



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

**MIDTOWN REDEVELOPMENT AUTHORITY/  
TIRZ#2  
BOARD OF DIRECTORS MEETING  
OCTOBER 31, 2024**



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

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

Notice is hereby given that the Board of Directors of the Midtown Redevelopment Authority (the "Authority") will hold a joint **regular** meeting, open to the public, with the Board of Directors of the Midtown Reinvestment Zone on Thursday, October 31, 2024, at 12:30 p.m. at 410 Pierce Street, 1<sup>st</sup> 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. Members of the public may attend and/or offer comments in person as provided on the agenda and as permitted by the presiding officer during the meeting, or may view the meeting through the following link:

[https://teams.microsoft.com//meetup-join/19%3ameeting\\_MTFIYjI2NGYtYjI3Yi00YTVILWJkZmltNDE1Zjk4NmQ1Y2Jh%40thread.v2/0?context=%7b%22Tid%22%3a%2264ae36a4-5920-4081-bbb2-c3260f4221e0%22%2c%22Oid%22%3a%223a154e90-eb27-484b-a1b2-2674d18d9a0e%22%7d](https://teams.microsoft.com//meetup-join/19%3ameeting_MTFIYjI2NGYtYjI3Yi00YTVILWJkZmltNDE1Zjk4NmQ1Y2Jh%40thread.v2/0?context=%7b%22Tid%22%3a%2264ae36a4-5920-4081-bbb2-c3260f4221e0%22%2c%22Oid%22%3a%223a154e90-eb27-484b-a1b2-2674d18d9a0e%22%7d)

Meeting ID: 247 576 862 826 Passcode: GddGFQ

The Board of Directors of each of the Authority and the Midtown Reinvestment Zone will (i) consider, present and discuss orders, resolutions or motions; (ii) adopt, approve and ratify such orders, resolutions or motions; and (iii) take other actions as may be necessary, convenient or desirable, with respect to the following matters:

**AGENDA**

1. Call to Order and Introduction of Guests
2. Public Comment
3. Consent Agenda for the Midtown Reinvestment Zone
  - a. Minutes for September 26, 2024.
4. Consent Agenda for the Authority:
  - a. Minutes for September 26, 2024;
  - b. Monthly financial reports for September 30, 2024;
  - c. Ratification and acknowledgment of Development and Purchase agreement with MORS Development Partners, Series LLC for development of single-family affordable homes.
  - d. Annual renewal of Professional Services Agreement with IDS Engineering Group.

- e. Ratification and acknowledgment of Grant Agreements with Change Happens CDC for development of 10 single-family affordable homes (AHDP).
  - f. Ratification of Second Amendment to Option Agreement with William A. Lawson Institute for Peace and Prosperity (WALIPP) for development of multi-family senior housing.
  - g. Ratification and acknowledgement of Grant Agreement with Change Happens CDC for development of 12 single-family affordable homes.
5. Second Amendment to Development Agreement with Pearl Residences at Midtown Owner, LLC.
6. Affordable Housing Program:
- a. Affordable Housing Operations Campus;
    - i. Change Orders;
    - ii. Interior Design Services Work Order - Smith & Company Architects
7. Capital Improvements Program
- a. Caroline Street Reconstruction
    - i. Change Orders
    - ii. Remedial Drainage Pilot Project
      - 1. Change Orders
  - b. FTA and HUD Grant Projects
    - i. Concept Design Services Work Order – The Goodman Corporation
  - c. Urban Redevelopment Plan
  - d. North Houston Highway Improvement Project (NHHIP) - Caroline/Wheeler Deck Park
8. Personnel, Compensation and Review Process.
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.

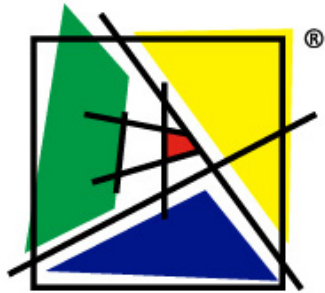
10. Adjourn



Matt Thibodeaux

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Executive Director MT/ks



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# **ZONE CONSENT AGENDA**

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

**September 26, 2024**

A regular meeting of the Board of Directors (the “Board”) of Reinvestment Zone Number Two, City of Houston, Texas, was held at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002 and via videoconference on Thursday, September 26, 2024, 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	Terence Fontaine	7	Deanea LaFlore
3	Michael Lewis	8	James Gilford
4	Michael T. Murphy	9	Zoe Middleton
5	Al Odom		

and all of the above were present in person at the meeting location except Directors Fontaine, Foster and Middleton, who were absent, and Director Murphy, who was present via video conference.

In attendance were Midtown Redevelopment Authority staff members Matt Thibodeaux, Kandi Schramm, Vernon Williams, Marlon Marshall, Jeremy Rocha, Kayler Williams, David Thomas, Cynthia Alvarado, Jaime Giraldo, and Chandler Snipe; Melissa Morton of The Morton Accounting Services; Barron Wallace and Mary Buzak of Bracewell LLP; Algenita Davis and Sean Haley of CCPPI; Carol Harrison of IDS Engineering; Rachel Ray of Walter P. Moore; Jessica Ortiz of Carr, Riggs & Ingram; Jennifer Curley of the City of Houston; George N. Wyche, Jr. of ARVO Realty Advisors; Alex Ramirez of Design Workshop; Zack Martin of Martin Construction Management & Designs, LLC; and Mark A. Robinson of FBS Appliance.

In attendance via video conference were Ashley Small and Ashley Segura of Medley, Inc.; Peggy Foreman of Burney & Foreman; Sally Adame; Mike Pittman; Roberta F. Burroughs of Roberta F. Burroughs & Associates; Jennifer Gribble, President of Super Neighborhood #62; Lynda Guidry of Super Neighborhood #62; Aaron Moore; Graciela Saenz; Jamie Rickenbacker; and two additional attendees who were not identified by first and last name.

Director Odom called the meeting to order.

**MINUTES FOR AUGUST 29, 2024**

Director Goren made a motion to approve the minutes for August 29, 2024. The motion was seconded by Director Lewis and carried by unanimous vote.

**EXECUTIVE SESSION**

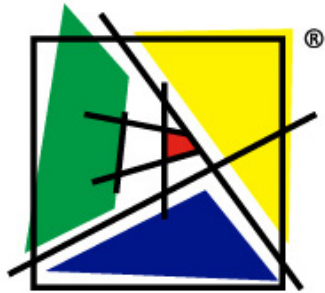
The Board did not enter a closed executive session.

**ADJOURN**

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

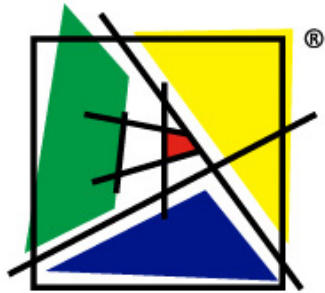
\_\_\_\_\_  
Camille Foster, Assistant Secretary

\_\_\_\_\_  
Date



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**AUTHORITY  
CONSENT  
AGENDA**



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**MINUTES**



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

**September 26, 2024**

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 and via videoconference on Thursday, September 26, 2024, 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	Terence Fontaine	7	Deanea LeFlore
3	Michael Lewis	8	James Gilford
4	Michael T. Murphy	9	Zoe Middleton
5	Al Odom		

and all of the above were present in person at the meeting location except Directors Fontaine, Foster and Middleton, who were absent, and Director Murphy, who was present via video conference.

In attendance were Authority staff members Matt Thibodeaux, Kandi Schramm, Vernon Williams, Marlon Marshall, Jeremy Rocha, Kayler Williams, David Thomas, Cynthia Alvarado; Jaime Giraldo, Chandler Snipe; Melissa Morton of The Morton Accounting Services; Barron Wallace and Mary Buzak of Bracewell LLP; Algenita Davis and Sean Haley of CCPPI; Roberta F. Burroughs of Roberta F. Burroughs & Associates; Carol Harrison of IDS Engineering; Jessica Ortiz of Carr, Riggs & Ingram; Jennifer Curley of the City of Houston; George N. Wyche, Jr. of ARVO Realty Advisors; Alex Ramirez of Design Workshop; Zack Martin of Martin Construction Management & Designs, LLC; and Mark A. Robinson of FBS Appliance.

In attendance via video conference were Ashley Small and Ashley Segura of Medley, Inc.; Peggy Foreman of Burney & Foreman; Sally Adame; Katie Johnson; Rachel Ray-Welsh of Walter P. Moore; Allea Newbold and Brooke Edwards of Ryan; Angie Gomez of CCPPI; Mike Pittman and Daniel Wang of Cushman & Wakefield; Jennifer Gribble, President of Super Neighborhood #62; Lynda Guidry of Super Neighborhood #62; and four additional attendees who were not identified by first and last name.

Director Odom called the meeting to order.

**PUBLIC COMMENT**

There were no public comments.

## **CONSENT AGENDA FOR THE AUTHORITY**

### **MINUTES FOR AUGUST 29, 2024**

### **MONTHLY FINANCIAL REPORTS FOR AUGUST 31, 2024**

### **RATIFICATION AND ACKNOWLEDGMENT OF DEVELOPMENT AND PURCHASE AGREEMENT WITH MORS DEVELOPMENT PARTNERS, SERIES LLC FOR DEVELOPMENT OF SINGLE-FAMILY AFFORDABLE HOMES**

Executive Director Matt Thibodeaux presented the Consent Agenda.

The agenda item relating to MORs Development Partners, Series LLC was pulled from the agenda and will be considered at a future meeting.

Director Goren made a motion to approve the Consent Agenda as presented. The motion was seconded by Director Lewis and carried by unanimous vote.

## **FISCAL YEAR 2024 MIDTOWN FINANCIAL AUDIT**

Jessica Ortiz of Carr, Riggs & Ingram presented the Financial Statement Audit Report for the Fiscal Year ended June 30, 2024 (FY24). Ms. Ortiz reported the Authority received a clean opinion from the auditors. She provided an overview of the Auditor's Report and presented the Authority's financial statements compared to the prior year's audit. Ms. Ortiz noted that there were restated adjustments to the prior year's audit based on property that was granted in 2023 and not recognized as a loss until this year. There were no areas of significant concern or discrepancies in the FY 2024 Financial Statement Audit. There was \$235,000,000 in total assets for FY 2024 compared to \$180,000,000 in FY 2023 with the variance driven by an increase in capital assets of \$55,000,000.

Director Goren made a motion to accept the Financial Audit Report for Fiscal Year 2024 as presented. Following all discussion, the motion was seconded by Director Lewis and carried by unanimous vote.

