result.

4. ~~3-~~In accordance with applicable laws, absent undue hardship, the Authority will make reasonable accommodations, as needed, for an employee's sincerely held religious beliefs.

~~4. The Authority prohibits intimidation, coercion or harassment of any kind. If any employee is asked to participate in, is a witness to, or has experienced an activity that the employee considers discriminatory or harassing, the employee should immediately bring the situation to the attention of his or her supervisor or the Executive Director—whichever the employee feels most comfortable.~~

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

C. Policy Prohibiting ~~Discrimination~~, Harassment and ~~Discrimination~~Retaliation.

1. Policy

(a) The Authority is committed to maintaining a work environment free of discrimination, harassment, and retaliation. The Authority prohibits all ~~behavior which~~conduct that is motivated by, or is offensive based ~~on the basis of,~~ the protected characteristics and statuses described in ~~the above~~ EEO Policy. Employees engaging in any form of ~~harassment;~~ discrimination, harassment or retaliation in violation of the Authority's policies will be subject to disciplinary action, up to and including termination of employment.

(b) ~~Harassment or discrimination~~Discrimination and harassment prohibited by this policy ~~includes~~include, without limitation, ~~harassing or~~ discriminatory or harassing intimidations, insult, ridicule and comments where:

- (1) The conduct has the purpose or effect of creating an intimidating, hostile, or offensive work environment; or
- (2) The conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or
- (3) The conduct otherwise adversely affects an individual's employment opportunities.

(c) The Authority will not tolerate sexual harassment by any person who is employed by or associated with the Authority. Sexual harassment includes, but is not ~~necessarily~~ limited to, unwelcome sexual advances,

requests for sexual favors or other verbal or physical conduct of a sexual nature where:

- (1) Submission to such conduct is made either explicitly or implicitly a term or condition of employment; or
 - (2) Submission to or rejection of the conduct is used as the basis for an employment decision affecting the employee (e.g., demotion, promotion, performance evaluation or compensation); or
 - (3) The conduct or speech has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment (e.g., unwanted sexual jokes, vulgar language, sexual gestures, physical assaults, sexual advances or displaying sexually oriented materials like publications, pictures, cartoons or photographs).
- (d) ~~The definition of sexual~~ Sexual harassment ~~may be easier to understand if an employee recognizes that the definition identifies two~~ includes, but is not limited to, these types of sexual harassment:
- (1) Quid Pro Quo - this typically describes a situation in which an employee is ~~confronted with~~ subjected to sexual demands, and the response to the demands will dictate whether, for example, ~~this~~ the employee will ~~get a promotion or keep~~ be promoted or keep his or her job; and
 - (2) Hostile Work Environment - this typically involves ~~unwelcomed~~ unwelcome sexual conduct that ~~permeates the work environment and~~ interferes with an employee's ability to do his or her job, or ~~unwelcomed~~ unwelcome sexual conduct that is sufficiently severe ~~and~~ or pervasive that it creates an abusive or offensive work environment.
- (e) ~~In addition, any unwelcomed~~ Any unwelcome sexual conduct by a vendor or supplier of the Authority, or by any other non-employee of the Authority who has workplace or work-related contact with Authority employees, is prohibited and must also be reported ~~and addressed~~.

2. Complaint Procedure

- (a) Any employee who feels that he or she has been subjected to behavior that violates this policy should, if feasible, immediately tell the individual engaging in the behavior that it is offensive and ~~ask that it~~ must stop. The employee also should immediately contact his or her supervisor to report the behavior. If the behavior involves the employee's supervisor or the

employee is not comfortable making a report to the supervisor, the employee should report the behavior to the Executive Director. Employees should report the behavior to the person—supervisor or Executive Director— with whom the employee feels most comfortable. Employees may report the behavior in an anonymous manner, including but not limited to delivering a typed, unsigned written report or using an anonymized email address to report the behavior.

- (b) All employees are responsible for maintaining a workplace free of discrimination, harassment, and retaliation ~~in violation of this policy~~. Any person may initiate a complaint regarding incidents experienced personally or observed in the workplace. If any employee is asked to participate in, is a witness to, or has experienced an activity that the employee considers ~~discrimination, harassment, or retaliation~~ discriminatory, harassing, or retaliatory, the employee should immediately bring the situation to the attention of his or her supervisor and/or the Executive Director. ~~It is the responsibility of all employees to~~
- (c) Employees must bring complaints to the attention of ~~his or her~~ their supervisor and/or the Executive Director so that the Authority can help resolve them. An employee should never assume that the Authority is aware of inappropriate conduct that an employee has witnessed or experienced. Employees are encouraged to report any conduct that they feel may be inappropriate regardless of whether the employee is confident that such conduct violates this policy; or any other Authority policy or standards. Employees should continue reporting inappropriate conduct until it stops.
- (d) Employees should understand that the Authority wants them to bring any concerns related to ~~harassment~~, discrimination, harassment or retaliation to its attention so that the Authority can review such matters and address them as appropriate, regardless of whether such conduct is an express violation of a specific policy or standard.
- (e) ~~(e)~~ Upon receipt of a report or complaint of ~~harassment~~, discrimination, harassment or retaliation, the Authority will take immediate, and to the extent possible, discrete steps to conduct an investigation. Such investigation will be ~~promptly completed~~ thorough and impartial. Employees must cooperate fully with any investigation conducted by the Authority under this policy and must provide truthful information. In determining whether the alleged conduct constitutes a violation of this policy, the totality of the circumstances, the nature of, and the context in which the alleged conduct or incident occurred will be considered.

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

3. No Retaliation.

(a) The Authority prohibits retaliation in any form against any employee who, in good faith, ~~(1)~~ initiates a complaint; ~~any employee who, in good faith;~~ ~~(2)~~ reports the possible existence of ~~harassment or~~ harassment or discrimination or harassment against others; or ~~any employee who, in good faith;~~ ~~(3)~~ participates in or assists with investigation of a complaint. Any employee who believes retaliation has occurred should immediately report the alleged retaliation using the complaint procedure described above.

D. Drug and Alcohol Policy.

1. It is the policy of the Authority to maintain a ~~drug-free~~ drug-and-alcohol-free workplace. The Authority prohibits:

~~(a)~~ ~~the manufacture, distribution, dispensation, possession, concealment, use, sale, or transfer~~ being under the influence of alcohol, inhalants, drugs, synthetic drugs, or controlled substances (collectively “prohibited substances”) ~~and the possession of~~ (except as permitted under section 2 below); and

~~(b)~~ ~~the manufacture, distribution, dispensation, possession, concealment, use, sale, or transfer of prohibited substances; and~~

~~(c)~~ the possession of drug-related paraphernalia or literature promoting the use of illegal drugs, ~~while at~~

when reporting for work or working, on Authority premises (including in parking lots), in Authority vehicles, or ~~on~~ while conducting business for any of the Midtown Entities. Possession and use include having ~~the metabolites of~~ a prohibited substance (or its metabolites) in the employee’s system resulting in a positive test. The Authority also prohibits the presence of any person on the premises of the Authority while under the influence of any prohibited substance ~~(except as permitted under section 2 below)~~. If approved by the Executive Director, the moderate use of alcoholic beverages at Authority-sponsored or business/social events is permitted.

2. To the extent that it does not impair an employee's safety or job performance ~~or safety~~, or the safety of others, employees may possess and use over the counter and prescription medication in the workplace, provided that:

- (a) *For prescription medication:* A licensed health care provider has prescribed the medication for the employee's use and the employee has a current and valid prescription.
- (b) The employee uses the medication in a manner and for the purpose prescribed (if a prescription medication) and the intended purpose.
- (c) All medication is kept in the original container.
- (d) The employee can safely perform his or her essential job functions while taking the medication. If the employee's use of medication may impair or affect the employee's ability to safely perform his or her essential job functions, the employee should advise the Executive Director that he or she is taking the medication and its potential safety impact, prior to performing any work assignment while under the influence of the medication.
3. Consistent with ~~our~~the Authority's intent to maintain a work environment that is safe, drug-free, conducive to ~~high~~high-quality work performance, and in compliance with our standards, the Authority may conduct drug ~~and alcohol~~ testing on applicants as a condition of hire and drug and alcohol testing on employees as a condition of continued employment. With respect to current employees, the Authority may conduct tests when there is ~~reasonable suspicion~~reasonable suspicion of a violation of this policy ~~and~~, after an accident or incident, ~~in appropriate circumstances~~, (if the Authority determines the individual reasonably could have caused or contributed to the accident or incident), and other testing in a manner that is consistent with the intent and enforcement of this policy. The Authority may, from time to time and without prior notice, also conduct random drug testing of employees. ~~These~~
4. Drug and alcohol tests may include chemical analyses of urine, hair, blood, breath, or saliva specimens. It is the intent of the Authority to comply with any applicable federal, state, and local laws and regulations governing drug and alcohol use and testing in the workplace. An employee who has a positive test, fails or refuses to timely submit to a test ~~under this policy, or tampers with the testing process~~ will be subject to disciplinary action, up to and including termination of employment.
5. ~~4.~~ From time to time and without prior notice, authorized representatives of the Authority may conduct searches for prohibited items and substances of individuals entering the workplace or performing assigned duties for the Authority at any location. These searches may include, but are not limited to, vehicles, offices, desks, personal possessions, luggage, clothing, lockers, and living quarters. When appropriate, prohibited items and substances discovered during these searches may be retained by the Authority or reported and released to appropriate law enforcement agencies. Employees should have no expectation of

privacy while in the workplace or performing assigned duties for the Midtown Entities at any location.

E. Weapons in the Workplace.

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

F. Workplace Violence.

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

G. Operation of Vehicles.

1. Only an employee's supervisor or the Executive Director can authorize an employee to drive an Authority vehicle or drive their own vehicle for Authority purposes. Employees are prohibited from allowing anyone other than the Authority-authorized driver to operate an Authority vehicle, (e.g., a family member or non-employee cannot ever drive an Authority vehicle).
2. ~~1.~~ All employees authorized to drive Authority-owned or leased vehicles or personal vehicles in conducting business on behalf of the Midtown Entities must possess a current, valid driver's license and an acceptable driving record. Any change in license status or driving record must be reported to the employee's supervisor or the Executive Director immediately. ~~Employees are absolutely prohibited from allowing anyone other than the Authority-authorized driver to operate an Authority vehicle, (e.g., a family member or non-employee cannot ever drive an Authority vehicle).~~ Only an employee's supervisor or the Executive

~~Director can authorize an employee to drive an Authority vehicle or drive their own vehicle for Authority purposes.~~

3. ~~2.~~ Every employee shall drive safely and obey all traffic, vehicle safety, and parking laws or regulations while on business on behalf of the Midtown Entities. Drivers must demonstrate safe driving habits at all times. The Authority prohibits the use of hand-held phones, including talking and texting, while driving. Any employee involved in an accident while engaged in business on behalf of the Midtown Entities—or if driving an Authority vehicle, any accident—must immediately, or as soon as possible after seeking required medical care, report it to his or her supervisor.

H. Employment.

1. Employment Status

- (a) “Full-Time Employee” means an employee who regularly works a minimum of forty hours a week and has been employed at least ninety (90) days by the Authority.
- (b) “Part-Time Employee” means an employee who regularly works less than forty hours a week.
- (c) “Non-Exempt Employee” means an employee who does not qualify for an exemption from overtime pay and minimum wage under the applicable federal and state laws, regulations and ordinances. Non-exempt employees are paid based on the number of hours they work and are eligible to receive overtime pay.
- (d) “Exempt Employee” means an employee who qualifies for an exemption from overtime pay under the applicable federal and state laws, regulations and ordinances. Exempt employees are paid a guaranteed weekly salary and not eligible to receive overtime pay.