## **HOTEL SAINT AUGUSTINE – LORETTO DRIVE STREET IMPROVEMENTS PROJECT DEVELOPMENT AGREEMENT**

Marlon Marshall, Senior Director of Engineering/Strategic Development reminded the Board that a presentation regarding this proposed project was made at the August 2024 Board meeting and noted that the developer, The Marchbanks Company, made a request for reimbursement of a portion of the costs of certain streetscape improvements on Loretta Drive adjacent to the new Hotel Saint Augustine. Mr. Marshall reported that the Authority staff has received and reviewed additional information from the developer and consulted with tax consultants and representatives of the City of Houston's Economic Development Department who expressed strong support for the project because of the projected impact on

economic development in the area and the projected tax revenues to be derived from operation of the hotel.

Mr. Marshall presented a recommendation to authorize Authority staff and counsel to move forward with negotiation of a development agreement with the developer.

Director Goren made a motion to authorize Authority staff and counsel to negotiate terms of a development agreement between the Authority and The Marchbanks Company for the Loretta Drive street improvements project. The motion was seconded by Director Lewis and carried by unanimous vote.

## **AFFORDABLE HOUSING PROGRAM**

### **AFFORDABLE HOUSING OPERATIONS CAMPUS**

#### **CHANGE ORDERS**

- i. Mr. Marshall reported that there were no change orders.

George N. Wyche, Jr. of ARVO Realty Advisors (“ARVO”) provided an overview of the current office space leasing market along with an update regarding leasing of the remaining vacant space at One Emancipation Center.

- ii. **CONSTRUCTION PROJECT MANAGEMENT FOR TENANT IMPROVEMENTS ADDITIONAL SERVICES REQUEST – VERGEL GAY & ASSOCIATES**

Mr. Marshall presented the Construction Project Management for Tenant Improvements Additional Services Request from Vergel Gay & Associates in the amount of \$72,000.

Director Goren made a motion to approve the Construction Project Management for Tenant Improvements Additional Services Request from Vergel Gay & Associates in the amount of \$72,000. The motion was seconded by Director Lewis. Following all discussion, the motion and carried by unanimous vote.

### **INTERCREDITOR AND SUBORDINATION AGREEMENT – HEART OF HOUSTON COMMUNITY DEVELOPMENT CORPORATION**

Mary Buzak of Bracewell LLP presented the Intercreditor and Subordination Agreement related to the 11 lots that the Authority conveyed to Heart of Houston Community Development Corporation (Heart of Houston CDC) at the

end of 2023 and reported that the City of Houston (City) and Amegy Bank are both providing loans to Heart of Houston CDC for development of 11 affordable homes on these lots.

Ms. Buzak mentioned as part of the financing of this deal, it is necessary for all of the lenders and the borrower to enter into an intercreditor and subordination agreement that prioritizes the Amegy Bank loan over the City loan and the Authority loan but also preserves the affordability restrictions that are put in place by the City and by the Authority separately under different documents, so that in the event of a foreclosure of the senior loan the affordability restrictions will remain in place.

Director Goren made a motion to approve the Intercreditor and Subordination Agreement for the Heart of Houston Community Development Corporation transaction. The motion was seconded by Director LeFlore and carried by unanimous vote.

**RECOMMENDATION TO APPROVE AN INCREASE IN THE MAXIMUM SALE PRICE OF FOUR SINGLE-FAMILY HOMES UNDER THE DEVELOPMENT AND PURCHASE AGREEMENT WITH EPIC HOMES, LLC DATED MAY 22, 2024**

Ms. Buzak presented an amendment to the development agreement with Epic Homes LLC, providing for an increase to the maximum sale price of four of the homes to be constructed thereunder together with ancillary amendments to the current property sales contract between Epic Homes LLC and the Authority.

Algenita Davis of CCPPI reminded the Board that Epic Homes LLC was one of the developers selected pursuant to an RFP in November 2023. She stated that the lower sales price of \$199,000 was negotiated with the developer, but the developer has since submitted a request to increase the maximum sale price to \$220,000, consistent with the original maximum sale price proposed by the developer.

Director Lewis made a motion to approve the recommendation to increase the maximum sale price of four single-family homes under the development and purchase agreement with Epic Homes, LLC. The motion was seconded by Director Goren and carried by unanimous vote.

**MIDTOWN CAPITAL IMPROVEMENTS PROGRAM**

**CAROLINE STREET RECONSTRUCTION**

Mr. Marshall reported that pre-construction meeting was held with the construction management and design team for the remedial drainage project to discuss the logistics for the project. The contractor is currently awaiting the City's approval of, and issuance of construction permits to begin work.

i. **CHANGE ORDERS**

Mr. Marshall presented the following Change Orders:

Change Order #81 for repairs to the existing waterline at Pierce Street in the amount of \$12,497.68. Director Goren made a motion to approve Change order #81 in the amount of \$12,497.68 for repairs to the existing waterline at Pierce Street. The motion was seconded by Director Gilford and carried by unanimous vote.

Change Order #82 for repairs to the main water line valve at McGowen Street in the amount of \$10,457.67. Director Goren made a motion to approve Change Order #82 for repairs to the main water line valve at McGowen Street. The motion was seconded by Director Lewis and carried by unanimous vote.

Change Order #83 for reimbursement for the purchase of surplus traffic signal and storm inlet material in the amount of \$27,097.68. Barron Wallace of Bracewell LLP asked the Board to table Change Order #83 until further research regarding this expense reimbursement request.

Change Order #84 for unforeseen storm sewer conflict in the amount of \$4,723.62. Director Goren made a motion to approve Change Order #84 for the unforeseen storm sewer conflict. The motion was seconded by Director Lewis and carried by unanimous vote.

Change Order #86 for revisions to the water line material at Tuam Street in the amount of (-\$1,111.80) credit. Director Goren made a motion to approve Change Order #86 in the amount of (-\$1,111.80) credit. The motion was seconded by Director Gilford and carried by unanimous vote.

ii. **REMEDIAL DRAINAGE PILOT PROJECT**

1. Work Order for Construction Materials Testing Services

Mr. Marshall presented the proposal from HVJ Associates for an amount not to exceed \$14,000 for construction materials engineering and testing services.

Director Gilford made a motion to approve the work order for construction materials engineering and testing services in an amount not to exceed \$14,000. The motion was seconded by Director Goren and carried by unanimous vote.

### **BRAZOS STREET RECONSTRUCTION**

i. Change Orders

There were no change orders presented.

Mr. Marshall reminded the Board that the Brazos Street Reconstruction project will include roadway, infrastructure, and streetscape enhancements along Brazos Street between St. Joseph Parkway and Elgin Street. The Brazos Street project narrative was presented to City Planning and Public Works teams as part of review of all TIRZ projects. The City is currently reviewing the project including the impact of potential street parking changes on businesses in the area.

### **URBAN REDEVELOPMENT PLAN**

Mr. Marshall reported that the first of a series of developer engagement workshops was held at the ION. There were 15 developers in attendance. The developers discussed barriers to developing in Midtown and the current market conditions.

Mr. Marshall stated the developer's feedback will be addressed, and a survey will be conducted before the next in-person workshop along with a survey of Midtown community stakeholders to get additional input and recommendations as well.

The next meeting is scheduled for November.

### **PRESENTATION BY MMD – SECURITY & PUBLIC SAFETY AND CULTURAL ARTS ENTERTAINMENT**

Cynthia Alvarado, Director of Operations/Strategic Planning and Cultural Arts District provided an overview of the partnership with Bloomberg Philanthropies for the HueMan: Shelter public art initiative, a two-year public art project. She stated that Houston is a national leader in effort to address issues of homelessness and that the City aspires to lead through example in the design of a temporary public

art initiative developed as a means of economic intervention for people experiencing homelessness and to support creative expression, enhanced public safety, and improvement.

Jaime Giraldo, Director of Public Safety, provided an overview of the work of the Midtown Management District in collaboration with the Midtown Parking Benefits District Committee, Rice Real Estate Company and various law enforcement agencies to address issues of public safety, homelessness, homeless outreach, loud noise and traffic enforcement in Midtown. He advised the Board of the installation of 25 license plate readers (Flock cameras) in Midtown to aid and support the Houston Police Department and other law enforcement agencies in fighting and solving crimes.

**MIDTOWN PERSONNEL POLICIES AND RELATED MATTERS.**

No action was taken on this matter at this time.

**EXECUTIVE SESSION**

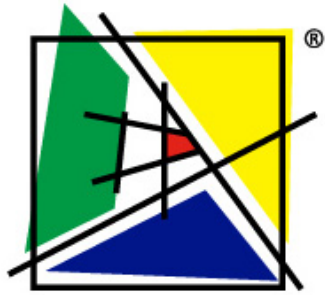
The Board entered a closed executive session for this meeting at 2:41 p.m. to consult with its attorneys and discuss the personnel, compensation and review process pursuant to Section 551.071, Texas Government Code and Section 551.074, Texas Government Code. The Board returned to open session at 3:14 p.m. No action was taken upon entering the open session.

**ADJOURN**

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

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Camille Foster, Assistant Secretary

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Date



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**FINANCIALS**



Midtown Redevelopment Authority

Profit & Loss

July through September 2024

	Jul - Sep 24
Ordinary Income/Expense	
Income	
400000 · Revenue & Support	
400023 · HTC Build Out Reimbursement	229,468.29
400025 · Interest-Debt Service & Reserve	197,721.75
400026 · Interest-Other Bond Funds	65.11
400029 · Interest - Affordable Housing	60,533.09
400030 · Interest-Operating Funds	222,052.63
400031 · Interest Income	10,258.13
400040 · 3131 EMANCIPATION	291,610.71
400041 · Affordable Housing Apts Units	28,589.30
400042 · 402 & 410 Tenant Inome	48,497.50
Total 400000 · Revenue & Support	1,088,796.51
40010 · Other Revenue	-151.61
400400 · FTA Grants - Income	200,000.00
400441 · Bagby Park Kiosk Lease	11,200.00
450000 · Gain/Loss from Sale of Land	-748,616.03
Total Income	551,228.87
Gross Profit	551,228.87
Expense	
500000 · BOND FUND EXPENSES	
500419 · Camden Int.	136,462.94
504000 · Projects & Expenses	
500021 · T-0203 Entry Portals	
500412 · T-0239 Brazos St Recon	15,489.22
Total 504000 · Projects & Expenses	15,489.22
Total 500000 · BOND FUND EXPENSES	151,952.16
510000 · INCREMENT PROJECTS/EXPENSE	
510008 · T-0220 Afford Housing Land Bnk	
510013 · T-0220 Affordable Housing Legal	40,076.75
510017 · T-0220 Drainage Fees	2,993.39
510018 · Fines	303.56
512001 · T-0220 Aff Hous Expense	343,151.29
512003 · Operations Center	178,655.05
Total 510008 · T-0220 Afford Housing Land Bnk	565,180.04
510024 · T-0204 Infrastruc/Street Lights	160.78
510041 · CIP Program Expenses	1,500.00
510043 · T-0234 Parks & Open Space & Mob	6,507.50
510044 · T-0236 Bagby Park	1,060.00
510045 · T-0224 HTC I - Bldg Maintenance	46,367.15
510046 · T-0221 Midtown Pk	28,587.70
510053 · T-0233 Midtown Garage	15,393.37
510102 · HMAAC Interest Expense	5,222.33
510400 · Kiosk at Bagby Park	16,665.00
510534 · T-0225 Mobility & Pedest Imprv	49,741.26
Total 510000 · INCREMENT PROJECTS/EXPENSE	736,385.13