2. Time Reporting.

- (a) ~~It is the policy of the~~The Authority ~~to comply~~is committed to complying with all applicable laws that require records to be maintained of the hours worked by its employees. To ensure that accurate records are kept of hours worked (including overtime work), all non-exempt employees must keep a record of, and report to the Authority, all hours worked in a workweek. A “workweek” means Sunday through Saturday.
- (b) Non-exempt employees must accurately record all of their actual working ~~hours. This is not only a matter of strict policy, but it is a requirement of applicable law as well~~time. No supervisor may ask or require a non-exempt employees to work without properly recording their time, or to record their time improperly. Non-exempt employees may not work any

hours without reporting those hours to the Authority. This includes, for example, time worked before or after the regular scheduled ~~work day~~workday and during meal periods. No “off-the-clock” work is permitted. Off-the-clock work means work a non-exempt employee performs but ~~fails to~~does not report on his or her time record. ~~If an employee is~~Employees who are asked to work without reporting ~~his or her~~their time by any supervisor or other individual, ~~that employee~~ must report the request immediately to the Executive Director. **Non-exempt employees will be paid for all hours worked.**

- (c) Overtime will be paid to non-exempt employees in accordance with applicable law. Non-exempt employees may not work overtime hours ~~may~~ without prior supervisor approval. While all ~~the~~ time worked by the non-exempt employee will be paid, even if not authorized, working overtime without authorization is a violation of policy and may lead to disciplinary action.
- (d) An exempt employee’s weekly salary is pay for all hours worked in a ~~week~~workweek and is not subject to deductions for variation in the quantity or quality of the work the employee performs. There are ~~only a few instances~~ wherein which deductions are permitted, and these include but are not limited to the following: any full week an employee ~~does not perform no~~ work; ~~full day~~full-day absences for personal reasons or illness in accordance with the Authority’s ~~PTO policy; full day~~Vacation or Personal Time Off policies; and full-day disciplinary suspensions for major safety violations and significant infractions of written workplace conduct rules; ~~and, time spent on unpaid medical leave.~~
- (e) Any employee who believes that he or she is being asked to work without properly recording work hours, or to record less than all hours worked, or has had an improper deduction or other error in the employee’s paycheck, should notify his or her supervisor or the Executive Director. An employee’s report ~~of non-compliance with this policy~~ will be promptly investigated ~~and he or she.~~ The employee will be promptly reimbursed for any ~~errors in payment for all~~ hours worked but not paid, any improper deductions from wages, or any other errors relating to pay. An employee who makes any such report in good faith will suffer no retaliation for bringing such information to the attention of management. An employee who believes that he or she was retaliated against for making a report regarding wage or pay discrepancies should report ~~this~~ the retaliation to the Executive Director ~~as well.~~

I. Employment Termination.

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

1. *Voluntary Termination.* Employees wishing to resign should give at least two (2) weeks advance notice of the effective date of resignation. All resignations must be in writing to the Executive Director.
2. *Abandonment Termination.* ~~After an unreported, unapproved absence of~~ Employees who are absent from work for three (3) or more consecutive workdays, ~~an employee~~ without approval, and who did not notify the Authority of the need to be absent, may be terminated or considered to have resigned. Reinstatement may occur, in the sole discretion of the Authority, if the employee can explain the extenuating circumstances that prevented ~~them~~ him or her from notifying the Authority regarding the absence at issue. Pay will cease effective the first day of absence.
3. *Involuntary Termination.*
 - (a) *Discharge.* Any employee is subject to being discharged from employment at any time.
 - (b) *Death.* Deceased employees will be ~~removed from the payroll at the end of~~ deemed to cease employment on the day on which their death occurred.
4. All employees who are separating from employment, either voluntarily or involuntarily, are required to ~~schedule~~ conduct an exit interview with the Executive Director at a time and place as specified by the Executive Director.
5. Final pay is made in accordance with applicable law.

J. Attendance and Attire.

1. Employees are required to ~~maintain attendance~~ perform their work duties in a manner that facilitates working cooperatively with other employees during normal work hours. ~~"Attendance" is limited to mean work performed~~ This includes being available and working in the offices of the Authority and in the field within the Zone, ~~and~~ attending local meetings in the Houston area as well as continuing education seminars, ~~work~~ working on behalf of the Midtown Entities, or as otherwise designated.
2. The general workweek is eight (8) hours a day, Monday through Friday. Normal work hours are from 8:00 a.m. to 5:00 p.m. excluding one (1) hour for lunch. However, from time to time and at the discretion of the Executive Director, the

workweek may be modified or an alternative workweek may be implemented upon reasonable notice to all employees and the Board.

3. Tardiness and Other Absence.

(a) Attendance and punctuality are important to the Authority's business. Regular attendance is an essential job function ~~of employment~~. The Authority ~~also~~ expects employees to report to work on a reliable and punctual basis. Unexcused absences or tardiness occurrences, ~~in particular~~, may be grounds for disciplinary action, up to and including termination of employment.

(b) ~~It is the employee's responsibility to be~~ Employees are responsible for being at work and ~~on time and to call his or her designated supervisor when it is not possible to be at work~~ on time. Repeated unexcused tardiness is grounds for termination of employment.

(c) ~~In the case of illness~~ If an employee will be late to work, needs to depart early, or will be absent, the employee is asked to contact the Administrative Manager or the employee's supervisor as soon as possible, but no later than the time the employee is scheduled to begin work or as soon as the employee knows that he or she will need to depart early.

4. Dress Code

(a) Attire at all times should be professional and in good taste.

(b) The Executive Director may provide additional guidelines on appropriate professional attire at his or her discretion.

K. Compensation.

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

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

L. Vacation Plan.

~~1. Vacation practices are intended to grant eligible employees time off with pay according to their years of service. These practices apply to all regular, Full-Time Employees. Part-Time Employees are not eligible for paid vacation.~~

1. Full-Time Employees are eligible for vacation; Part-Time Employees are not eligible for vacation.

2. Prior supervisory approval through normal reporting channels is required for employees to schedule and take vacation.

~~3. Vacation time allotments are~~The amount of vacation allotted to each eligible employee is based on length of his or her years of service.

~~4. All vacation allotment will be determined~~Vacation allotments are implemented on a calendar-year basis. ~~For instance, an increase in an employee's allotment of~~Increases in employee vacation ~~days does~~allotments do not take effect until January 1 of the year after the year in which the employee completes the service requirement set out below.

(a) If an otherwise eligible employee is absent from work at the beginning of a calendar year for any reason (including paid sick leave, unpaid leave of absence, etc.), the employee is not eligible for paid vacation in that calendar year unless and until the employee returns to active work in that calendar year.

(b) If an employee has not performed active work in a calendar year, the employee is not eligible for paid vacation in that calendar year.

(c) If an employee is on authorized absence (with or without pay) throughout an entire calendar year, the employee is not eligible for paid vacation in that calendar year; therefore, the employee will not receive vacation in that calendar year.

5. Employees are not eligible for vacation ~~leave~~ during their first year of service. Notwithstanding the foregoing, the Authority retains the discretion to recognize service credit for a newly hired employee and grant such employee accrued vacation ~~for immediate use~~during their first year of service; any such exception will be documented in writing.

6. Once an employee has completed one (1) year of service, the employee is eligible for two (2) weeks of vacation, which may be taken during the period after the anniversary of the employee's hire date and before December 31 of the year in which such anniversary occurred. Thereafter, until reaching five (5) years of service, the employee will be eligible for two (2) weeks of vacation each calendar year.

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

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

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

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

~~time~~ not yet taken. Notwithstanding anything in this Manual to the contrary ~~in the foregoing~~, with respect to an employee who terminates employment with the Authority for any reason (including resignation) prior to completing one (1) year of employment with the Authority, if such employee was granted ~~accrued~~ vacation (such as based on service credit) for ~~immediate~~ use during the first year of employment, the employee shall not be paid for any such ~~accrued~~ vacation ~~time that is~~ unused as of the termination date.

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

M. Paid Holidays.

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

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

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

3. Employees must use the floating holiday by December 31 of the calendar year in which the floating holiday is granted. The Authority does not provide pay or carryover for a floating holiday that is not taken. Employees who are hired on or after July 1 are not eligible for a floating holiday during the calendar year in which their hire date occurs.

4. Neither Paid Holidays nor the floating holiday are considered hours worked for the purpose of calculating overtime.

N. Personal Time Off.

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

7. Personal time off is not vacation time, and should not be used as such. Personal time off may be used for reasons such as an employee's own injury or illness, doctor's appointments, or other unforeseen need to be absent for personal reasons and also in the event of the short-term need to care for a spouse, child, or parent.
8. In the event an employee exhausts his or her seven (7) days of personal time off in a calendar year, ~~the employee must charge~~ any additional absences ~~to~~ for reasons that would otherwise qualify for personal time off must be covered by vacation or taken as unpaid leave.
9. Personal time off is not considered hours worked for the purpose of calculating overtime.

O. Bereavement Leave.

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

P. Leave.

1. ~~Upon written request or in an emergency, paid~~Paid or unpaid leave of absence may be given for various reasons upon the approval of the Executive Director.
2. Benefits do not accrue while ~~the employee is~~employees are on leave without pay.
3. An employee who requires a leave of absence for medical reasons ~~in order to return to work and perform the employee's essential job functions, with or without reasonable accommodations,~~ may be provided a leave of absence as a reasonable accommodation. To qualify for a leave of absence as a reasonable accommodation, the employee must provide the Authority with a certification from a healthcare provider confirming that: (i) the employee has a physical or medical impairment that substantially limits a major life activity; and, (ii) a leave of specified duration will allow the employee to return to work and perform the essential functions of the employee's job, with or without accommodations. For employees who are already on a leave of absence, to qualify for an extension of such leave, the employee must request the extension prior to exhaustion of the employee's pending leave. Employees may be required to provide a healthcare provider certification regarding their need for an extension of leave.

Q. Confidential Information.

1. In the course of performing duties for the Authority, employees will have access to or gain knowledge of Confidential Information (defined below) belonging to the Authority or the other Midtown Entities, their clients, and other third parties. Confidential Information ~~(defined below)~~ is to be used for the exclusive benefit of the Midtown Entities and their business operations. Maintaining confidentiality is important to the mission and work of the Authority. Therefore, employees have a duty to protect ~~this information~~Confidential Information and to use ~~this information~~Confidential Information only as needed during the performance of their regular job duties for the benefit of the Midtown Entities. During employment with the Authority, and at all times thereafter, employees, former employees, and all agents, representatives, and third parties acting on their behalf must: (i) keep strictly confidential and not directly or indirectly communicate, divulge, or use any Confidential Information for the benefit of any other person or entity, without the prior written consent of an authorized representative of the Authority; and (ii) not copy, duplicate, record or otherwise reproduce any Confidential Information, ~~nor~~or otherwise disclose, disseminate or make such information; available to any person or entity without the prior written consent of an authorized representative of the Authority. Employees who leave employment must immediately return any Confidential Information, proprietary information, records, documents, or other property belonging to the Midtown Entities that is in their possession.
2. "Confidential Information," includes, without limitation, technical, economic, financial, marketing, client and other information belonging or related to the

Midtown Entities that is not common knowledge outside the Midtown Entities. Some examples of Confidential Information include, but are not limited to, research and development materials; electronic databases and internet website specifications and methodologies; methods of operation; computer programs and technologies; marketing and analysis; marketing presentations and/or strategies; contracts; accounting and business systems; short and long range business planning; financial information; trade secrets; business policies; methods of operation; implementation strategies; business files or other information; or any other confidential information concerning the business and affairs of the Midtown Entities. Confidential Information includes any such information that the Employee may originate, learn, have access to or obtain, whether in tangible form or memorized. Confidential Information shall not include material that (i) is in the possession of or known by an employee prior to the receipt thereof from the Midtown Entities; (ii) becomes generally available to the public other than as a result of disclosure ~~by the employee in violation of this policy~~; or (iii) becomes available to the employee from another source outside of employee's employment with the Authority.

R. Technology in the Workplace.

1. The Authority's e-mail, computing, network, internet, telephone, voicemail, and other electronic systems (collectively "Electronic Communication Systems") are ~~the~~ property of the Authority. ~~As such, these~~ These resources are to be used only to conduct Authority business; however, the Electronic Communication Systems can be used during non-working time for statutorily protected employee activity, if applicable. Incidental and occasional personal use of the Electronic Communications Systems is permitted so long as such use does not detract in any way from the conduct of employee responsibilities and Authority business. Personal use must be kept at a minimum and must not violate any other Authority policies.
2. The Authority ~~reserves and exercises the right to~~ may access, intercept, monitor, record, copy, review, disclose, download, and delete any communication or information that employees create or maintain using the Electronic Communication Systems. As a result, **employees must have no expectation of privacy in their use of the Electronic Communication Systems.**
3. Employees are also advised that certain information on each employee's Electronic Communication System may fall under the Public Information Act (Texas Government Code, Chapter 552). ~~Furthermore, employees shall~~ Employees must cooperate with the designated Public Information Coordinator of the Authority to provide requested information in a timely manner and all requests for information from outside the Authority shall be promptly referred to the Public Information Coordinator.