No assurance is provided on these financial statements

Midtown Redevelopment Authority  
**Profit & Loss**  
 July through September 2024

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	Jul - Sep 24
550000 · General & Admin. Expense	
550002 · Contract Labor	12,069.30
550003 · Rent Expense	3,600.00
550004 · Salaries	581,394.57
550007 · Courier Service	360.31
550008 · Office Supply & Expense	5,201.80
550009 · Misc Exp	14,680.17
550010 · Telephone & Utilities	2,409.67
550012 · Postage	516.11
550022 · Bank Charges & Fees	6,514.47
550023 · Trust Expenses	5,600.00
550025 · Professional Services	18,582.71
550026 · Accounting Consultants	47,925.69
550027 · Financial Audit	41,000.00
550028 · Legal Consultants	107,820.00
550030 · Planning Consultants	57,010.02
550032 · Engineering Consultants	10,178.32
550034 · Equip Rent & Lease Expense	2,767.65
550037 · Workman's Comp Insurance	1,233.83
550038 · Insurance - All	-14,846.71
550039 · Computers & Repairs & Maint	6,982.22
550040 · Repair & Maintenance	4,650.00
550045 · Payroll Fees	6,259.05
	921,909.18
Total 550000 · General & Admin. Expense	921,909.18
Total Expense	1,810,246.47
Net Ordinary Income	-1,259,017.60
Net Income	-1,259,017.60

No assurance is provided on these financial statements

Midtown Redevelopment Authority

Balance Sheet

As of September 30, 2024

Sep 30, 24

ASSETS

Current Assets

Checking/Savings

101001 · Wells Fargo Ope Acctg 64040	1,550,054.20
101002 · Infrastructure Projects 1731	880,673.35
101003 · Texas Capital Operating x 6020	50,000.00
101004 · Texas Capital MM x 6052	450,238.19
101010 · WF Surplus Acct 63943	92,258.30
101020 · WF FTA Enhanced Path 63919	61.47
101030 · Wells Fargo 1094	401,027.83
102200 · Logic Operating Account	12,224,546.94
103200 · TexStar Operating Acct 1111	7,718.55
103600 · Wells Fargo Oper Inves 63901	305.52
103700 · WF Operating Saving 3215777180	45,859.16
104000 · Affordable Housing Accounts	8,649,963.76

105000 · Trustee Investments

105001 · Pledge Revenue Fund 422885	88,337.68
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105002 · Debt Service Fund	386,457.91
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105003 · Reserve Fund 422897	7,653,481.29
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105009 · Austin Park Maint. Fund 422919	3,909.17
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107000 · BOND FUNDS	4,902.87
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Total 105000 · Trustee Investments	8,137,088.92
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Total Checking/Savings	32,489,796.19
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Accounts Receivable

170000 · Accounts Receivable	299,492.93
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Total Accounts Receivable	299,492.93
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Other Current Assets	46,795.28
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Total Current Assets	32,836,084.40
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Fixed Assets

150000 · Fixed Assets

150010 · Office Furniture & Equipment	68,129.62
150011 · Accumulated Depreciation-Furn.	-42,580.36
150020 · Computer Equipment	62,956.03
150021 · Accumulated Depreciation-Comp.	-33,773.72
150040 · Land - JPI Park	736,911.00
150045 · Walgreens/Lui Park Land	141,000.00
150062 · Land - Houston Tech.Center I	798,053.89
150063 · Houston Tech Center I	2,676,862.62
150064 · Accm Deprec-Houston Tech Cntr I	-2,676,862.62
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,834,115.96
150067 · Accum.Deprec. HTC Phase I	-2,547,414.23
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-1,769,629.01
150075 · Midtown Park 2905 Travis St	3,506,306.26
150078 · Midtown Park Land-Tracts I & II	4,416,996.74
1500783 · Accum Deprec-Works of Art	-266,557.57
1500784 · Acc Depr Office Housng & Garage	-1,822,493.31
1500785 · Accum Depreciation - Bagby Park	-244,951.00

No assurance is provided no these financial statements

# Midtown Redevelopment Authority

## Balance Sheet

As of September 30, 2024

	Sep 30, 24
150078A · Midtown (Superblock) Garage	13,784.20
150078B · Midtown (Superblockj) Park	5,299,848.40
150078C · Midtown Garage - Depreciable As	
1500781 · Acc Depre - Midtown Garage	-3,003,636.52
150078C · Midtown Garage - Depreciable As - Oth...	23,104,895.00
Total 150078C · Midtown Garage - Depreciable As	20,101,258.48
150078D · Midtown Park - Depreciable Asse	
1500782 · Acc Depre Mldtown Park	-4,243,233.96
150078D · Midtown Park - Depreciable Asse - Other	19,094,553.00
Total 150078D · Midtown Park - Depreciable Asse	14,851,319.04
150078E · Land - Operations Center	1,002,054.00
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	
15078J2 · Operation Center - Non Depr Ass	710,243.70
150078J · Opration Center Dep Asset - Other	26,350,556.73
Total 150078J · Opration Center Dep Asset	27,060,800.43
150078K · Midtown Park -Placed in Service	-5,506,202.00
150079B · Works of Art - Donated	1,137,027.00
150080 · Land (Resale)	38,342,050.33
150080A · Land Held for Resale	-14,644,022.50
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00
150091 · Accum Depr HMAAC	-627,881.30
150100 · 2800 MAIN	317,069.93
150782A · Acc Depr Midtown Park Phase 2-3	-871,815.00
150000 · Fixed Assets - Other	-546,027.24
Total 150000 · Fixed Assets	104,916,628.05
Total Fixed Assets	104,916,628.05
Other Assets	
180500 · Leases	144,148.00
Total Other Assets	144,148.00
TOTAL ASSETS	137,896,860.45
 LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	918,884.13
Other Current Liabilities	
200001 · Current Liabilities	
200005 · Accrued Expenses	1,377,689.31
201000 · Operating Account Liabilities	-3,432.48
201001 · MIDCORP Kiosk	-41,626.98
201002 · Due to MPC	20,883.00
202000 · Project Fund Liabilities	18,578.35

No assurance is provided no these financial statements

Midtown Redevelopment Authority

Balance Sheet

As of September 30, 2024

	Sep 30, 24
2021061 · Due from FWRA for AFLAC	-774.24
2022100 · Security Deposit - Office Rent	11,999.89
204000 · HMAAC NOTE - CURRENT	81,362.20
200001 · Current Liabilities - Other	13,800.00
<b>Total 200001 · Current Liabilities</b>	<b>1,478,479.05</b>
2103007 · Developer Advances Midtown Park	1,962.42
<b>Total Other Current Liabilities</b>	<b>1,480,441.47</b>
<b>Total Current Liabilities</b>	<b>2,399,325.60</b>
<b>Long Term Liabilities</b>	
210000 · Long Term Liabilities	
210048 · Current Portion Bonds Payable	4,290,000.00
210050 · Bond Payable Series 2017	33,895,000.00
210053 · Accrued Bond Int 2015 series	-110,650.00
210059 · Series 2015 Bond Prem	77,723.00
210060 · Accrued Bond Interst 2020	110,650.00
210061 · Series 2017 Bond Premium	2,807,096.00
210063 · Series 2020 Bond Premium	1,418,064.00
210064 · Bonds Payable Series 2020	7,165,000.00
210065 · Bonds Payable Series 2022	22,075,000.00
2103000 · LOANS	
2103003 · HMAAC LOAN REFINANCED	311,910.85
<b>Total 2103000 · LOANS</b>	<b>311,910.85</b>
<b>Total 210000 · Long Term Liabilities</b>	<b>72,039,793.85</b>
<b>Total Long Term Liabilities</b>	<b>72,039,793.85</b>
<b>Total Liabilities</b>	<b>74,439,119.45</b>
<b>Equity</b>	
1110 · Retained Earnings	64,716,758.60
Net Income	-1,259,017.60
<b>Total Equity</b>	<b>63,457,741.00</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>137,896,860.45</b>

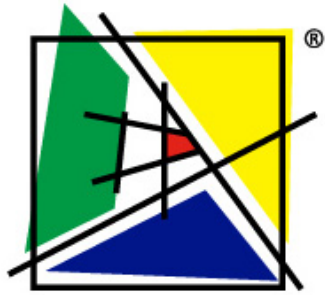
Midtown Redevelopment Authority  
Wells Fargo Aff Housing Disbursements