4. The Executive Director, from time to time, at his or her discretion, may provide guidelines on appropriate email and internet usage by all Authority employees.
5. Failure to adhere to any guidelines, provided by the Executive Director, as authorized by this Section or the general prohibition contained ~~herein, may lead to~~ in this Manual, may result in disciplinary action up to and including termination of employment.
6. Technological advances have made smartphones, personal digital assistants, and similar small-scale, handheld computers relatively inexpensive and widely available for business and personal use. While such devices increase productivity, features such as text, picture, and video messaging are subject to misuse in the workplace. The Authority prohibits any and all manner and means of ~~harassment, using technology to engage in~~ discrimination, harassment, and otherwise inappropriate behavior, including harassing or otherwise inappropriate conduct by phone; electronic mail; and text, picture, or video message (e.g. “sexting” or “textual harassment”).
7. Social media (e.g., Facebook, Twitter, LinkedIn, YouTube, Instagram, TikTok, Snapchat, and Flickr) has revolutionized the way people interact with one another online. The Authority recognizes that employees may choose to use social media. It also recognizes, however, that if improperly used, social media can result in a variety of adverse consequences, such as disclosure of sensitive or Confidential Information, copyright violations, and damage to reputation. As a result, the Authority has adopted the following policy and guidelines on its employee’s use of social media.
 - (a) *Definition of Social Media.* As used in this policy, “social media” is any means of communicating with others over the Internet for social or networking (including but not limited to business development) purposes. Social media applications include, without limitation, Facebook, Twitter, LinkedIn, YouTube, Instagram, TikTok, Snapchat, and Flickr, but can also occur on user forums that are offered by television networks, newspapers, magazines, and other websites that permit readers to post comments.
 - (b) *Guidelines for Postings.* Some social networking media sites may provide an appropriate forum to keep current on matters of interest, to make professional connections, and to locate links to ~~other~~ sources/resources. Users must be careful, however, that their online postings do not violate Authority policies or the law. Users are personally responsible for all content they post on social networking media sites. Users should assume that anything posted to an internet site ~~is impossible to modify or remove~~ cannot be modified or removed. In addition, all users should assume that their internet postings can and will be read by anyone. Finally, users should understand that material posted on an internet site

may be obtained and used ~~by litigants~~ in both personal and professional litigation. When using social media, consider the following guidelines:

- (1) Do not disclose the Confidential Information belonging the Midtown Entities, advertise on behalf of the Midtown Entities, or in any way suggest that you are writing on behalf of the Midtown Entities. Employees who identify their Authority affiliation should, in the same space as such identification, disclaim that the opinions expressed do not represent the views of the Authority.
 - (2) Do not post any content that could be characterized as defamation, plagiarism, unlawful harassment or a copyright violation. Identify all copyrighted or borrowed material with citations and links and obtain permissions when necessary.
 - (3) Use the same judgment in writing your postings that you would in writing any formal letter. Post only content that you would be comfortable being in the public domain.
- (c) This policy does not prohibit (i) employees' use of social media to discuss or address, for concerted activity purposes, matters concerning the employment terms and conditions, or (ii) other off-duty conduct, not involving the use of Authority's systems or devices, with respect to which employees are protected by law from adverse employment actions.

S. Workplace Searches.

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

T. Personnel Files.

1. All employee files are the property of the Authority. Active employees may view their respective files in the presence of the Executive Director. Files are available for review only. No items may be added to or removed from the personnel file by an employee. An employee may copy a document in his or her personnel file

only if the employee has previously received the document. Upon termination of employment, all files will remain the property of the Authority, and terminated employees will no longer have access to their files.

U. Code of Ethics and Conflict of Interest.

1. The Authority is committed to achieving the highest standards of ethical conduct and compliance with applicable laws in ~~their~~our operations and activities. This policy is intended to increase awareness of potential conflicts of interest and establish a procedure for reporting them.
2. ~~It is the policy of the~~The Authority ~~to prohibit~~prohibits employees from engaging in any business arrangements with clients, customers, vendors, suppliers, contractors, governmental authorities, and other external parties ~~when it presents~~that present an actual or perceived conflict of interest with the Authority, unless ~~they have~~the employee has prior written approval from the Executive Director. The Authority prohibits all employees from using their position with the Authority or the Authority's relationship with their clients, customers, vendors, suppliers, contractors, governmental authorities, and other external parties for private gain or to obtain benefits for themselves or members of their family.
3. For purposes of this policy, a potential conflict of interest occurs when an employee's outside interests (for example, financial interests) interfere with the interests of the Authority's or the employee's work-related duties. For example, a conflict of interest can occur when an employee is in a position to influence a decision that may result in a personal gain for the employee or the employee's family member as a result of the business dealings of the Authority. If you have a question about whether a situation is a potential conflict of interest, please contact the Executive Director.
4. If an employee becomes aware of any potential conflict of interest or ethical concern regarding his or her employment or that of another employee at the Authority, the employee must promptly speak to, write or otherwise contact his or her direct supervisor or, if the conduct involves the direct supervisor, the Executive Director as soon as possible. The Authority prohibits any form of reprisal, intimidation or retaliation for good faith reporting of a potential conflict of interest or violation of this policy or cooperating in related investigations.

V. Outside Activities.

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

~~Outside employment during an employee's~~Employees are prohibited from engaging in

outside employment, including any performance of services for compensation (such as in a contractor or consultant role), during a leave of absence from the Authority ~~is prohibited, and.~~ Engaging in outside employment may result in disciplinary action, up to and including termination of employment. This rule applies to all leaves of absence from work other than military leave.

W. Gift Policy.

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

X. Safe Work Practices.

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

Y. Whistleblower Policy.

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

Z. Workplace Injuries.

1. All job-related ~~injuries, illnesses, and~~ accidents, or any potential safety hazards or dangerous conditions, must be reported to the Authority, as soon as possible and no later than twenty-four (24) hours after the incident or discovery of the hazard.

2. Any work-related injury or illness suffered by an employee must be reported to the Employee's supervisor immediately. This applies to both injuries and illnesses that require medical attention and those that do not. The supervisor should note the type of injury/illness, date, time, place and person(s) involved, and circumstances relevant to the injury/illness.
3. When an accident or incident results in an employee or other person requiring medical attention—~~is required~~, the supervisor must summarize the accident/incident the same day of the accident that it occurred and submit the summary report to the Executive Director. The supervisor should note the type of injury/illness the required medical attention, any other injuries or illness that occurred, date, time, place and person(s) involved, and the relevant circumstances ~~relevant to the injury~~.
4. When immediate medical attention is required, supervisors should ensure that appropriate medical treatment is ~~provided. If the situation is non-life-threatening, the supervisor should ensure the employee~~ obtained promptly. This may require contacting emergency responders by dialing 9-1-1; ensuring the individual is transported to the nearest medical facility. ~~If life-threatening, emergency responders should be contacted by dialing 9-1-1. If anyone present has proper First Aid training, that person may administer aid until responders arrive.; or ensuring that appropriate First Aid is administered.~~
5. If no medical attention is required, a summary report must still be filed with the Executive Director within twenty-four (24) hours of the incident.

AA. Policy Violations.

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

Section 3. ADOPTION AND REVISION

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

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

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

Adopted on the ~~26th~~23rd day of ~~May~~February, ~~2022~~2023.

SECRETARY’S CERTIFICATE

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

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

1. The Board convened in regular session on the ~~26th~~23rd day of ~~May~~February, ~~2022~~2023, at the regular meeting place thereof within said Midtown Zone, and the roll was called of the duly constituted officers and members of the Board to-wit:

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

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

EMPLOYEE ~~POLICIES~~POLICY MANUAL

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

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

SIGNED this ~~26th~~23rd day of ~~May 2022~~February, ~~2022~~2023.

~~Assistant~~—Secretary, Midtown Redevelopment

Authority

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ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE POLICY MANUAL

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

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

Employee Signature

Printed Name

Date

Acknowledgment and Release of Drug and Alcohol Policy

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

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

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

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

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

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

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

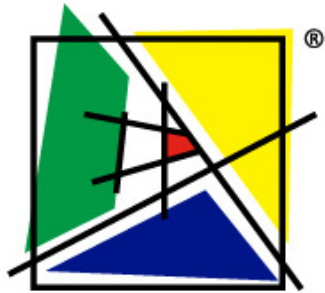
Employee Signature

Date

Employee Printed Name

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Summary report:	
Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 2/21/2023 9:18:22 AM	
Style name: Bracewell Style	
Intelligent Table Comparison: Active	
Original DMS: dm://DM/8233869/6	
Modified DMS: dm://DM/8346601/2	
Changes:	
Add	280
Delete	262
Move From	3
Move To	3
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	548



midtown
H O U S T O N

**INVESTMENT POLICY
& BROKER /DEALER
LIST**

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 23rd day of February, 2023, 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	Michael Lewis	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 REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND LIST OF QUALIFIED BROKER/DEALERS OF MIDTOWN REDEVELOPMENT AUTHORITY; AND CONTAINING OTHER PROVISIONS 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 _____, 2023.

Secretary, Midtown Redevelopment Authority

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND LIST OF QUALIFIED BROKER/DEALERS OF MIDTOWN REDEVELOPMENT AUTHORITY; AND CONTAINING OTHER PROVISIONS RELATED THERETO

WHEREAS, the Midtown Redevelopment Authority (the “Authority”) has been legally created and operates pursuant to the general laws of the State of Texas applicable to local government corporations, and has such authority as has been delegated to it by the City of Houston, Texas, to act on behalf of Reinvestment Zone Number Two, City of Houston, Texas; and

WHEREAS, the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, requires the Board of Directors of the Authority (the “Board”) to review its investment policy on an annual basis; and

WHEREAS, the Board has convened on this date to conduct the Authority’s annual review of its investment policy pursuant to Section 2256.005, et seq., Texas Government Code, as amended, and its list of qualified broker/dealers that are authorized to engage in investment transactions with the Authority, pursuant to Section 2256.025, Texas Government Code, as amended; and

WHEREAS, the Board desires to adopt the amended investment policy attached hereto as Exhibit A (the “Amended Investment Policy”) and an amended list of qualified broker/dealers that are authorized to engage in investment transactions with the Authority; and

WHEREAS, for purposes of the Authority’s participation in the Local Government Investment Cooperative (“LOGIC”) and the TexSTAR Short Term Assret Reserve Fund (“TexSTAR”) investment pools, the Board desires to confirm that, in accordance with the provisions of Section 3.04 of the Amended Investment Policy, with regard to Authority’s investment accounts held with LOGIC and TexSTAR (collectively, the “Authority’s TexSTAR and LOGIC Accounts”), the Authority’s accountant is designated as an “Authorized Representative” of the Authority with full power to take all actions associated with the Authority’s TexSTAR and LOGIC Accounts;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDTOWN REDEVELOPMENT AUTHORITY THAT:

Section 1. The Board has conducted its annual review of its investment policy, and hereby adopts the Amended Investment Policy attached hereto as Exhibit A, and confirms the same shall remain in effect until modified by action of the Board.

Section 2. The Board hereby adopts the list of qualified broker/dealers attached to the Amended Investment Policy as Exhibit A, and confirms that same shall be in effect until modified by action of the Board.

Section 3. The Board hereby confirms that, for purposes of the Authority’s participation in the LOGIC and TexSTAR investment pools, in accordance with the provisions of Section 3.04 of the Amended Investment Policy, the Authority’s accountant, Melissa Morton, is designated as

an “Authorized Representative” of the Authority with full power to take all actions associated with the Authority’s TexStar and LOGIC Accounts, including (i) submittal of documents associated with such accounts; (ii) depositing and withdrawing money from such accounts; (iii) agreeing to terms of use for the website for online transactions associated with such accounts; and (iv) taking all other actions deemed necessary or appropriate for the investment of the Authority’s funds.

Section 4. The provisions of this Resolution shall be effective as of the date of adoption and shall remain in effect until modified by action of the Board.

[Signature page follows]



PASSED AND APPROVED this 23rd day of February, 2023.

Al Odom
Chair, Midtown Redevelopment Authority

ATTEST:

Caton M. Fenz
Secretary, Midtown Redevelopment Authority

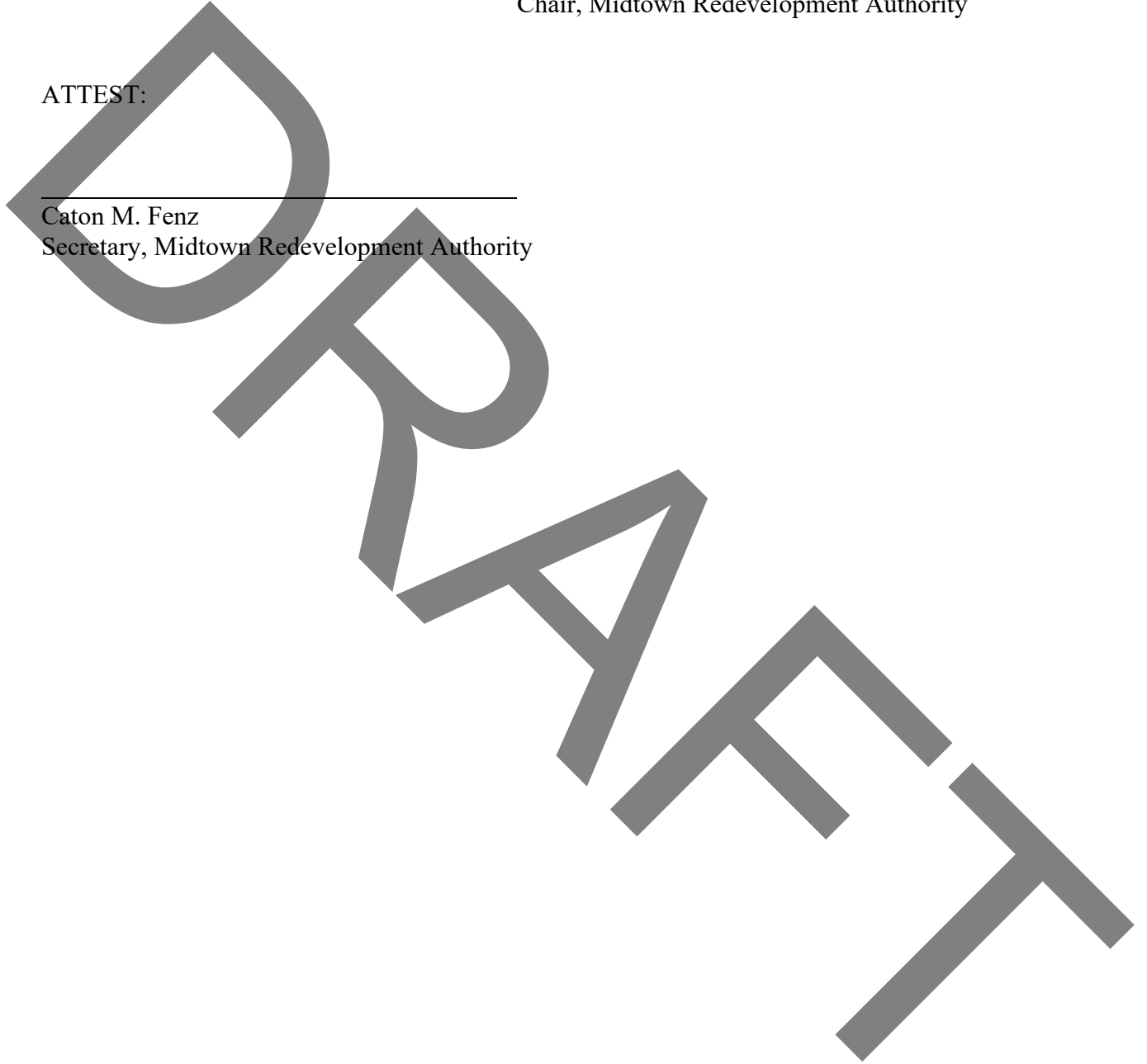


Exhibit A

Amended Investment Policy

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AMENDED INVESTMENT POLICY

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

ARTICLE I
PURPOSE

Section 1.01. Purpose.