As of October 25, 2024

Date	Num	Name	Memo	Credit
104000 · Affordable Housing Accounts				
104021 · WF Afford Hous 3927				
09/26/2024	4287	American Fence Company, Inc.		1,450.50
09/26/2024	4288	JEFF MCSCHAN - Video Production	Video Production	1,700.00
09/26/2024	4289	John Patterson	Damage from Hurrican Beryl	9,339.83
09/26/2024	4290	Roberta F. Burroughs & Associates	Project: Midtown Affordable Housing Plan - Impl Srvs For August ...	8,000.00
09/28/2024	ACH	City of Houston - Water	155065	24.85
09/28/2024	ACH	City of Houston - Water	155065	18.98
09/28/2024	ACH	City of Houston - Water	155065	29.08
09/28/2024	ACH	City of Houston - Water	155065	4.91
09/28/2024	ACH	City of Houston - Water	155065	23.61
09/28/2024	ACH	City of Houston - Water	155065	23.61
09/28/2024	ACH	City of Houston - Water	155065	7.05
09/28/2024	ACH	City of Houston - Water	155065	2.14
09/28/2024	ACH	City of Houston - Water	155065	26.00
09/28/2024	ACH	City of Houston - Water	155065	24.85
09/28/2024	ACH	City of Houston - Water	155065	3.66
09/28/2024	ACH	City of Houston - Water	155065	8.40
09/28/2024	ACH	City of Houston - Water	155065	23.61
09/28/2024	ACH	City of Houston - Water	155065	27.36
09/28/2024	ACH	City of Houston - Water	155065	25.24
09/28/2024	ACH	City of Houston - Water	155065	2.73
09/28/2024	ACH	City of Houston - Water	155065	24.85
09/28/2024	ACH	City of Houston - Water	155065	3.50
09/28/2024	ACH	City of Houston - Water	155065	4.87
09/28/2024	ACH	City of Houston - Water	155065	29.71
09/28/2024	ACH	City of Houston - Water	155065	29.80
09/28/2024	ACH	City of Houston - Water	155065	29.43
09/28/2024	ACH	City of Houston - Water	155065	26.51
09/30/2024	ACH	City of Houston - Water	155065	23.61
10/01/2024	4291	American Fence Company, Inc.	U34143 154ft 3011 Bremond St Sept 2024	115.50
10/01/2024	4292	Four Eleven LLC	Landscape Services August 2024	31,943.19
10/15/2024	ACH	City of Houston - Water	155065	24.85
10/15/2024	ACH	City of Houston - Water	155065	18.98
10/15/2024	ACH	City of Houston - Water	155065	29.08
10/15/2024	ACH	City of Houston - Water	155065	4.91
10/15/2024	ACH	City of Houston - Water	155065	23.61
10/15/2024	ACH	City of Houston - Water	155065	23.61
10/15/2024	ACH	City of Houston - Water	155065	7.05
10/15/2024	ACH	City of Houston - Water	155065	2.14
10/15/2024	ACH	City of Houston - Water	155065	26.00
10/15/2024	ACH	City of Houston - Water	155065	24.85
10/15/2024	ACH	City of Houston - Water	155065	3.66
10/15/2024	ACH	City of Houston - Water	155065	8.40
10/15/2024	ACH	City of Houston - Water	155065	27.36
10/15/2024	ACH	City of Houston - Water	155065	25.24
10/15/2024	ACH	City of Houston - Water	155065	2.73
10/15/2024	ACH	City of Houston - Water	155065	24.85
10/15/2024	ACH	City of Houston - Water	155065	3.50
10/15/2024	ACH	City of Houston - Water	155065	4.87
10/15/2024	ACH	City of Houston - Water	155065	29.71
10/15/2024	ACH	City of Houston - Water	155065	29.80
10/15/2024	ACH	City of Houston - Water	155065	29.43
10/15/2024	ACH	City of Houston - Water	155065	26.51
Total 104021 · WF Afford Hous 3927				53,398.52
Total 104000 · Affordable Housing Accounts				53,398.52
TOTAL				53,398.52

Midtown Redevelopment Authority  
Wells Fargo Oper 64040 Disbursements  
As of October 25, 2024

Date	Num	Name	Memo	Credit
101001 · Wells Fargo Ope Acctg 64040				
09/23/2024	ACH	Liberty Bank and Trust	53752 SEPT 2024	10,545.04
09/25/2024	ACH	AFLAC	August 2024 - Update against bill MM	3,022.24
09/26/2024	11458	Angelika Northrup	Office Administration - Sept 16 - Sept 20, 2024	461.25
09/26/2024	11459	Carr Riggs & Ingram, LLC	FY24 AUDIT PROGRESS BILLING	20,000.00
09/26/2024	11460	Melanie Rodriguez	Office Admin Support - Sept 16- Sept 20, 2024	420.00
09/26/2024	11461	OJB	On Call Services - WO 1 AUG 2024	1,170.00
09/26/2024	11462	Otis Elevators	402 Pierce St May 2024	190.00
09/26/2024	11463	Pitney Bowes Global Financial Service...	VOID: LEASE - Property Taxes	
09/26/2024	11464	The Morton Accounting Services	CPA Services	46,089.43
09/26/2024	ACH	G&A Partners	PR 09/30/2024	86,639.14
10/01/2024	11465	Angelika Northrup	Office Administration - Sept 23 - Sept 27, 2024	562.50
10/01/2024	11466	Equi-Tax, Inc.	MontlyConsultation Service fee per contract SEP 2024	500.00
10/01/2024	11467	Melanie Rodriguez	Office Admin Support - Sept 23- Sept 27, 2024	450.00
10/01/2024	11468	Midtown Scouts Square Property. LP	Contract Parking Spaces - 12 October 2024	900.00
10/01/2024	11469	One World Strategy Group, LLC		16,550.00
10/09/2024	ACH	City of Houston - Water	155065	126.91
10/09/2024	ACH	City of Houston - Water	155065	1,081.30
10/15/2024	ACH	City of Houston - Water	155065	578.25
10/15/2024	ACH	City of Houston - Water	155065	272.46
10/17/2024	ACH	Reliant Energy	410 PIERCE STREET - 75237956-0 OCT 2024	3,931.11
10/17/2024	ACH	Reliant Energy	402 PIERCE ST - 75237953-7 OCT 2024	4,204.91
10/21/2024	ACH	CENTERPOINT ENERGY 4	GAS SERICE AT 410 & 402 PIERCE 6402818836-1 OCT 20...	32.51
Total 101001 · Wells Fargo Ope Acctg 64040				197,727.05
TOTAL				197,727.05



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

**MORS DEVELOPMENT  
PARTNERS**



DEVELOPMENT AND PURCHASE AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

MORS DEVELOPMENT PARTNERS, SERIES LLC

\_\_\_\_\_, 2024

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- Exhibit E – Homebuyer Eligibility Requirements

## DEVELOPMENT AND PURCHASE AGREEMENT

This Development and Purchase Agreement (the “Agreement”), dated as of \_\_\_\_\_, 2024 (the “Effective Date”), is made by and among REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (the “Zone”), a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code, MIDTOWN REDEVELOPMENT AUTHORITY (the “Authority” or “Authority”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and MORS DEVELOPMENT PARTNERS, SERIES LLC (the “Developer”), a Texas limited liability company (each a “Party” and collectively, the “Parties”).

### RECITALS

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

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

WHEREAS, the City, the Zone and the Authority have entered into that certain Amended Agreement dated June 7, 2000, and approved pursuant to Ordinance No. 2000-0494 (as amended, the “Midtown Agreement”), pursuant to which the City delegated to the Authority the power to administer the Zone including, but not limited to, the power to use certain tax increment revenues dedicated to providing affordable housing pursuant to Section III(H) thereof; and

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

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

WHEREAS, the Authority seeks to facilitate the development of such land for Affordable Housing, by entering into this Agreement with Developer as part of a pilot project, and model for future projects, designed to expand the supply of safe, sanitary and affordable housing for low income persons within the City; and

WHEREAS, to stimulate the development of affordable housing, the Developer has requested that the Authority sell certain tracts of vacant land located within the City at a consideration that is less than the fair market value of such tracts of land in order to provide safe, sanitary and affordable housing for low income persons; and

WHEREAS, the Board of Directors of the Authority (“Authority Board”) has determined that the Project (as defined herein) is consistent with the City’s current affordable housing policy; and

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

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

## **ARTICLE I DEFINITIONS**

Section 1.01. Defined Terms. Unless a particular word or phrase is otherwise defined or the context otherwise requires, capitalized terms used in this Agreement have the meanings provided in the preamble and Recitals hereto and as provided in this Section:

“**Affordable Housing**” is defined in the Deed.

“**Authority Developer**” means a Person who is party to a development agreement with the Authority.

“**Authority’s Representative**” means the Executive Director or any agent designated in writing by the Executive Director.

“**Completion Date**” shall be as defined in Section 3.03.

“**Conflict of Interest**” means any known instance in which (i) Developer, or an officer, director or employee of Developer, has a familial or business relationship with the Authority, or an Authority Developer, or their respective boards of directors, officers, managers, employees, agents or consultants, or a Qualified Homebuyer, or (ii) a member of the Zone Board or the Authority Board or an employee of the Authority may receive a pecuniary benefit meeting the definition of a conflict of interest under the Authority’s conflict of interest policy.

“**Deed**” means any one of up to seven (7) special warranty deeds executed by the Authority conveying the Property to the Developer with the restrictive covenants contained thereon, and which shall be substantially in the form attached as Exhibit C of this Agreement.

“**Executive Director**” shall mean the person serving as the Executive Director of the Authority or any agent designated in writing by the Executive Director.

“**Homebuyer Eligibility Requirements**” means the Homebuyer Eligibility Requirements attached as Exhibit E of this Agreement, as such requirements may be amended, modified or supplemented by the Authority from time to time.

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

“**Project**” means the development of single-family affordable housing on the Property by the Developer.

“**Project Specifications**” shall be as defined in Section 3.01.

“**Property**” means the parcels of real property identified and described in **Exhibit D**, which have been previously acquired by the Authority and are eligible to be sold to the Developer hereunder.

“**Qualified Homebuyer(s)**” means those purchasers that meet (i) the Homebuyer Eligibility Requirements and (ii) such other requirements, as more particularly defined in the Deed, to purchase the single-family residences to be developed under this Agreement.

“**Reconveyance Right**” is defined in the Deed.

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

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

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

## **ARTICLE II GENERAL REPRESENTATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **ARTICLE III THE PROJECT**

#### Section 3.01. General Purpose.

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

(b) The Project shall consist of the design, construction, assembly, installation and implementation of no fewer than seven (7) affordable single-family residences, consistent with the approved specifications (the "Project Specifications").

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

(d) Developer covenants and agrees that:

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

(ii) the Property shall be used solely to construct seven (7) affordable single-family residences;

(iii) all single-family residences developed on the Property shall qualify as Affordable Housing at all times for a term of not less than (1) the Term of this Agreement or (2) the Affordability Period, as defined in the Deed;

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

(v) upon completion of construction of the single-family residences contemplated hereunder, the Developer shall cause each such single-family residence to be sold to Qualified Homebuyers for not more than \$248,000, or such other amount as the Executive Director may designate in writing; and



(vi) Developer shall sell each such single family residence constructed on the Property only to a Qualified Homebuyer who meets the Homebuyer Eligibility Requirements, unless the Authority Board approves a waiver of such Homebuyer Eligibility Requirements for such transaction, as provided herein, and use customary documentation, in form and substance acceptable to the Authority, to evidence each such transaction, including but not limited to a Deferred Payment Forgivable Promissory Note and Subordinate Lien Deed of Trust for the benefit of the Authority, to secure the performance of the Qualified Homebuyer's obligations with respect to such single family residence.

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

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

Section 3.03. Completion of Project. The Project shall reach completion no later than the date that is 240 days from the date of acquisition of the Property (the "Completion Date") all subject to force majeure. Upon written request by the Developer, the Executive Director, in his sole discretion, may extend the Completion Date for an additional period up to 120 days. To be effective, any such extension must be in writing and signed by the Executive Director. The Project will not be deemed complete until the Authority has received all necessary documentation from the Developer as described herein, and the Executive Director provides written confirmation that the Authority deems the Project completed.

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

Section 4.01. Conveyance of the Property. The Authority agrees to sell the Property to Developer for \$1.50 per square foot which is less than the fair market value of such Property, in order to facilitate the provision of decent, safe, sanitary and affordable housing for low income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed, in the Official Public Records of Real Property of Harris County, Texas, subject to the terms and conditions set forth in an Unimproved Property Contract to be entered into by the Developer and the Authority substantially in the form attached hereto as **Exhibit B**. The Parties agree that the Executive Director shall have the sole right to determine when to enter into an Unimproved Property Contract with Developer for the Property to be conveyed hereunder.