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

ARTICLE II
DEFINITIONS

Section 2.01. Definitions.

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

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

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

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

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

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

ARTICLE III INVESTMENT OFFICER

Section 3.01. Investment Officer.

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

Section 3.02. Training.

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

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

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

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

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

1. Presenting a copy of this Investment Policy to any person or business organization seeking to sell an investment to the Authority and obtaining the necessary written certification from such seller referred to in this section;
2. Handling investment transactions;
3. Preparing and submitting to the Board the written report of all investment transactions for the Authority as required by this section;
4. Researching investment options and opportunities;
5. Obtaining written depository pledge agreements as required herein;
6. Obtaining safe-keeping receipts from the Texas financial institution which serves as a depository for pledged Collateral; and
7. Reviewing the market value of the Authority's investments and of the Collateral pledged to secure the Authority's funds.

ARTICLE IV
PROCEDURES FOR INVESTMENT OF AUTHORITY MONIES

Section 4.01. Qualified Broker/Dealers.

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

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

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

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

Section 4.03. Certifications from Sellers of Investments.

The Investment Officer(s) or the Authority Officials shall present this Investment Policy to any person or business organization offering to engage in an investment transaction with the Authority and obtain a certificate stating that such potential seller has reviewed the Investment Policy as provided in the Investment Act. This certificate shall be in a form acceptable to the Authority and shall state that the potential seller has received and reviewed the Investment Policy and has acknowledged that the potential seller has implemented reasonable procedures and controls in an effort to preclude investment

transactions with the Authority that are not authorized by this Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Authority's entire portfolio or requires an interpretation of subjective investment standards. Neither the Investment Officer nor the Authority Officials shall purchase or make any investment from a potential seller that has not delivered to the Authority this required certification. A form of certificate acceptable to the Authority is attached hereto as **Exhibit B**.

Section 4.04. Solicitation of Bids for Certificates of Deposit.

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

Section 4.05. Settlement Basis.

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

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

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

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

Section 4.07. Monitoring the Rating Changes in Investments.

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

ARTICLE V
PROVISIONS APPLICABLE TO ALL FUNDS

Section 5.01. Provisions Applicable to All Fund Groups.

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

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

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

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

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

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

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

the Authority's funds. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the Authority's Executive Director shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

C. Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the Authority's administrator or Investment Officer shall obtain safekeeping receipts from the Texas financial institution or the safe-keeping institution that reflect that Collateral as allowed by this Investment Policy and in the amount required was pledged to the Authority. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance limits or the market value of the Collateral pledged as security for the Authority's deposits. It shall be acceptable for the Authority's administrator or Investment Officer to periodically receive interest on deposits to be deposited to the credit of the Authority if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of the Board that there be no sharing, splitting or cotenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and Authority Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The Authority's Executive Director or Investment Officer shall monitor the pledged Collateral to assure that it is pledged only to the Authority, review the fair market value of the Collateral to ensure that the Authority's funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.

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

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

b. Direct obligations of the State of Texas or its agencies and instrumentalities;

c. Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or the State of Texas or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States;

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

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

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

h. Repurchase agreements that comply with the Investment Act;

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

j. Commercial paper that complies with the Investment Act;

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

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

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

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

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- c. Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years other than those listed in Section 5.02.D.4 and 5.02.D.5 above; or
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 5.03. Diversification.

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

ARTICLE VI
AUTHORIZED INVESTMENTS

Section 6.01. Authorized Investments.

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

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Bonds issued, assumed, or guaranteed by the State of Israel;
7. Interest-bearing banking deposits that are guaranteed or insured by:
 - a. The Federal Deposit Insurance Corporation or its successor; or
 - b. The National Credit Union Share Insurance Fund or its successor;

8. Interest-bearing banking deposits other than those described by Subsection 7 if:
 - a. The funds invested in the banking deposits are invested through (i) a broker with a main office or branch in this state and is selected from a list adopted by the Authority, or (ii) a depository institution with a main office or branch office in this state that the authority selects;
 - b. The broker or depository institution selected as described by Subsection (a) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the Authority's account;
 - c. The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
 - d. The Authority appoints as the Authority's custodian of the banking deposits issued for the Authority's account: (i) the depository institution selected as described by Subsection (1); (ii) an entity described by Section 2257.041(d) of the Texas Government Code, as amended; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-03.
9. Certificates of deposit issued by a depository institution that has its main or a branch office in the State of Texas and that are (i) guaranteed by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor, (ii) secured by the obligations in which the Authority may invest under the Investment Act, or (iii) secured in any other manner and amount provided by law for deposits of the Authority;
10. Certificates of deposit made in accordance with the following conditions: (i) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority; (ii) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (iii) the broker or the depository institution selected by the Authority under clause (i) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (v) the depository institution selected by the Authority under clause (ii), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) acts as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;
11. Repurchase agreements that comply with the Investment Act;
12. Bankers' acceptances that comply with the Investment Act;
13. Commercial paper that complies with the Investment Act;
14. No-load money market mutual funds that comply with the Investment Act; and
15. No-load mutual funds that comply with the Investment Act;

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

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

Section 6.02. Prohibited Investments.

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

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).

Section 6.03. Investment of Funds Related to Authority.

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

ARTICLE VII
INVESTMENT STRATEGIES

Section 7.01. Strategy Applicable to All Funds.

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

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

6. Yield.

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

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

Section 7.03. Investment Strategy for the Surplus Fund.

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

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Annual Review.

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

Section 8.02. Superseding Clause.

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

Section 8.03. Open Meeting.

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

[Remainder of page intentionally left blank]

Adopted on the 22nd day of July, 1998.

Ratified on the 29th day of April, 1999, amended and ratified on the 27th day of February, 2003, amended and ratified on the 26th day of August, 2004, amended and ratified on the 25th day of August, 2005, amended and ratified on the 27th day of April, 2006, amended and ratified on the 28th day of June, 2007, amended and ratified on the 29th day of May, 2008, amended and ratified on the 27th day of August, 2009, amended and ratified on the 29th day of April, 2010, ratified on the 28th day of April, 2011 amended and ratified on the 8th day of December, 2011, reviewed and confirmed on the 26th day of July, 2013, reviewed and confirmed on the 26th day of June, 2014, reviewed and confirmed on the 28th day of May, 2015, reviewed and confirmed on the 25th day of August, 2016, amended and ratified on the 28th day of September 2017, reviewed and confirmed on the 26th day of July, 2018, reviewed and confirmed on the 12th day of December, 2019, amended and ratified on the 28th day of January, 2021, amended and ratified on the 26th day of May, 2022, amended and ratified on the 23rd day of February, 2023.

Exhibit A

LIST OF AUTHORIZED BROKER/DEALERS

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

Woodforest National Bank

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

Exhibit B

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

To: Midtown Redevelopment Authority (the “Authority”)

From: _____ [Name of the person offering or the “qualified representative of the business organization” offering to engage in an investment transaction with the Authority] _____ [Office such person holds]

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

Date: _____, 20__

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

1. I am an individual offering to enter into an investment transaction with the Authority or a “qualified representative” of the Business Organization offering to enter an investment transaction with the Authority, as applicable, as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the “Investment Act”), and that I meet all requirements under such act to sign this Certificate.
2. I or the Business Organization, as applicable, anticipate selling to the Authority investments (the “Investments”) that comply with the Investment Act and the Authority’s Investment Policy as amended and ratified last on February 23, 2023 (collectively, the “Investment Policy”).
3. I or a registered investment professional that services the Authority’s account, as applicable, have received and reviewed the Investment Policy, which the Authority has represented is the complete Investment Policy of the Authority now in full force and effect. The Authority has further acknowledged that I or the Business Organization, as applicable, may rely upon the Investment Policy until the Authority provides me or the Business Organization, as applicable, with any amendments to or any newly adopted form of the Investment Policy.
4. I or the Business Organization, as applicable, have/has implemented reasonable procedures and controls in an effort to preclude investment transactions between the Authority and me or the Business Organization, as applicable, that are not authorized by the Investment Policy, except to the extent that this authorization is dependent upon an analysis of the Authority’s entire portfolio or requires an interpretation of subjective investment standards.
5. I or the Business Organization, as applicable, have/has reviewed or will review prior to sale, the terms, conditions and characteristics of the investments to be sold to the Authority and determined (i) that each of the Investments is an authorized investment for local governments under the Investment Act and (ii) each of the Investments is an authorized investment under the Investment Policy. The Business Organization makes no

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

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

By: _____
Name: _____
Title: _____

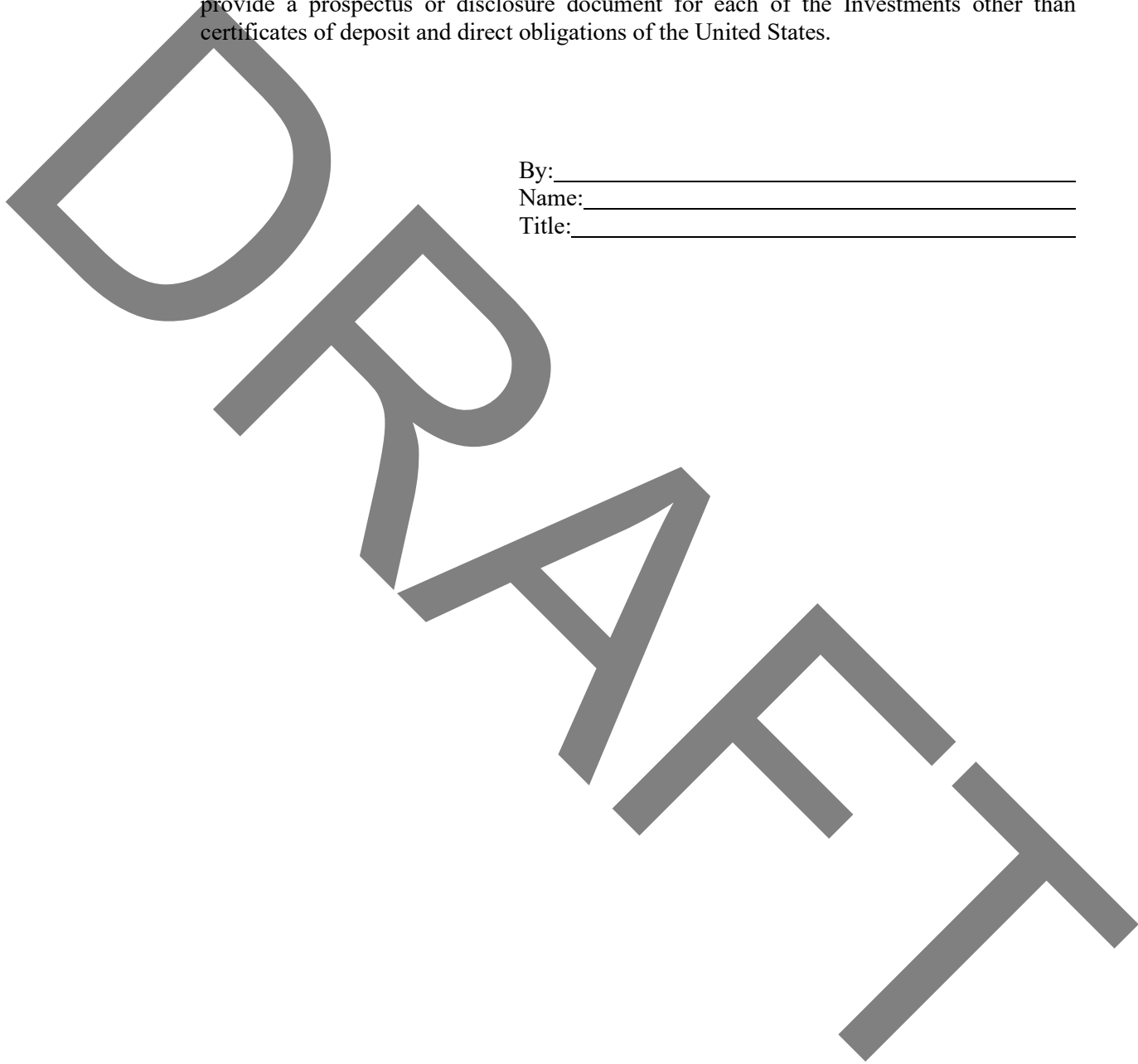


EXHIBIT A

AMENDED INVESTMENT POLICY

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

ARTICLE I
PURPOSE

Section 1.01. Purpose.

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

ARTICLE II
DEFINITIONS

Section 2.01. Definitions.

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

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

- (g) “Director” means a person appointed to serve on the Board.
- (h) “Employee” means any person employed by the Authority, but does not include independent contractors or professionals hired by the Authority as outside consultants, such as the Authority’s accountant, financial advisor or general counsel.
- (i) “FDIC” means the Federal Deposit Insurance Corporation or any successor entity.
- (j) “Investment Act” means Chapter 2256, Texas Government Code, as amended from time to time.
- (k) “Investment Officer(s)” means the Director(s) or Employee(s) of the Authority (or the employee of an investing entity with whom the Authority has contracted to invest its funds) appointed from time to time by the Board to invest and reinvest the funds of the Authority held in its various accounts.

ARTICLE III INVESTMENT OFFICER

Section 3.01. Investment Officer.

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

Section 3.02. Training.

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

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

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

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

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

1. Presenting a copy of this Investment Policy to any person or business organization seeking to sell an investment to the Authority and obtaining the necessary written certification from such seller referred to in this section;
2. Handling investment transactions;
3. Preparing and submitting to the Board the written report of all investment transactions for the Authority as required by this section;
4. Researching investment options and opportunities;
5. Obtaining written depository pledge agreements as required herein;
6. Obtaining safe-keeping receipts from the Texas financial institution which serves as a depository for pledged Collateral; and
7. Reviewing the market value of the Authority's investments and of the Collateral pledged to secure the Authority's funds.

ARTICLE IV
PROCEDURES FOR INVESTMENT OF AUTHORITY MONIES

Section 4.01. Qualified Broker/Dealers.

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

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

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

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

Section 4.03. Certifications from Sellers of Investments.

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

Section 4.04. Solicitation of Bids for Certificates of Deposit.

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

Section 4.05. Settlement Basis.

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

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

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

- (a) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
- (b) Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest.
- (c) Other investment securities with a remaining maturity of one year or less may be valued in any of the following ways:
 - (1) the lower of two bids obtained from securities broker/dealers for such security;
 - (2) the average of the bid and asked prices for such investment security as published in The Wall Street Journal or The New York Times;
 - (3) the bid price published by any nationally recognized security pricing service; or
 - (4) the market value quoted by the seller of the security or the owner of such Collateral.

(d) Other investment securities with a remaining maturity greater than one year shall be valued at the lower of two bids obtained from securities broker/dealers for such security, unless two bids are not available, in which case the securities may be valued in any manner provided in 4.06(c) hereof.

Section 4.07. Monitoring the Rating Changes in Investments.

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

ARTICLE V
PROVISIONS APPLICABLE TO ALL FUNDS

Section 5.01. Provisions Applicable to All Fund Groups.

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

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

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

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

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

B. If it is necessary for the Authority's depositories to pledge Collateral to secure the Authority's deposits, (1) the Collateral pledge agreement must be in writing, (2) the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (4) the Collateral pledge agreement must be kept in the official records of the depository. The depository must provide to the Investment Officer or Authority Officials with written proof of the depository's approval of the pledge agreement as required herein in a form acceptable to the Authority. A signed or certified copy of the minutes of the

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

meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement or other written documentation of such approval acceptable to the Investment Officer will be accepted. It is the preference of the Board that all requirements of this section be met prior to the deposit of any Authority funds in such financial institution when a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer and Authority Officials to proceed diligently to have such agreement approved and documented to assure protection of the Authority's funds. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the Authority's Executive Director shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

C. Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the Authority's administrator or Investment Officer shall obtain safekeeping receipts from the Texas financial institution or the safe-keeping institution that reflect that Collateral as allowed by this Investment Policy and in the amount required was pledged to the Authority. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance limits or the market value of the Collateral pledged as security for the Authority's deposits. It shall be acceptable for the Authority's administrator or Investment Officer to periodically receive interest on deposits to be deposited to the credit of the Authority if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of the Board that there be no sharing, splitting or cotenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and Authority Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The Authority's Executive Director or Investment Officer shall monitor the pledged Collateral to assure that it is pledged only to the Authority, review the fair market value of the Collateral to ensure that the Authority's funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.

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

1. Surety bonds;
2. An obligation that in the opinion of the Attorney General of the United States is a general obligation of the United States and backed by its full faith and credit;
3. A general or special obligation that is (a) payable from taxes, revenues, or a combination of taxes and revenues **and** (b) issued by a state or political or governmental entity, agency, instrumentality or subdivision of the state, including a municipality, an institution of higher education as defined by Section 61.003, Texas Education Code, a junior college, a district created under Article XVI, Section 59, of the Texas Constitution, and a public hospital;
4. A fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a "high-risk mortgage security" under the Collateral Act;
5. A floating-rate collateralized mortgage obligation that does not constitute a "high-risk mortgage security" under the Collateral Act;
6. A letter of credit issued by a federal home loan bank; or

7. A security in which a public entity may invest under the Investment Act. As of the date of this [Investment](#) Policy, the following are the securities in which a public entity may invest under the Investment Act and, therefore, may be used as Collateral:

a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;

b. Direct obligations of the State of Texas or its agencies and instrumentalities;

c. Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or the State of Texas or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States;

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

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

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

h. Repurchase agreements that comply with the Investment Act;

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

j. Commercial paper that complies with the Investment Act;

- k. No-load money market mutual funds that comply with the Investment Act;
- l. No-load mutual funds that comply with the Investment Act; and
- m. Guaranteed investment contracts that comply with the Investment Act.

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

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- c. Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years other than those listed in Section 5.02.D.4 and 5.02.D.5 above; or
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 5.03. Diversification.

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

ARTICLE VI
AUTHORIZED INVESTMENTS

Section 6.01. Authorized Investments.

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

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

6. Bonds issued, assumed, or guaranteed by the State of Israel;
7. Interest-bearing banking deposits that are guaranteed or insured by:
 - a. The Federal Deposit Insurance Corporation or its successor; or
 - b. The National Credit Union Share Insurance Fund or its successor;
8. Interest-bearing banking deposits other than those described by Subsection 7 if:
 - a. The funds invested in the banking deposits are invested through (i) a broker with a main office or branch in this state and is selected from a list adopted by the Authority, or (ii) a depository institution with a main office or branch office in this state that the authority selects;
 - b. The broker or depository institution selected as described by Subsection (a) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the Authority's account;
 - c. The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
 - d. The Authority appoints as the Authority's custodian of the banking deposits issued for the Authority's account: (i) the depository institution selected as described by Subsection (1); (ii) and entity described by Section 2257.041(d) of the Texas Government Code, as amended; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rue 15c3-03.
9. Certificates of deposit issued by a depository institution that has its main or a branch office in the State of Texas and that are (i) guaranteed by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor, (ii) secured by the obligations in which the Authority may invest under the Investment Act, or (iii) secured in any other manner and amount provided by law for deposits of the Authority;
10. Certificates of deposit made in accordance with the following conditions: (i) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority; (ii) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (iii) the broker or the depository institution selected by the Authority under clause (i) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (v) the depository institution selected by the Authority under clause (ii), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) acts as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;
11. Repurchase agreements that comply with the Investment Act;

12. Bankers' acceptances that comply with the Investment Act;
13. Commercial paper that complies with the Investment Act;
14. No-load money market mutual funds that comply with the Investment Act; and
15. No-load mutual funds that comply with the Investment Act;
16. Investment Pools which meet the requirements set forth in Section 2256.016 and Section 2256.019 of the Texas Government Code, as amended and which are specifically authorized by a resolution that is approved by the Board; and
17. With respect to bond proceeds, guaranteed investment contracts that comply with the Investment Act.

Section 6.02. Prohibited Investments.

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

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).

Section 6.03. Investment of Funds Related to Authority.

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

ARTICLE VII INVESTMENT STRATEGIES

Section 7.01. Strategy Applicable to All Funds.

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

1. Understanding of the suitability of the investment to the financial requirements of the Authority;

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

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

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

Section 7.03. Investment Strategy for the Surplus Fund.

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

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Annual Review.

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

Section 8.02. Superseding Clause.

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

Section 8.03. Open Meeting.

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

[Remainder of page intentionally left blank]

Adopted on the 22nd day of July, 1998.

Ratified on the 29th day of April, 1999, amended and ratified on the 27th day of February, 2003, amended and ratified on the 26th day of August, 2004, amended and ratified on the 25th day of August, 2005, amended and ratified on the 27th day of April, 2006, amended and ratified on the 28th day of June, 2007, amended and ratified on the 29th day of May, 2008, amended and ratified on the 27th day of August, 2009, amended and ratified on the 29th day of April, 2010, ratified on the 28th day of April, 2011 amended and ratified on the 8th day of December, 2011, reviewed and confirmed on the 26th day of July, 2013, reviewed and confirmed on the 26th day of June, 2014, reviewed and confirmed on the 28th day of May, 2015, reviewed and confirmed on the 25th day of August, 2016, amended and ratified on the 28th day of September 2017, reviewed and confirmed on the 26th day of July, 2018, reviewed and confirmed on the 12th day of December, 2019, amended and ratified on the 28th day of January, 2021, amended and ratified on the 26th day of May, 2022, [amended and ratified on the 23rd day of February, 2023.](#)

Exhibit A

LIST OF AUTHORIZED BROKER/DEALERS

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

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

Exhibit B

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

To: Midtown Redevelopment Authority (the "Authority")

From: _____ [Name of the person offering or the "qualified representative of the business organization" offering to engage in an investment transaction with the Authority] _____ [Office such person holds]

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

Date: _____, 20____

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

1. I am an individual offering to enter into an investment transaction with the Authority or a "qualified representative" of the Business Organization offering to enter an investment transaction with the Authority, as applicable, as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Investment Act"), and that I meet all requirements under such act to sign this Certificate.
2. I or the Business Organization, as applicable, anticipate selling to the Authority investments (the "Investments") that comply with the Investment Act and the Authority's Investment Policy as amended and ~~restated~~ ratified last on ~~September 28, 2017~~ February 23, 2023 (collectively, the "Investment Policy").
3. I or a registered investment professional that services the Authority's account, as applicable, have received and reviewed the Investment Policy, which the Authority has represented is the complete Investment Policy of the Authority now in full force and effect. The Authority has further acknowledged that I or the Business Organization, as applicable, may rely upon the Investment Policy until the Authority provides me or the Business Organization, as applicable, with any amendments to or any newly adopted form of the Investment Policy.
4. I or the Business Organization, as applicable, have/has implemented reasonable procedures and controls in an effort to preclude investment transactions between the Authority and me or the Business Organization, as applicable, that are not authorized by the Investment Policy, except to the extent that this authorization is dependent upon an analysis of the Authority's entire portfolio or requires an interpretation of subjective investment standards.
5. I or the Business Organization, as applicable, have/has reviewed or will review prior to sale, the terms, conditions and characteristics of the investments to be sold to the Authority and determined (i) that each of the Investments is an authorized investment for local governments under the Investment Act and (ii) each of the Investments is an authorized investment under the Investment Policy. The Business Organization makes

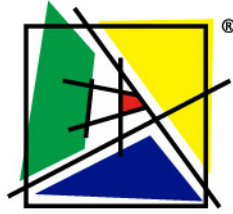
no representation as to whether any limits on the amount of Authority monies to be invested in the Investments exceeds or in any way violates the Investment Policy.