Section 4.02. Funding for the Project. The Parties agree that Developer shall be solely responsible for securing all funding and financing necessary to purchase the Property and complete

construction of the Project in accordance with the terms of this Agreement. The Authority shall have no obligation to provide any funds for any purpose in connection with the design and construction of the Project.

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

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

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

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

## **ARTICLE VI DEFAULT**

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

- (a) Developer fails to purchase the Property as provided for in this Agreement within 120 days of the Effective Date, unless such time period is extended by the Executive Director;
- (b) Developer fails to complete construction of any one or more of the seven (7) single-family residences within the requirements of Section 3.03;

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

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

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

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

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

Section 6.02. Remedies Upon Event of Default.

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

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

**ARTICLE VII  
INDEMNIFICATION AND RELEASE**

Section 7.01. Indemnification and Release.

(a) **TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE AUTHORITY, THE CITY, THE ZONE, AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE “INDEMNIFIED PARTIES”) FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, DEMANDS, CLAIMS, SUITS, CAUSES OF ACTION, LIABILITIES, COSTS, FINES, SETTLEMENTS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, EXPERT FEES, INTEREST, EXPENSES AND ATTORNEY’S FEES) (COLLECTIVELY “LOSSES”), WHETHER ARISING IN EQUITY, AT COMMON LAW, OR BY**

**STATUTE, INCLUDING WITHOUT LIMITATION (I) THE TEXAS DECEPTIVE TRADE PRACTICES ACT OR SIMILAR STATUTES OF OTHER JURISDICTIONS, (II) THE LAW OF CONTRACTS, (III) THE LAW OF TORTS (INCLUDING WITHOUT LIMITATION NEGLIGENCE AND STRICT LIABILITY WITHOUT REGARD TO FAULT) OR (IV) THE LAW OF PROPERTY, OF EVERY KIND OR CHARACTER (INCLUDING WITHOUT LIMITATION, LOSSES FOR PERSONAL INJURY (INCLUDING WITHOUT LIMITATION EMOTIONAL DISTRESS), REAL OR PERSONAL PROPERTY DAMAGE (INCLUDING WITHOUT LIMITATION CITY PROPERTY), OR ECONOMIC LOSS) ARISING IN FAVOR OF OR BROUGHT BY (I) ANY OF DEVELOPER'S EMPLOYEES, AGENTS, SUBCONTRACTORS, SUB-SUBCONTRACTORS, SUPPLIERS, MATERIALMEN OR REPRESENTATIVES, OR BY (II) ANY GOVERNMENTAL AUTHORITY OR BY (III) ANY OTHER THIRD PARTY CLAIMANT, (COLLECTIVELY, "INDEMNITORS") BASED UPON, IN CONNECTION WITH, RELATING TO OR ARISING OUT OF DEVELOPER'S (OR ANY OF ITS CONTRACTORS', SUBCONTRACTORS', SUB-SUBCONTRACTORS', SUPPLIERS', MATERIALMEN'S, EMPLOYEES', OR ANY OTHER PERSON DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM OR FOR WHOSE ACTIONS THEY MAY BE LIABLE) ACTIONS OR INACTIONS UNDER THIS AGREEMENT, THE WORK, ANY BREACH OF WARRANTY MADE HEREIN BY DEVELOPER, ANY FAILURE TO COMPLY WITH ANY REQUIREMENT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY INDEMNITOR'S FAILURE TO COMPLY WITH ANY APPLICABLE LAW, ANY LIENS OR ENCUMBRANCES ON THE WORK, THE PROJECT OR THE AUTHORITY'S PROPERTY ARISING OUT OF THE WORK, OR ANY INFRINGEMENT OF ANY INTELLECTUAL PROPERTY ARISING OUT OF THE WORK, AND EVEN IF DUE IN PART TO ANY INDEMNIFIED PARTY'S NEGLIGENCE OR OTHER FAULT, BREACH OF CONTRACT OR WARRANTY, VIOLATION OF STATUTE, INCLUDING WITHOUT LIMITATION THE TEXAS DECEPTIVE TRADE PRACTICES ACT, OR STRICT LIABILITY WITHOUT REGARD TO FAULT.**

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

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

(d) Developer's obligations pursuant to this ARTICLE VII shall apply regardless of the amount of insurance coverage held by Developer, including without limitation any such coverage under any worker's compensation act, disability act, or other act or law which would limit the amount or type of damages, compensation, or benefits payable by or for Developer, and shall not be limited by any insurance carried or provided by Developer in accordance with

this Agreement or otherwise. Developer's obligations under this ARTICLE VII shall not be construed to negate, abridge or reduce other rights or obligations of defense or indemnity that would otherwise exist as to a party or person described in this ARTICLE VII. Developer shall include provisions in its subcontract agreements which obligate each subcontractor to Developer to the same extent that Developer is obligated to the Indemnified Parties pursuant to this ARTICLE VII.

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

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

## **ARTICLE VIII GENERAL**

Section 8.01. Inspections, Audits. The Developer agrees to use commercially reasonable efforts during the Term to keep such operating records as may be required by the City, the Authority, or by state and federal law or regulation. The Developer shall allow the Authority reasonable access to documents and records in the Developer's possession, custody or control relating to the Project that the Authority deems necessary to assist the Authority in determining the Developer's compliance with this Agreement. Developer shall allow the Authority reasonable access to the Project to conduct visual inspections of the Project. All inspections will be made only after giving the Developer notice at least 24 hours in advance thereof.

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

Section 8.03. Dispute Resolution.

(a) In the event of any claim, dispute or controversy arising out of or relating to this Agreement (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of torts, contracts, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, or seeks damages or any other relief) which the Parties have been unable to settle or agree upon within a period of thirty (30) days after the dispute or disagreement arises,

each Party shall nominate a senior officer of its management to meet at a mutually agreed time and place not later than forty-five (45) days after the dispute or disagreement has arisen to attempt to resolve such dispute or disagreement. Should a resolution of such dispute or disagreement not be obtained within fifteen (15) days after the meeting of senior officers for such purpose, either Party may then by written notice to the other submit the dispute to non-binding mediation in accordance with this Section.

(b) In the event that the Parties are unable to resolve any disputes in accordance with Section 8.03(a), either Party may, by written notice to the other submit the dispute to non-binding mediation before a mutually agreed-upon mediator. If the Parties are unable to agree upon a mediator within twenty (20) days after the written notice of submission to mediation, the American Arbitration Association shall be empowered to appoint a qualified mediator. If the dispute is technical in nature, the mediator appointed by the American Arbitration Association shall be qualified by at least ten (10) years' experience in construction, engineering, and/or architecture. The mediation shall be conducted within thirty (30) days of the selection or appointment of the mediator, as applicable. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held at a mutually agreeable location in Houston, Texas. If the Parties are unable to agree upon a location, the mediation shall be held at the offices of the American Arbitration Association in Houston, Texas. Participation in non-binding mediation in accordance with this Section shall be a condition precedent to Developer having the right to file any legal or equitable action against the Authority.

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

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

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

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

Developer: MORS Development Partners, Series LLC  
4501 Cartwright Road, Ste 204  
Missouri City, Texas 77459  
Attention: Malaki Sims, Managing Member  
kingmalaki@hotmail.com

Authority: Midtown Redevelopment Authority  
410 Pierce Street, Suite 355  
Houston, Texas 77002-8722  
Attention: Executive Director  
mthibodeaux@midtownhouston.com

with a copy to:

Mary Buzak  
Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002  
mary.buzak@bracewell.com

and

Peggy Foreman  
Burney & Foreman  
5445 Alameda Road, Suite 400  
Houston, Texas 77004  
pforeman@burneyandforeman.com

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

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

Section 8.07. Waivers. No waiver of any provision of this Agreement shall be of any force or effect unless such waiver is in writing, expressly stating to be a waiver of a specified

provision of this Agreement and signed by the Party to be bound thereby. Either Party's waiver of any breach or failure to enforce any of the provisions of this Agreement, at any time, shall not in any way limit or waive that Party's right thereafter to enforce or compel strict compliance with this Agreement or any portion or provision or right under this Agreement.

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

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

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

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

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



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

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

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

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

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

IN WITNESS WHEREOF, the Authority and the Developer 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, to become effective as of the Effective Date. The Authority and the Developer 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.

**MIDTOWN REDEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MORS DEVELOPMENT PARTNERS,  
SERIES LLC**

Signed by:  
By:  \_\_\_\_\_  
6DF0355A496F4C7...

Name: King Malaki \_\_\_\_\_

Title: President \_\_\_\_\_

**Exhibit A**

*to*

*Development and Purchase Agreement*

**Project Specifications**

Developer shall construct seven (7) single-family homes, each with a minimum of four (4) bedrooms, two (2) bathrooms, and an attached one (1)-car garage. When complete, each home shall have a total square footage of approximately 2224 square feet (gross living area of approximately 1,722 square feet).

Construction shall be in compliance with Project Specifications approved by the Authority. The time for Completion of the Project is 240 days from the date of acquisition of the Property, which time period may be extended by the Executive Director upon written request of the Developer, as further provided in Section 3.03 of this Agreement.

The maximum sales price for each home shall be \$248,000.

Each single-family home will have the following design features: SEE ATTACHED.

## **MORS DEVELOPMENT PARTNERS SERIES LLC/MRA 3<sup>rd</sup> WARD SCATTERED SITE INITIATIVE**

### **Exterior Quality Features**

- \*20 or 30 year composition shingles
- \*Cement board siding
- \*Concrete walkways and driveways
- \*Garage door
- \* Exterior front and backyard lighting package
- \*Landscaping front yard and sod

### **Energy Saving Features**

- \*Efficient 13 Seer Air Conditioning
- \*Digital thermostat
- \*Energy saver water heater
- \* R-13 wall insulation
- \* R-22 ceiling insulation
- \*R-38 attic insulation
- \* Dow sills at all exterior doors
- \* Energy efficient vinyl windows
- \*Attic venting

### **Interior Quality Features**

- \*Garbage disposal
- \*Black, white, or stainless steel appliance package (range, microwave, dishwasher)
- \*Smoke/carbon monoxide detectors in common areas and bedrooms
- \*ceiling fans in living room and primary bedroom with wire block available in other bedrooms
- \*dual stainless steel kitchen sink
- \*garage door opener (pre-wire only)
- \*30" pre-fab quiet close cabinetry
- \*granite or quartz kitchen and bathroom countertops
- \*kitchen backsplash

Mors Development Partners is committed to delivering quality, affordable single family homes in conjunction with the Midtown Redevelopment Authority, City of Houston, and any other potential partners.

**All homes will have a 1 Year Builder's Warranty in place post-closing date**

**EXHIBIT A-1**  
to  
*Development Agreement*

**MORS DEVELOPMENT PARTNERS, SERIES LLC**

**PROJECT SPECIFICATIONS SUMMARY AND MAXIMUM SALES PRICES**

<u>Tract</u>	<u>Address</u>	<u>Lot Size</u> <u>(Sq. Ft.)</u>	<u>Floor Plan</u>	<u>Total Square Footage</u>	<u>Gross Living Area</u>	<u>Bedrooms</u>	<u>Bathrooms</u>	<u>Garage</u>	<u>Max Sales Price</u>	<u>Recapture Amount<sup>1</sup></u>
1	3101 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
2	3102 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
3	3103 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
4	3106 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
5	3038 BREMOND ST	5000	B	2252	1713	4	2.5	2-car	\$232,750	TBD
6	3106 MCILHENNY ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
7	3123 MCILHENNY ST	5000	B	2252	1713	4	2.5	2-car	\$232,750	TBD

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<sup>1</sup> Recapture Amounts to be inserted prior to conveyance of the Property.

Contract Concerning \_\_\_\_\_

(Address of Property)

**Exhibit B**

to

*Development and Purchase Agreement*

**Unimproved Property Contract**

1. **PARTIES:** The parties to this contract are MIDTOWN REDEVELOPMENT AUTHORITY, a Texas not-for-profit local government corporation or (Seller) and MORS DEVELOPMENT PARTNERS, SERIES LLC(Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
  
2. **PROPERTY:** Those certain tracts of land identified and described on **Exhibit A** attached hereto, and consisting of approximately 14,479 square feet, together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property). Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.
  
3. **SALES PRICE:**

A. Cash portion of Sales Price payable by Buyer at closing	\$ <u>52,500.00</u>
B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium)	\$ _____
C. Sales Price (Sum of A and B)	\$\$ <u>52,500.00</u>

D. The Sales Price will be adjusted based on the latest survey obtained under Paragraph 6C. The Sales Price is calculated on the basis of \$1.50 per square foot of total area. "Total area" means the total land area within the perimeter boundaries of the Property. If the Sales Price is adjusted by more than 5% of the stated Sales Price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the Sales Price automatically will be made to the cash portion of the Sales Price payable by Buyer without the necessity of an amendment to this contract.
  
4. **FINANCING:** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)
 

A.	<input type="checkbox"/>	<b>THIRD PARTY FINANCING:</b> One or more third party mortgage loans in the total amount of \$ _____ (excluding any loan funding fee or mortgage insurance premium).
(1) <b>Property Approval:</b> If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and lender required		

repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.

(2) Credit Approval: (Check one box only)

(a)  This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.

(b)  This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

B.  ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached Texas Real Estate Commission (TREC) Loan Assumption Addendum.

C.  SELLER FINANCING: **A Deferred Payment Forgivable Promissory Note from Buyer to Seller** in the amount of \$ \_\_\_\_\_ or such other amount as the parties may mutually agree, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. **EARNEST MONEY:** Within 3 days after the Effective Date of this contract, Buyer must deliver \$500.00 as earnest money to Thomas Hartman as escrow agent, at Old Republic National Title Insurance Company, 1225 North Loop West, Suite 750, Houston, Texas 77008. Buyer shall deliver additional earnest money of \$ n/a to the escrow agent within n/a days after the Effective Date. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday. **Time is of the essence for this paragraph.** References in this contract to the "**Effective Date**" of this contract shall mean and refer to the date the escrow agent receipts this contract after execution by all parties.

6. **TITLE POLICY AND SURVEY:**

A. TITLE POLICY: Seller shall furnish to Buyer at Buyer's expense an owner policy of title insurance (Title Policy) issued by Old Republic National Title Insurance Company (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

(1) Easements, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other matters of record (excluding prior conveyances of the surface estate) in the Official Public Records of Harris County, Texas, which are applicable to the Property.

(2) The standard printed exception for standby fees, taxes and assessments.

(3) Liens created as part of the financing described in Paragraph 4.

(4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.

- (5) Visible and apparent easements and other matters not appearing of record, but that are depicted on the survey of the Property and described in the Commitment (hereafter defined).
  - (6) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
  - (7) The standard printed exception as to marital rights.
  - (8) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
  - (9) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have this exception amended to read "shortages in area."
  - (10) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.
- B. COMMITMENT: Within 20 days after the Effective Date of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)
- (1)  Within 14 days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit) **If Seller fails to furnish the existing survey or affidavit within the time prescribed, or** if the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at  Seller's  Buyer's expense no later than 3 days prior to Closing Date.
  - (2)  Within 30 days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense; provided however, if the period of time for delivery of the Commitment and Exception Documents is extended pursuant to Paragraph 6.B., the period of time for obtaining the survey shall be extended for the same period of time. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
  - (3)  Within n/a days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.
- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (8) above; or disclosed in the Commitment



other than items 6A(1) through (10) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions or restrictions which prohibit or impair the following use or activity: development, use and occupancy of the Property for affordable housing, as defined by the United States Department of Housing and Urban Development

Buyer must object the earlier of (i) the Closing Date or (ii) 10 days after Buyer receives the Commitment, Exception Documents, and the survey; provided however, if the Commitment, Exception Documents and survey are not delivered to Buyer until the Closing Date, the time for Buyer to object to the same will be automatically extended to 10 days after the Closing Date and the Closing Date will be extended for the period of time for such objections to be made and Seller's cure of such objections as provided below. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Buyer is advised to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) MEMBERSHIP IN PROPERTY OWNERS' ASSOCIATION(S): The Property  is  is not subject to mandatory membership in a property owners' association(s). If the Property is subject to mandatory membership in a property owners' association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners' association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners' association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a

party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

**If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners' Association should be used.**

- (3) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.

- (8) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property  is  is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.

**7. PROPERTY CONDITION:**

- A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. The Property shall be restored substantially to its present condition after any such inspections, surveys or tests at Buyer's sole expense. **Buyer hereby indemnifies and holds Seller harmless from any claims, costs, expenses, attorney's fees, bodily injuries, accidents or damage and shall repair any physical damage, to or on the Property caused by Buyer or Buyer's inspections, tests or surveys. Buyer's covenants pursuant to this Section 7.A. shall survive the Closing or any termination of this contract.**

**NOTICE:** Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

- B. ACCEPTANCE OF PROPERTY CONDITION: (Check one box only)

- (1)  Buyer accepts the Property in its present condition.
- (2)  Buyer accepts the Property in its present condition provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: \_\_\_\_\_  
\_\_\_\_\_. (Do not insert general phrases, such as "subject to inspections," that do not identify specific repairs.)

**NOTICE TO BUYER AND SELLER:** Buyer's agreement to accept the Property in its present condition under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

- C. COMPLETION OF REPAIRS: Unless otherwise agreed in writing, Seller shall not complete any repairs prior to the Closing Date. All required permits must be obtained, and repairs and treatments, if any, must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 15 days, if necessary, for Seller to complete repairs and treatments.
- D. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. During the Option Period, Buyer and Buyer's agents shall have access to the Property to conduct such tests, assessments and inspections as Buyer deems necessary with respect to environmental matters.

E. **SELLER'S DISCLOSURES:** Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property.
- (3) any environmental hazards that materially and adversely affect the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

Seller's knowledge shall mean the current actual knowledge of Matt Thibodeaux, Seller's Executive Director, after performing reasonable inspections of Seller's files regarding the Property, but with no further inspections, investigations or inquiries.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements. NONE

9. **CLOSING:**

A. The closing of the sale will be on or before 60 days after the Effective Date of this contract, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a special warranty deed conveying title to the Property to Buyer substantially in the form and content substantially similar to the Special Warranty Deed attached hereto as **Exhibit B** and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy and any documents required or described in Paragraph 11. Special Provisions.
- (4) There shall be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer, and assumed loans will not be in default.
- (5) If the Property is subject to a lease which will be assumed by Buyer, Seller shall (i) deliver to Buyer the lease(s) and the move-in condition form signed by the tenant, if any, and (ii) transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer.

In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has received the security deposit and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

**10. POSSESSION:** Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

**11. SPECIAL PROVISIONS:**

A. Within 14 days after the Effective Date of this contract, Seller shall deliver to Buyer copies of the following items, to the extent that the items are in Seller's possession or are readily available to Seller: (1) all leases pertaining to the Property, including all modifications thereto; (2) all licenses and permits related to the Property; (3) utility capacity letters from the Property's water and sewer service provider; (4) all previous environmental assessments or studies; and (5) all surveys and plats of the Property.

B. The Property, and any improvements constructed on the Property, shall (i) be solely used to provide Affordable Housing for a period of not less than the Affordability Period as defined in the Form of Special Warranty Deed attached hereto as **Exhibit B** and (ii) comply with the Project Specifications, attached to the Form of Special Warranty Deed as **Appendix B**. The restrictions contained in (i) and (ii) of this sub-paragraph B, (collectively the "Restrictions") shall run with the Property, shall be binding on the Buyer, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of the Seller, its successors and assigns for the term of the Restrictions.

C. Buyer may **not** assign this contract without the written consent of Seller.

D. Buyer, at Buyer's expense, may conduct a Phase I environmental assessment of the Property and any other tests, inspections or assessments related to environmental matters of the Property (collectively, the Phase I) during the Option Period and as provided in Paragraphs 7.A and 7.D. If Buyer gives Seller written notice of termination of this contract based on matters disclosed in the Phase I or other environmental tests, inspections or assessments of the Property, Buyer shall provide Seller with a copy of the Phase I with the written notice of termination.

**12. SETTLEMENT AND OTHER EXPENSES:**

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed \$ n/a to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; owner title policy and any endorsements or modifications thereto, loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; escrow fees; all prepaid items, including required premiums for

flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

- B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

**13. PRORATIONS AND ROLLBACK TAXES:**

- A. **PRORATIONS:** Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. Obligations imposed by this paragraph will survive closing.
- B. **ROLLBACK TAXES:** If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

- 14. CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer or (b) accept the Property in its damaged condition without reduction to the Sales Price.

- 15. DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default after the expiration of 10 days' notice and opportunity to cure, and Seller then may (a) seek such relief as may be provided at law or in equity or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default after the expiration of 10 days' notice and opportunity to cure, and Buyer then may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract.

- 16. MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.