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

By: _____
Name: _____
Title: _____

DRAFT

Summary report:	
Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 2/20/2023 2:22:55 PM	
Style name: Bracewell Style	
Intelligent Table Comparison: Active	
Original DMS: dm://DM/8206108/3	
Modified DMS: dm://DM/8345101/1	
Changes:	
<u>Add</u>	28
Delete	13
<u>Move From</u>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
<u>Table moves from</u>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	41



midtown
HOUSTON

DRAFT

**MIDTOWN AFFORDABLE
HOUSING PROGRAM**

CHANGE ORDER

AIA Document G701

Prime Contract Change Order

Project: One Emancipation 2 & 5
3131 Emancipation Avenue
Houston, Texas 77004

Change Order Number: 001
Date: 1/30/2023
Architect's Project Number: 2020240

To Contractor: D.E. Harvey Builders
3663 Briarpark Drive, Suite 101
Houston, Texas 77042-2008

Contract Date:
Contract For: Construction
Project Number: 01-06073

The Contract is changed as follows:

PCO #	Description	Consolidated Cost
001	Accepted VE's	(67,189.00)
002	MWBE Adder	35,343.20
003	Cost Escalation 9.21.2022	58,446.00
004	Bulletin 01	(32,085.15)
005	Quad Power Huddle 254	571.51
006	CE #006 - Bulletin 02	(3,044.51)
Total Amount:		(\$7,957.95)

The original **Contract Sum** was \$ 1,587,983.00
 The net change by previously authorized Change Orders \$ 0.00
 The **Contract Sum** prior to this Change Order was \$ 1,587,983.00
 The **Contract Sum** will **Decrease** by this Change Order in the amount of (\$7,957.95)
 The new **Contract Sum** including this Change Order will be \$ 1,580,025.05
 The Contract Time will **be unchanged**
 The date of Substantial Completion as of the date of this Change Order, therefore, is

NOTE: The Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

ARCHITECT
 Kirksey Architecture
 6909 Portwest Drive
 Houston, Texas 77024

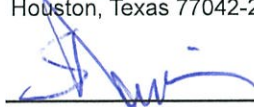
BY (Signature)

 (Print Name)

 (Title)

DATE

CONTRACTOR
 D.E. Harvey Builders
 3663 Briarpark Drive, Suite 101
 Houston, Texas 77042-2008

BY (Signature)

 Stephen Driver

(Print Name)
 Sr. Vice President

(Title)
 2/17/2023

DATE

OWNER
 Midtown Redevelopment Authority
 410 Pierce, #355
 Houston, Texas 77002

BY (Signature)

(Print Name)

(Title)

DATE

D.E. Harvey Builders

3663 Briarpark Drive, Suite 101
Houston, Texas 77042-2008

PCO#001 - 1

Phone: (713) 783-8710

Fax: (713) 783-5313

Potential Change Order

Project: One Emancipation 2 & 5 3131 Emancipation Avenue Houston, Texas 77004	Date: 1/4/2023
	Project Number: 01-06073
	Arch Project Number: 2020240
To: Midtown Redevelopment Authority 410 Pierce, #355 Houston, Texas 77002	PCO # Revision #: 001 - 1
	Prime Contract Number: 01-06073

Title: **Accepted VE's**
Description: CE #001 - Accepted VE's

Reference:

#	Cost Code	Description	Type	Amount
1	17-100 - ALLOWANCES	Accepted VE's	Material	(\$67,189.00)
Subtotal:				(\$67,189.00)
Insurance: 0.00% Applies to all line item types.				\$ 0.00
Fee: 0.00% Applies to all line item types.				\$ 0.00
Grand Total:				(\$67,189.00)

Time:

The Contract time will be changed by:
Pricing VOID if not approved by: 2/3/2023

Clarifications/Qualifications:

Attachments: Accepted VE List_R1.pdf

Prepared By: Hunter Smith
D.E. Harvey Builders

Title: Assistant Project Manager
Date: 01/23/2023

Approved By: Melissa O'Neill, AIA
Digitally signed by Melissa O'Neill, AIA
DN: C=US,
E=melissa@kirksey.com,
O=Kirksey, CN=Melissa O'Neill, AIA
Date: 2023.01.30
11:38:10-06'00'

Title: Vice President-Studio Director
Date: 1/30/23

Approved By: Zachery Martin
Digitally signed by Zachery Martin
DN: cn=Zachery Martin, o=Martin Construction Management & Design, ou,
email=zmartin2@psd.com, c=US
Date: 2023.01.30 16:45:18 -06'00'
Midtown Redevelopment Authority

Title: Owner's Representative
Date: January 30, 2023

Approved By: _____

Title: _____
Date: _____

D.E. Harvey Builders

3663 Briarpark Drive, Suite 101
Houston, Texas 77042-2008

PCO#002 - 0

Phone: (713) 783-8710

Fax: (713) 783-5313

Potential Change Order

Project: One Emancipation 2 & 5 3131 Emancipation Avenue Houston, Texas 77004	Date: 1/4/2023
	Project Number: 01-06073
	Arch Project Number: 2020240
To: Midtown Redevelopment Authority 410 Pierce, #355 Houston, Texas 77002	PCO # Revision #: 002 - 0
	Prime Contract Number: 01-06073

Title: **MWBE Adder**
Description: CE #002 - MWBE Adder

References:

#	Cost Code	Description	Type	Amount
1	17-100 - ALLOWANCES	MWBE Adder	Material	\$ 33,877.00
Subtotal:				\$33,877.00
Insurance: 0.80% Applies to all line item types.				\$ 271.02
Fee: 3.50% Applies to all line item types.				\$ 1,195.18
Grand Total:				\$35,343.20

Time:
The Contract time will be changed by:
Pricing VOID if not approved by:

Clarifications/Qualifications:

Attachments: **MWBE Matrix**

Prepared By: Hunter Smith
D.E. Harvey Builders

Title: Assistant Project Manager
Date: 01/04/2023

Approved By:
Kirksey Architecture

Title: Vice President
Date: 1-10-23

Approved By: Zachery Martin
Midtown Redevelopment Authority

Title: Owner's Representative
Date: January 30, 2023

Approved By: _____

Title: _____
Date: _____

Digitally signed by Zachery Martin
DN: cn=Zachery Martin, ou=Martin Construction
Management & Design, ou,
email=zkmartin22@gmail.com, c=US
Date: 2023.01.30 16:47:42 -0500

D.E. Harvey Builders
 3663 Briarpark Drive, Suite 101
 Houston, Texas 77042-2008

PCO#003 - 0
 Phone: (713) 783-8710
 Fax: (713) 783-5313

Potential Change Order

Project: One Emancipation 2 & 5
 3131 Emancipation Avenue
 Houston, Texas 77004
 Date: 1/4/2023
 Project Number: 01-06073
 Arch Project Number: 2020240
 To: Midtown Redevelopment Authority
 410 Pierce, #355
 Houston, Texas 77002
 PCO # | Revision #: 003 - 0
 Prime Contract Number: 01-06073

Title: **Cost Escalation 9.21.2022**
 Description: CE #003 - Cost Escalation 9.21.2022

Reference:

#	Cost Code	Description	Type	Amount
1	17-100 - ALLOWANCES	Cost Escalation	Material	\$ 58,446.00
Subtotal:				\$58,446.00
Insurance: 0.00% Applies to all line item types.				\$ 0.00
Fee: 0.00% Applies to all line item types.				\$ 0.00
Grand Total:				\$58,446.00

Time:
 The Contract time will be changed by:
 Pricing VOID if not approved by:

Clarifications/Qualifications:

Attachments: Cost Increase Estimate 9.21.2021

Prepared By: Hunter Smith
 D.E. Harvey Builders

Title: Assistant Project Manager
 Date: 01/04/2023

Approved By: [Signature]
 Kirksey Architecture

Title: Vice President
 Date: 1.14.23

Approved By: **Zachery Martin**
 Midtown Redevelopment Authority

Title: Owner's Representative
 Date: January 30, 2023

Approved By: _____

Title: _____
 Date: _____

Digitally signed by Zachery Martin
 DN: cn=Zachery Martin, o=Martin Construction
 Management & Design, ou=
 email=zkmartin22@gmail.com, c=US
 Date: 2023.01.30 16:49:32 -0500

D.E. Harvey Builders

3663 Briarpark Drive, Suite 101
Houston, Texas 77042-2008

PCO#004 - 0

Phone: (713) 783-8710
Fax: (713) 783-5313

Potential Change Order

Project: One Emancipation 2 & 5 3131 Emancipation Avenue Houston, Texas 77004	Date: 1/24/2023
	Project Number: 01-06073
	Arch Project Number: 2020240
To: Midtown Redevelopment Authority 410 Pierce, #355 Houston, Texas 77002	PCO # Revision #: 004 - 0
	Prime Contract Number: 01-06073

Title: Bulletin 01
Description: CE #004 - Bulletin 01
Credit for removal of scope in bulletin 01.

Reference:

#	Cost Code	Description	Type	Amount
1	09-900 - PAINTING	Paint	Subcontract	(\$613.00)
2	09-130 - ACOUSTICAL SUSPENSION SYSTEM	Ceilings	Subcontract	(\$2,800.00)
3	09-100 - DRYWALL	Drywall	Subcontract	(\$2,800.00)
4	16-701 - VOICE & DATA	Data	Subcontract	(\$1,676.51)
5	08-400 - GLASS	Glass	Subcontract	(\$12,447.00)
6	16-100 - ELECTRICAL	Electrical	Subcontract	(\$5,554.00)
7	15-500 - HVAC	HVAC	Subcontract	(\$4,000.00)
8	08-100 - METAL DOORS AND FRAMES	DFH	Subcontract	(\$1,750.00)
9	15-310 - FIRE SPRINKLERS	Fire Sprinkler	Subcontract	(\$640.00)
10	01-062 - BUILDING PERMITS	Permit Revision Costs	Material	\$ 250.00
Subtotal:				(\$31,830.51)
Insurance: 0.80% Applies to all line item types.				(\$254.64)
Fee: 0.00% Applies to all line item types.				\$ 0.00
Grand Total:				(\$32,085.15)

Time:
The Contract time will be changed by: 0 days
Pricing VOID if not approved by: 2/7/2023

Clarifications/Qualifications: 1. Pricing is based on Bulletin 01 drawings dated 5.16.2022 by Kirksey Architecture.

Attachments: [Trio.pdf](#), [Lakeview.pdf](#), [MCA Data.pdf](#), [MLN Fire.pdf](#), [Door King.pdf](#), [Straus.pdf](#), [Eagles Brothers_R1.pdf](#), [Bruegging.pdf](#), [Karsten ACT.PDF](#)

Prepared By: Hunter Smith
D.E. Harvey Builders

Title: Assistant Project Manager
Date: 01/24/2023

Approved By: Melissa O'Neil
Kirksey Architecture

Title: Vice President
Date: 2.16.23

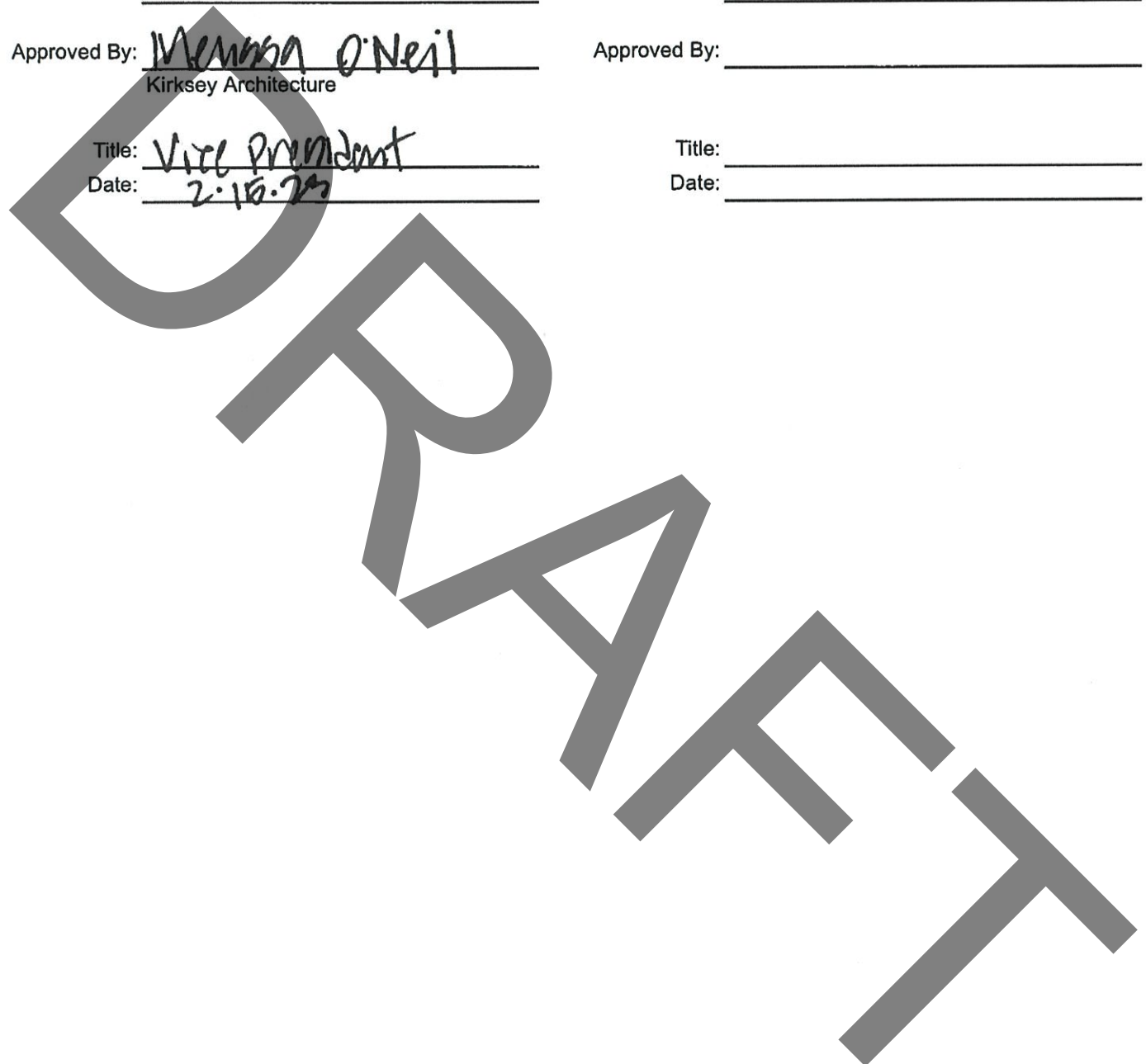
Approved By: Zachery Martin
Midtown Redevelopment Authority