**18. ESCROW:**

- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
- B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
- C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursal of the earnest money.
- D. **NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

**19. REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back-up offers.

**20. FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by the Internal Revenue Code and regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

**21. NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by electronic transmission as follows and to the attorney representing each party, if any, designated in Paragraph 25:

**To Buyer at:**

\_\_\_\_\_  
Houston, Texas 770\_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_

E-mail: \_\_\_\_\_

**To Seller at:**

410 Pierce St., Suite 355  
Houston, Texas 77002

Telephone: (713) 526-7577 \_\_\_\_\_

Email: kschramm@midtownhouston.com

mthibodeaux@midtownhouston.com

**22. AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- |  |   |
|--|---|
| <input type="checkbox"/> Third Party Financing Addendum for Credit Approval                                      | <input type="checkbox"/> Addendum for “Back-Up” Contract  |
| <input type="checkbox"/> Seller Financing Addendum   | <input type="checkbox"/> Addendum for Coastal Area Property   |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners’ Association | <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender’s Appraisal                 |
| <input type="checkbox"/> Buyer’s Temporary Residential Lease   | <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Seller’s Temporary Residential Lease  | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway          |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals                                 | <input type="checkbox"/> Addendum for Sale of Other Property by Buyer                                     |
|  | <input checked="" type="checkbox"/> Other (list): <u>Form of Special Warranty Deed.</u>                   |

**23. TERMINATION OPTION:** For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$100.00 (Option Fee) within 3 days after the Effective Date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 15 days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination under this Paragraph 23 within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee  will  will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

**24. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts this offer by 5:00 p.m. Central Standard Time on \_\_\_\_\_, the offer will lapse and become null and void.



**25. CONSULT AN ATTORNEY:** TREC rules prohibit real estate licensees from giving legal advice READ THIS CONTRACT CAREFULLY. If you do not understand the effect of this contract, consult an attorney BEFORE signing.

Buyer's Attorney is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

**Seller's Attorney is:**

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

Telephone: (713) 526-6404 \_\_\_\_\_

Email: pforeman@burneyandforeman.com \_\_\_\_\_

EXECUTED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BUYER:**

**MORS DEVELOPMENT PARTNERS, SERIES LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SELLER:**

**MIDTOWN REDEVELOPMENT AUTHORITY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CONTRACT AND EARNEST MONEY RECEIPT**

Receipt of Contract and \$ \_\_\_\_\_ Earnest Money in the form of \_\_\_\_\_ is acknowledged.

Title Company: Old Republic National Title Insurance Company

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas Hartman, Escrow Agent/Officer

Email Address: \_\_\_\_\_

Address: 1225 North Loop West, Suite 750

Telephone: 713-766-7192

Houston                      Texas                      77008  
City                              State                              Zip

**Exhibit A**

*to*

*Unimproved Property Contract*

Property Description

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

**Exhibit B**

*to*  
*Unimproved Property Contract*

**Form of Special Warranty Deed**

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



- (i) housing that is for purchase by a family if the housing has an initial purchase price that does not exceed ninety-five percent (95%) of the median purchase price for the type of single family housing (1 to 4 family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) for the City of Houston as determined by the United States Department of Housing and Urban Development (“**HUD**”) and has an estimated appraised value at acquisition, if standard, or after any repair needed to meet property standards set out in 24 CFR 92.251, that does not exceed ninety-five percent (95%) of the median purchase price described above;
- (ii) housing that is the principal residence of an owner whose family qualifies as a Very Low or Low Income Family at the time of purchase;
- (iii) housing in which a Qualified Homebuyer is paying no more than thirty-three percent (33%) of gross income for total mortgage principal, interest, taxes and insurance at the time of purchase; and
- (iv) housing that is subject, for the Affordability Period, to restrictions or recapture provisions as provided in the Restrictions herein.

“Affordability Period” means the minimum period of time during which a Qualified Homebuyer must own and occupy a particular single-family residence built on the Property (“**Affordable Housing Unit**”) as his/her/their principal residence, which period shall be:

- (i) twenty (20) years commencing on the first date that the Qualified Homebuyer occupies the Affordable Housing Unit as his/her/their principal residence, provided, however, that if the Qualified Homebuyer receives federal HOME Program assistance in an amount over \$40,000.00, then the Affordability Period shall be twenty-five (25) years; unless,
- (ii) the Zone is no longer in existence, in which case, the period shall end the first day that the Zone is no longer in existence.

“Low Income Family” means a family whose annual income exceeds 50% but does not exceed 80% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Qualified Homebuyer” means:

- (i) a Very Low Income Family; or
- (ii) a Low Income Family.

“Very Low Income Family” means a family whose annual income does not exceed 50% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Zone” means Reinvestment Zone Number Two, City of Houston, Texas, a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code.

2. Restrictions. As a material portion of the consideration for this Special Warranty Deed and the conveyance hereinabove set forth, this Special Warranty Deed is executed by Grantor and accepted by Developer subject to the following restrictions (the “**Restrictions**”), which are hereby adopted and established for, imposed upon and made applicable to the Property:

(a) The Property, and any improvements constructed on the Property, shall (i) be used exclusively to provide Affordable Housing for a period of not less than the Affordability Period as defined in this Special Warranty Deed, (ii) be owned and occupied by a Qualified Homebuyer at all times during the Affordability Period, (iii) not be used as a rental house, lodging house, rooming house, hotel, “bed and breakfast”, listed on AIRBNB or other similar listing services for short-term or long-term lease or rental or for any commercial, business or professional purpose, and (iv) comply with the Project Specifications, attached hereto as **Appendix B**.

(b) Any holder of a first lien deed of trust on a Tract owned by a Qualified Homebuyer (a “**First Lien Deed of Trust**”), shall provide Grantor with: (i) 30 days written notice prior to pursuing remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and/or (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust.

The Restrictions shall run with the Property, shall be binding on Developer, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of Grantor, its successors and assigns for the term of the Restrictions.

3. Covenants Running with the Land. All of the agreements, conditions, and restrictions contained in this Special Warranty Deed shall be deemed covenants running with the land and shall inure to the benefit of Developer as the owner of the Property and each successor owner of any portion of the Property and the Grantor and its successors and assigns (the “**Benefitted Party(ies)**”).

4. Reconveyance Right. If at any time during the Affordability Period, a Tract is not being used in compliance with the Restrictions, Grantor reserves and shall have the right (the “**Reconveyance Right**”), but not the obligation, to require Developer or its successors and assigns to reconvey the Tract (together with all improvements thereon and appurtenances thereto) to Grantor. Closing upon such reconveyance transaction shall be completed within 30 days from the date of Grantor's notice to Developer or its successors and assigns of its election to exercise its Reconveyance Right. The Tract shall be reconveyed by Developer or its successors and assigns free and clear of any and all monetary liens and any other exceptions to title other than the Permitted Encumbrances and such other encumbrances to title that are reasonably acceptable to Grantor. This Reconveyance Right shall automatically terminate upon the expiration of the term of the Restrictions. This Reconveyance Right shall be subordinate to the rights of any holder of a First Lien Deed of Trust on the Tract provided such holder of a First Lien Deed of Trust shall

provide Grantor with: (i) 30 days written notice prior to pursuing remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust prior to the day of foreclosure.

5. Recapture Upon Sale During the Affordability Period. If at any time during the Affordability Period, the Developer or its successors and assigns enters into a contract to sell or otherwise transfers any Tract (together with all improvements thereon and appurtenances thereto) either voluntarily or involuntarily to a third party other than the initial Qualified Homebuyer (the “**Third Party Purchaser**”), Grantor shall recapture from the available net proceeds of such sale an amount equal to the amount denoted as the “**Recapture Amount**” for such Tract in the table attached hereto as **Appendix C**. Within 14 business days of receipt of the Recapture Amount, Grantor shall release the Restrictions imposed hereunder. The obligations established under this Special Warranty Deed shall be secured by a Promissory Note and Deed of Trust for the benefit of the Grantor. Available net proceeds are the funds remaining after payment of any superior liens and any closing costs.

6. Right of First Refusal. If, at any time during the Affordability Period (as defined herein) the Developer or its successors and assigns desires to sell all or a portion of the Property (together with all improvements thereon and appurtenances thereto) to a Third Party Purchaser (as defined herein), Developer or its successors and assigns shall deliver to the Grantor, at the address provided in Section 12 hereof (or such organization’s then current address), written notice specifying the sales price and other relevant terms and conditions of the proposed sale. The Grantor shall have thirty (30) days to notify Developer or its successors and assigns whether Grantor will exercise its option to purchase the Property (or the applicable portion thereof) at fair market value and under the same terms and conditions, provided that Grantor's offer may include non-material terms and conditions which do not cause any delay or expense to Developer or its successors and assigns. If Grantor delivers written notice to Developer or its successors and assigns within such thirty (30) day period that Grantor elects to exercise its option, then Developer or its successors and assigns shall sell the Property (or the applicable portion thereof) to Grantor at the specified sales price and under the conditions specified by Grantor. If Grantor fails to deliver written notice to Developer or its successors and assigns within such thirty (30) day period, then Grantor shall be deemed to have elected not to exercise its right of first refusal. The foregoing process shall apply only with respect to Grantor's right of first refusal to buy the Property, and shall not constitute approval of any sale of all or a portion of the Property to any third party for any purpose. Developer or its successors and assigns shall be bound by the terms and conditions of this Right of First Refusal for each and every new, bona fide offer received by Developer to purchase all or any portion of the Property. Notices required by this Section shall be given in accordance with the provisions of Section 12 hereof.

7. Attorneys’ Fees. In the event any party or parties shall institute any action or proceeding, excluding any arbitration proceeding, against the other party or parties relating to the provisions of the Restrictions set forth in this Special Warranty Deed, or any default hereunder, then, and in that event, the non-prevailing party or parties in such action or proceeding shall



reimburse the prevailing party or parties for the reasonable expenses of attorneys' fees and disbursements incurred in connection with such action or proceeding.

8. Governing Law. The Restrictions shall be governed by and construed in accordance with the laws of the State of Texas.

9. Injunctive Relief. In the event of any violation or threatened violation by any person of any of the terms, restrictions, or conditions of this Special Warranty Deed, any of the Benefitted Parties shall have the right to seek an injunction to enjoin such violation or threatened violation in a court of competent jurisdiction.

10. Waiver of Default. No waiver of any violation of the Restrictions shall be implied from any omission by any Benefitted Party to take any action in respect of such violation if such violation continues or is repeated. No express waiver of any violation shall affect any violation or cover any period of time other than the violation and period of time specified in such express waiver. One or more waivers of any violation of any term contained in this shall not be deemed to be a waiver of any subsequent violation of the same term contained in the Restrictions. The consent or approval by any party to or of any act or request by any other party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests. The rights and remedies given to any party by the Restrictions shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity, which any such party might otherwise have by virtue of a violation under the Restrictions, and the exercise of one such right or remedy by any such party shall not impair such party's standing to exercise any other right or remedy.