Digitally signed by Zachery Martin
DN: cn=Zachery Martin, o=Martin Construction
Management & Designs, ou,
email=zkmartin2@gmail.com, c=US
Date: 2023.02.17 11:53:53 -0600

Title: Owner's Representative
Date: February 17, 2023

Approved By: _____

Title: _____
Date: _____



D.E. Harvey Builders
 3663 Briarpark Drive, Suite 101
 Houston, Texas 77042-2008

PCO#005 - 0
 Phone: (713) 783-8710
 Fax: (713) 783-5313

Potential Change Order

Project: One Emancipation 2 & 5 Date: 2/2/2023
 3131 Emancipation Avenue Project Number: 01-06073
 Houston, Texas 77004 Arch Project Number: 2020240

To: Midtown Redevelopment Authority PCO # | Revision #: 005 - 0
 410 Pierce, #355 Prime Contract Number: 01-06073
 Houston, Texas 77002

Title: Quad Power Huddle 254
Description: CE #005 - Quad Power Huddle 254
 This is to add quad power at the plan east wall of Huddle 254.

Reference:

#	Cost Code	Description	Type	Amount
1	16-100 - ELECTRICAL	Power at Huddle 254	Subcontract	\$ 498.00
Subtotal:				\$498.00
General Conditions: 10.00% Applies to all line item types.				\$ 49.80
Insurance: 0.80% Applies to all line item types.				\$ 4.38
Fee: 3.50% Applies to all line item types.				\$ 19.33
Grand Total:				\$571.51

Time:
 The Contract time will be changed by: 0 days
 Pricing VOID if not approved by: 2/16/2023

Clarifications/Qualifications: 1. Proposal valid until 2/16/2023.

Attachments: Proposal #2 - Added Quad in Huddel Rm 254 (23.02.02).pdf

Prepared By: Hunter Smith
 D.E. Harvey Builders

Title: Assistant Project Manager
 Date: 02/02/2023

Approved By: *Melvin Davis*
 Kirksey Architecture

Title: Vice President
 Date: 2.15.23

Approved By: Zachery Martin
 Midtown Redevelopment Authority

Title: Owner's Representative
 Date: February 17, 2023

Approved By: _____

Title: _____
 Date: _____

Digitally signed by Zachery Martin
 DN: cn=Zachery Martin, o=Martin Construction
 Management & Design, ou
 email=zkmartin2@gmail.com, c=US
 Date: 2023.02.17 11:59:06 -0600

D.E. Harvey Builders
 3663 Briarpark Drive, Suite 101
 Houston, Texas 77042-2008

PCO#006 - 0
 Phone: (713) 783-8710
 Fax: (713) 783-5313

Potential Change Order

Project: One Emancipation 2 & 5 3131 Emancipation Avenue Houston, Texas 77004	Date: 2/9/2023
	Project Number: 01-06073
	Arch Project Number: 2020240
To: Midtown Redevelopment Authority 410 Pierce, #355 Houston, Texas 77002	PCO # Revision #: 006 - 0
	Prime Contract Number: 01-06073

Title: CE #006 - Bulletin 02
Description: CE #006 - Bulletin 02
 This is for Bulletin 02.

Reference:

#	Cost Code	Description	Type	Amount
1	01-062 - BUILDING PERMITS	Permit cost attached	Material	\$ 246.41
2	09-100 - DRYWALL	RR Ceiling Removal	Subcontract	(\$480.00)
3	09-130 - ACOUSTICAL SUSPENSION SYSTEM	ACT in RR to Storage	Subcontract	\$ 600.00
4	09-680 - CARPET	Flooring in RR to Storage	Subcontract	\$ 873.20
5	09-900 - PAINTING	Paint RR to Storage, No Paint Fins	Subcontract	(\$395.00)
6	15-500 - HVAC	Fire Dampers	Subcontract	\$ 3,194.00
7	15-400 - PLUMBING	RR Plumbing Removal	Subcontract	(\$5,370.00)
8	16-100 - ELECTRICAL	New floor power, delete P&A, add D, new quad	Subcontract	\$ 2,517.00
9	16-701 - VOICE & DATA	Data at floor core	Subcontract	\$ 499.00
10	10-800 - TOILET ACCESSORIES	Specialties Removal	Subcontract	(\$1,202.96)
11	09-300 - TILE	Tile Removal	Subcontract	(\$3,604.00)
Subtotal:				(\$3,122.35)
General Conditions: = -3.27% Applies to all line item types.				\$ 102.00
Insurance: 0.80% Applies to all line item types.				(\$24.16)
Fee: 0.00% Applies to all line item types.				\$ 0.00
Grand Total:				(\$3,044.51)

Time:
 The Contract time will be changed by: 0 days
 Pricing VOID if not approved by: 2/23/2023

Clarifications/Qualifications: 1. Based on Bulletin 02 by Kirksey and consultants dated 1/27/2023.

Attachments: AKS.pdf23009603 RV Plan Revision to 22005774.pdfTrio.pdfArch Floors.pdfKarsten.PDFStraus.pdfSigma.pdfMCA Data.pdfEagles Brothers.pdf, Quality Facility.pdf

Prepared By: Hunter Smith
D.E. Harvey Builders

Title: Assistant Project Manager

Date: 2/15/2023

Approved By: *Melvin O'Neil*
Kirksey Architecture

Title: *Vice President*

Date: *2-15-23*

Approved By: Zachery Martin
Midtown Redevelopment Authority

Digitally signed by Zachery Martin
DN: cn=Zachery Martin, o=Martin Construction
Management & Designs, ou,
email=zkmartin2@gmail.com, c=US
Date: 2023.02.17 11:57:55 -06'00'

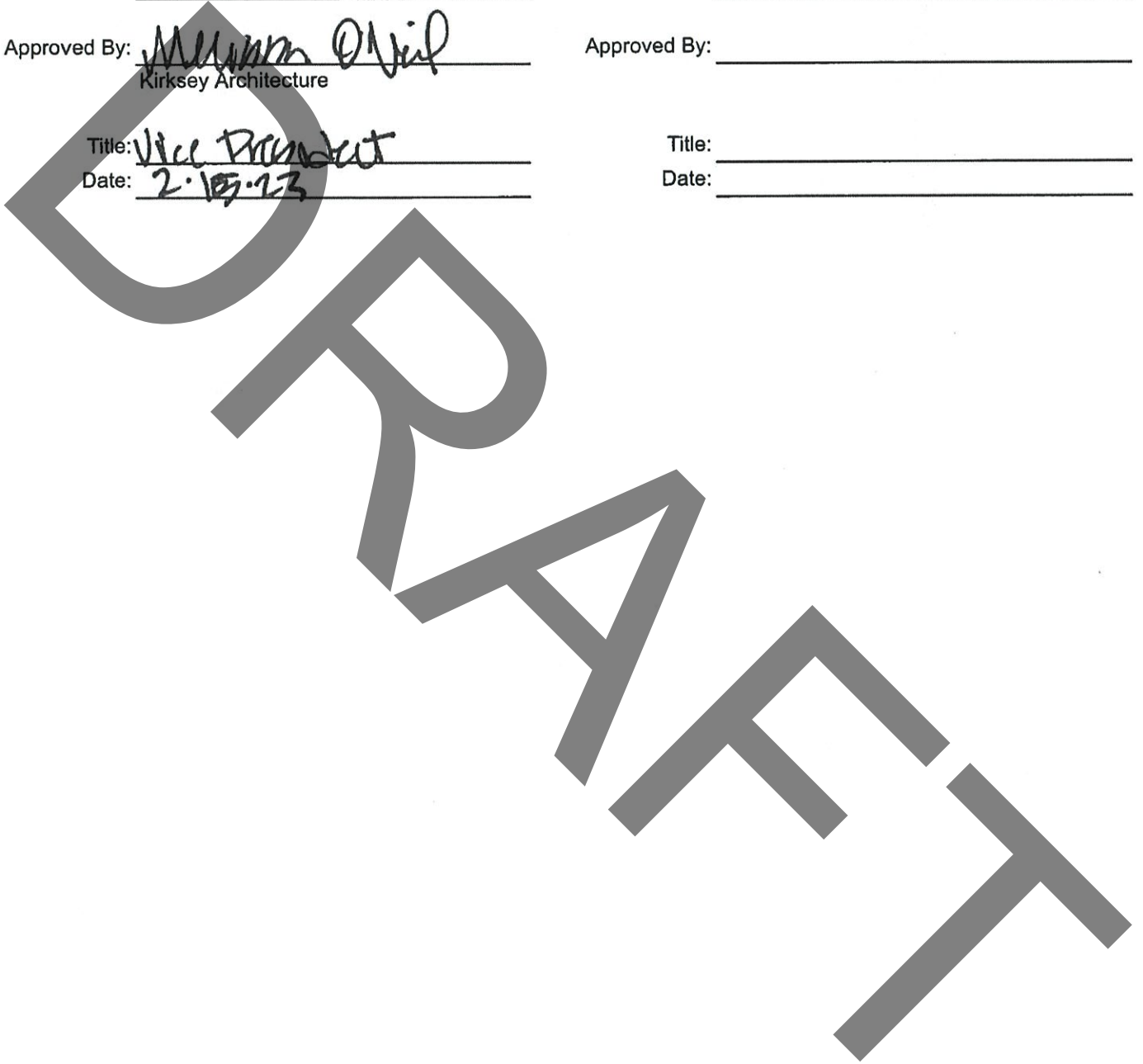
Title: Owner's Representative

Date: February 17, 2023

Approved By: _____

Title: _____

Date: _____



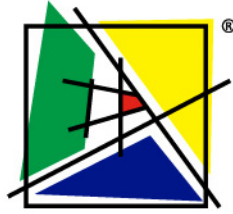
**MIDTOWN REDEVELOPMENT AUTHORITY
AFFORDABLE HOUSING DEVELOPMENT STATUS**

MULTI-FAMILY RENTAL UNITS – COMPLETED	#	TYPE
ReWard Third Ward Senior Housing	70	Multi-family rentals for seniors
New HOPE Housing	166	Multi-family rentals (SROs)
Temenos I and III	58	Multi-family rentals (SROs)
Project Row House CDC	30	Duplex rentals
Law Harrington Senior Living Center - Montrose Center	112	Multi-family rentals for seniors
St. Charles Place Apartments	20	Multi-family rentals
TOTAL M-F RENTAL UNITS COMPLETED	456	
SINGLE FAMILY FOR-SALE UNITS COMPLETED	#	TYPE
Guiding Light CDC	3	Single family detached units
ReWard Third Ward CDC	2	Single family detached units
Epic Homes LLC	20	Single family detached units
Mayberry Homes Inc.	31	Single family detached units
Houston Business Development Inc.	10	Single family detached units
Project Row House CDC	30	Duplexes
Cole Klein Builders, LLC.	19	Single family detached units
Hou Homes Inc.	31	Single family detached units
TOTAL SINGLE FAMILY FOR-SALE UNITS COMPLETED	146	
TOTAL UNITS COMPLETED	602	

Midtown Redevelopment Authority
Affordable Housing Development

Page 2

TO BE BUILT & IN PROGRESS (VARIOUS DEVELOPMENT STAGES)	#	TYPE
MULTI-FAMILY UNITS		
New HOPE Housing	184	Multi-family rental units for seniors
Itex	104	Multi-family rental units
Horizon/ACTION CDC	72	Multi-family rental units
Serenity Palms	145	Multi-family rental units
WALLIP	52	Senior housing
TOTAL MULTI-FAMILY TO BE BUILT	557	
SINGLE FAMILY UNITS		
HBDi	43	Single family detached units
C-R Design Build	3	Single family detached units
Agape CDC (COH-AHP Phase II)	8	Single family detached units
Park Street Homes	10	Single family detached units
Mayberry Homes Inc.	40	Single family detached homes
Mayberry Homes Inc.	1	Single family detached homes
HBDi	2	Single family detached homes
Lin Development Group LLC	2	Single family detached homes
Houston Habitat for Humanity	17	Single family detached homes
City of Houston Affordable Homes Development Program	47	Single family detached homes
Agape CDC	4	Single family detached homes
Cole-Klein Builders LLC	6	Single family detached homes
Daggett Jones	33	
TOTAL SINGLE-FAMILY UNITS TO BE BUILT	216	
TOTAL UNITS TO BE BUILT -MF AND SF	773	
GRAND TOTAL UNITS	1,375	



midtown
HOUSTON

**MIDTOWN CAPITAL
IMPROVEMENTS
PROGRAM**

Capital Improvements Program

Caroline Street Reconstruction

- Contractor continues work on punch list items.
- Design team working on plans to address the punch list items which TxDOT will not require contractor to address.
- CenterPoint has completed removal of remaining pole in conflict with sidewalk and intersection ramp installations.
- Upcoming work includes installation of remaining pavement markings, 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.
- Contractor has completed installation of electrical receptacles.
- Substantial completion inspection was held, and punch list items have been identified.
- Project closeout pending completion of punch list items.

Construction Contract Budget

- Original Contract Amount: \$294,264.50
- Net Change Orders: \$7,251.22
- Contract Amount to Date: \$301,515.72

Street Overlay Program

- Partnership with City of Houston Public Works to improve the road surface condition with mill and asphalt overlay on local streets in Midtown.
- Comprehensive mill and overlay plan developed based on the City's most recent Pavement Condition Index ratings.
- Prioritized phases for construction based on pavement condition ratings and public feedback received from community.
- Mill and overlay to be performed by Houston Public Works with funding provided by MRA funds allocated in the CIP budget.
- Interlocal Agreement with City of Houston for Phase 1 of project which includes 7.28 lane miles for cost of \$910,471.57.

INTERLOCAL AGREEMENT
MILL AND OVERLAY OF CERTAIN STREETS WITHIN REINVESTMENT ZONE
NUMBER TWO, CITY OF HOUSTON, TEXAS (MIDTOWN ZONE)

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This Interlocal Agreement (“Agreement”) is made on the countersignature date between the **CITY OF HOUSTON**, a home rule city of the State of Texas principally located in Harris County, Texas (“City”), and the **MIDTOWN REDEVELOPMENT AUTHORITY**, a not-for-profit local government corporation, organized and existing under the laws of the State of Texas (“Authority”), acting on behalf of Reinvestment Zone Number Two, City of Houston, Texas, a reinvestment zone created by the City of Houston pursuant to Chapter 311 of the Texas Tax Code (“Midtown Zone”).

RECITALS

WHEREAS, it is to the mutual benefit of the City and the Midtown Zone to undertake a public improvement project to improve the road surface quality on certain streets within the Midtown Zone with the addition of an asphalt overlay, as further detailed and depicted in Exhibit A attached hereto (“Project”); and

WHEREAS, the City is willing to complete the Project by performing a mill and overlay through the City’s Houston Public Works (“HPW”) Transportation and Drainage Operations; and

WHEREAS, the Authority is willing to contribute a total sum of \$910,471.57 (the “Authority Contribution”) to the City for costs associated with completion of the Project, including the cost of material, labor, and traffic control (“Project Costs”); and

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and benefits to the parties herein named, it is agreed as follows:

AGREEMENT

1. The City will use its resources and equipment to undertake and complete the Project, including, through HPW’s Transportation and Drainage Operations, mill and overlay and restoration of the roadway surface of a total of 7.28 lane miles of certain streets between certain boundary limits within the Midtown Zone, as more specifically detailed in Exhibit A (“Project Area”).
2. The City shall provide traffic control during construction and separate the Project in phases as needed to provide minimal disruption to the Midtown Zone.
3. Within 45 days after a written request from the City for delivery of funds that includes

an estimated construction start date for the Project, the Authority shall deliver to the City the Authority Contribution. The City shall use the Authority Contribution solely for the Project Costs and for no other purpose. Upon completion of construction of the Project and acceptance thereof by the City for maintenance and operation ("Final Completion"), the City shall provide a statement of final accounting to the Authority detailing the Project Costs and, in the event that the Authority Contribution exceeds the Project Costs, the City shall return any excess funds to the Authority within 45 days of Final Completion.

4. The Authority shall provide written notice of the Project to residents in and near the Project Area no later than 30 days prior to the start of construction on the Project.

5. All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service Post Office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address prescribed herein below or at such other address as the other party may have theretofore prescribed by notice to the sending party.

Address for notices shall be as follows:

CITY:

City of Houston
Houston Public Works
P.O. Box 1562
Houston, Texas 77251
Attention: Danielle Page
Deputy Assistant Director
Transportation and Drainage Operations

AUTHORITY:

410 Pierce, Suite 355
Houston, Texas 77002
Attention: Executive Director

6. This Agreement shall terminate upon Final Completion and the City's delivery to the Authority of (i) any excess funds remaining from the Authority Contribution as described in Section 3 hereof or (ii) written documentation from the City to the Authority evidencing that there are no excess funds remaining from the Authority Contribution.

7. This Agreement shall be construed and interpreted in accordance with the applicable laws of the State of Texas and City of Houston. Venue for any disputes relating in any way to this Agreement shall lie exclusively in Harris County, Texas. Should any provision of this Agreement require judicial interpretation, the City and the Authority hereby agree and stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be construed against the party who prepared the same, it being agreed that all parties hereto have

participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of choice before the execution of this Agreement.

8. This Agreement shall not bestow any rights upon any third party, but rather shall bind and benefit the City and the Authority only.

9. In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice the City or the Authority in their respective rights and obligations contained in the valid terms, covenant and conditions hereof.

10. This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (express or implied) or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

11. Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of each party hereto.

12. Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

13. This Agreement shall bind and benefit the parties and their legal successors. This Agreement does not create any personal liability on the part of any officer or agent of the City or the Authority.

14. Neither party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

IN WITNESS HEREOF, the City and the Authority have made and executed this Agreement in multiple copies, each of which is an original, and all of which shall together constitute but one and the same instrument. The City and the Authority hereby agree that each party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to a scanned signature page, will be as good, binding, and effective as an original signature.

CITY OF HOUSTON

ATTEST/SEAL:

City Secretary

By _____
Mayor

APPROVED:

COUNTERSIGNED:

Director, Houston Public Works

City Controller

APPROVED AS TO FORM:

DATE COUNTERSIGNED:

Assistant City Attorney
L.D. File No.

MIDTOWN REDEVELOPMENT AUTHORITY

By _____
Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

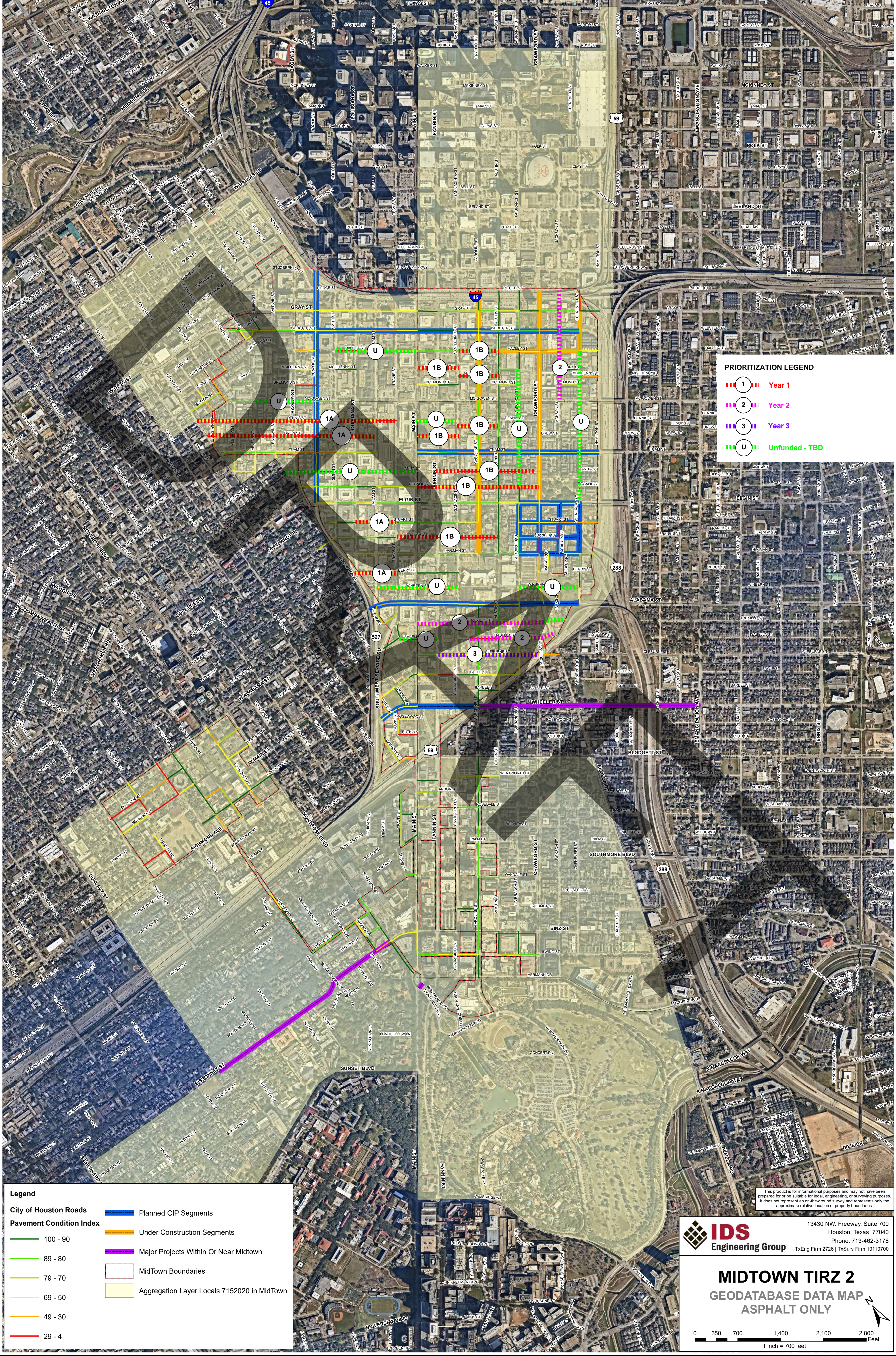
Exhibit A

Project Area and Limits

The Project consists of mill and overlay for Segments 1A and 1B, which are intended to be completed within the same year. Roadway surfaces will be restored by milling the existing asphalt and replacing it with new asphalt. The components of Segments 1A and 1B are delineated in the table below and are depicted in red as “Year 1” segments on the map set forth on the following page.

STREET	FROM	TO	YEAR	LANE MILES	Est. Budget (\$125K/Lane-Mile)
BERRY ST	LOUISIANA ST	TRAVIS ST	1A	0.37	\$45,920.24
DENNIS ST	GENESEE ST	TRAVIS ST	1A	1.41	\$176,450.66
DREW ST	GENESEE ST	MILAM ST	1A	1.20	\$150,006.82
STUART ST	LOUISIANA ST	TRAVIS ST	1A	0.33	\$40,641.48
YEAR 1A TOTAL:				3.30	\$413,019.20
ANITA ST	FANNIN ST	CRAWFORD ST	1B	0.75	\$93,550.54
DENNIS ST	SAN JACINTO ST	AUSTIN ST	1B	0.30	\$37,387.76
DREW ST	MAIN ST	SAN JACINTO ST	1B	0.30	\$37,876.59
FRANCIS ST	TRAVIS ST	AUSTIN ST	1B	0.82	\$102,447.85
HADLEY ST	SAN JACINTO ST	AUSTIN ST	1B	0.30	\$37,629.62
MCILHENNY ST	MAIN ST	AUSTIN ST	1B	0.60	\$75,552.84
ROSALIE ST	MAIN ST	CRAWFORD ST	1B	0.90	\$113,007.17
YEAR 1B TOTAL:				3.98	\$497,452.37
YEAR 1A + 1B TOTAL:				7.28	\$910,471.57

Midtown 3-Year Mill & Overlay Schedule



PRIORITIZATION LEGEND

- 1 Year 1
- 2 Year 2
- 3 Year 3
- U Unfunded - TBD

Legend

City of Houston Roads

- Planned CIP Segments
- Under Construction Segments
- Major Projects Within Or Near Midtown
- MidTown Boundaries
- Aggregation Layer Locals 7152020 in MidTown

Pavement Condition Index

- 100 - 90
- 89 - 80
- 79 - 70
- 69 - 50
- 49 - 30
- 29 - 4

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

IDS Engineering Group

13430 NW. Freeway, Suite 700
Houston, Texas 77040
Phone: 713-462-3178
TxEng Firm 2726 | TxSurv Firm 10110700

MIDTOWN TIRZ 2
GEODATABASE DATA MAP
ASPHALT ONLY