11. Amendments. The Restrictions may be amended or modified only by a written instrument executed by all of the then owners of the Property, their respective Mortgagees, if any, and the Grantor. Except as otherwise provided herein, any termination of the Restrictions will require the prior written consent of all owners of the Property, their respective Mortgagees, if any, and the Grantor. Each of such owners will provide the name and address of applicable Mortgagees upon receipt of a written request therefor from any owner seeking to amend the Restrictions. As used in the Restrictions, the term "Mortgagee" means the trustee and beneficiary under a Mortgage, and the term "Mortgage" means any deed of trust encumbering all or any portion of the Property.

12. Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed sufficiently given for all purposes when delivered personally, when sent by certified or registered mail, postage prepaid, return receipt requested or by private courier service, in each case, with the address as indicated below; provided that any such notices, demands or other communications shall be deemed effective only upon receipt. Each party may, by written notice given to the other party, designate any other address or addresses to which notices, demands and other communications to them shall be sent as contemplated in this Special Warranty Deed. Until otherwise so provided, by the respective parties, all notices, demands and communications to each of them shall be addressed as follows:

**GRANTOR:**

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

**DEVELOPER:**

MORS Development Partners, Series LLC  
4501 Cartwright Road, Ste 204  
Missouri City, Texas 77459  
Attention: Malaki Sims, Managing Member

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Developer, its successors and assigns forever, and Grantor does hereby bind itself, and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the title to the Property unto the said Developer, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, BY, THROUGH, OR UNDER GRANTOR, BUT NOT OTHERWISE subject to the Permitted Encumbrances, the Restrictions and the matters herein stated.

[Execution Page to Follow]

EXECUTED this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**“GRANTOR”**

MIDTOWN REDEVELOPMENT AUTHORITY, a Texas public not for profit local government corporation

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

THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, \_\_\_\_\_ of MIDTOWN REDEVELOPMENT AUTHORITY, a Texas public not for profit local government corporation, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

Developer's Acceptance of Special Warranty Deed

Developer accepts this Special Warranty Deed and consents to its form and substance. Developer expressly agrees to the terms and conditions set forth herein and acknowledges that it has read and accepts the obligations imposed on it by the terms hereof. Developer further acknowledges that the provisions of this Special Warranty Deed are binding on and inure to the benefit of Grantor and Grantee and their respective heirs, successors and assigns.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**DEVELOPER**

MORS DEVELOPMENT PARTNERS, SERIES LLC, a Texas limited liability company

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

THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, \_\_\_\_\_ of MORS DEVELOPMENT PARTNERS, SERIES LLC, a Texas limited liability company, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**Appendix A**  
*to*  
*Special Warranty Deed*

Property Description

**Appendix B**

*to*

*Special Warranty Deed*

**Project Specifications**

Developer shall construct seven (7) single-family homes, each with a minimum of four (4) bedrooms, two (2) bathrooms, and an attached one (1)-car garage. When complete, each home shall have a total square footage of approximately 2224 square feet (gross living area of approximately 1,722 square feet).

Construction shall be in compliance with Project Specifications approved by the Authority. The time for Completion of the Project is 240 days from the date of acquisition of the Property, which time period may be extended by the Executive Director upon written request of the Developer, as further provided in Section 3.03 of this Agreement.

The maximum sales price for each home shall be \$248,000.

Each single-family home will have the following design features: SEE ATTACHED.

**Appendix C**  
*to*  
*Special Warranty Deed*

**MORS DEVELOPMENT PARTNERS SERIES LLC**

**PROJECT SPECIFICATIONS SUMMARY AND MAXIMUM SALES PRICES**

<u>Tract</u>	<u>Address</u>	<u>Lot Size</u> <u>(Sq. Ft.)</u>	<u>Floor Plan</u>	<u>Total Square Footage</u>	<u>Gross Living Area</u>	<u>Bedrooms</u>	<u>Bathrooms</u>	<u>Garage</u>	<u>Max Sales Price</u>	<u>Recapture Amount<sup>1</sup></u>
1	3101 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
2	3102 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
3	3103 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
4	3106 BREMOND ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
5	3038 BREMOND ST	5000	B	2252	1713	4	2.5	2-car	\$232,750	TBD
6	3106 MCILHENNY ST	5000	A	2224	1722	4	2.5	2-car	\$247,998	TBD
7	3123 MCILHENNY ST	5000	B	2252	1713	4	2.5	2-car	\$232,750	TBD

<sup>1</sup> Recapture Amounts to be inserted prior to conveyance of the Property.

**Exhibit D**

to

*Development and Purchase Agreement*

**Description of Property Being Sold to Developer**

**Tract 1:**

Lot Six (6), in Block Nine (9), of William A. Wilson Realty Company's Subdivision, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 2, Page 2 of the Map Records of Harris County, Texas.

(HCAD Account #: 037-219-000-0006)

***(Commonly known as 3101 Bremond Street, Houston, Texas 77004)***

**Tract 2:**

Lot Five (5), in Block Sixteen (16), of William A. Wilson Realty Company's Subdivision, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 2, Page 2 of the Map Records of Harris County, Texas.

(HCAD Account #: 037-226-000-0005)

***(Commonly known as 3102 Bremond Street, Houston, Texas 77004)***

**Tract 3:**

Lot Seven (7), in Block Nine (9), of William A. Wilson Subdivision, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 2, Page 2 of the Map Records of Harris County, Texas.

(HCAD Account #: 037-219-000-0007)

***(Commonly known as 3103 Bremond Street, Houston, Texas 77004)***

**Tract 4:**

Lot Four (4), in Block Sixteen (16), of William A. Wilson Subdivision, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 2, Page 2 of the Map Records of Harris County, Texas.

(HCAD Account #: 037-226-000-0004)

***(Commonly known as 3106 Bremond Street, Houston, Texas 77004)***



**Tract 5:**

Lot One (1), in Block Seventeen (17), of William A. Wilson Realty Company Addition, an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 2, Page 2 of the Map Records of Harris County, Texas.

(HCAD Account #: 037-227-000-0001)

***(Commonly known as 3038 Bremond Street, Houston, Texas 77004)***

**Tract 6:**

Lot Four (4), in Block Nine (9), of William A. Wilson Realty Company Addition, an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 2, Page 2 of the Map Records of Harris County, Texas.

(HCAD Account #: 037-219-000-0004)

***(Commonly known as 3106 McIlhenny Street, Houston, Texas 77004)***

**Tract 7:**

Lot Six (6), in Block Three (3), of William A. Wilson Realty Company Addition, an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 2, Page 2 of the Map Records of Harris County, Texas. Verify

(HCAD Account #: 037-213-000-0006)

***(Commonly known as 3123 McIlhenny Street, Houston, Texas 77004)***

**Exhibit E**

*to*

*Development and Purchase Agreement*

**Homebuyer Eligibility Requirements**

***Southeast Houston Affordable Housing Initiative (SEHAHI)***

*Center for Civic and Public Policy Improvement (CCPPI)*

*Homebuyer Eligibility Requirements*

**Homebuyer Eligibility Requirements** – To be considered eligible, the prospective homebuyer must meet the following requirements:

1. Homebuyer(s) must be US Citizen or permanent resident alien and provide one of the following:
  - a. Birth certificate issued by any U.S. jurisdiction
  - b. U.S. Passport
  - c. Green Card
2. Homebuyer(s) must be a resident of the City of Houston metropolitan area for at least the past twelve (12) months or longer and provide evidence of same which may include but is not limited to one of the following:
  - a. Lease in the name of the prospective homebuyer(s) for a period covering the last twelve (12) months
  - b. Utility bill in the name of the prospective homebuyer(s) covering the last twelve (12) months
3. Homebuyer(s) must be a first-time homeowner [has not owned a home in the last three (3) years] and provide the following:
  - a. Affidavit certifying to the above
4. If not self-employed, Homebuyer(s) must have been employed by the same employer for at least three months and provide the following:
  - a. Employment verification.
5. Homebuyer(s) may not own another home or residential real estate property other than heir property with multiple owners and must provide the following:
  - a. Affidavit certifying to the above
6. Homebuyer(s) total annual gross household income cannot exceed a maximum of 120% AMI or the income level designated in the applicable development agreement, adjusted for household size, as published annually by HUD. Homebuyer's total Mortgage PITI cannot

exceed 33% of annual gross household income. If the income verification process is conducted by Houston Area Urban League (HAUL), Homebuyer(s) must submit the following documents related to income and assets:

- a. One of the following:
    - i. If employed: Two (2) months of pay stubs
    - ii. If self-employed: YTD Profit & Loss Statement from a CPA or tax preparer
  - b. Two (2) months of statements for all bank accounts including personal and business
  - c. Most recent IRA, 401K or other retirement or pension account statements
  - d. Award letters for pension(s)
  - e. Award letters for social security
  - f. Two (2) years of filed tax returns
  - g. Any other documentation that HAUL may reasonably request to determine Homebuyer(s) income eligibility
7. Homebuyer(s) must successfully complete eight (8) hours of homeownership education course from a HUD Certified counseling agency & taught by a HUD Certified Counselor. Houston Area Urban League (HAUL) is utilized to provide this homeownership education. If Homebuyer chooses to utilize another HUD certified counseling agency an additional two (2) hour course conducted by HAUL must also be completed. This course will cover requirements/restrictions unique to the Midtown Redevelopment Authority (MRA) affordable housing program as well as information related to ad valorem taxation including filing protests and homestead tax exemptions.
8. Homebuyer(s) may not have liquid assets more than \$30,000.00. IRA's and 401K's (retirement accounts) are subject to a (.06%) imputed income from assets.
9. Homebuyer(s) must agree to maintain the home as their principal place of residence for the full affordability period of 20 years (25 years if Homebuyer(s) receives more than \$40,000 of federal HOME Program assistance). If the affordability period is not satisfied, the full amount of the Midtown Homebuyer assistance must be repaid to MRA.
10. Homebuyer(s) must meet Lender's underwriting requirements and be approved for a mortgage loan for at least the length of the affordability period. Homebuyer(s) must escrow taxes through the mortgage.
11. Homebuyer(s) must agree to participate in compliance monitoring and lien requirements for the duration of the affordability period. The current affordability period is twenty (20) years.
12. Homebuyer(s) must agree not to use the home as a long-term or short-term rental property during the affordability period. Homebuyer(s) must provide the following annually:
- a. Affidavit certifying to the above

13. Developer(s) is prohibited from sale of home to buyer related within three degrees of consanguinity or affinity to develop(s) by blood, marriage or adoption. Developer(s) must provide the following:
  - a. Affidavit certifying to the above
14. Developer and the prospective Homebuyer must each submit a Conflict of Interest Affidavit, signed under penalty of perjury, stating that neither the Developer nor the Homebuyer has a familial or business relationship with Midtown Redevelopment Authority, any of its Developers, or their respective boards of directors, officers, managers, employees, agents, or consultants.
15. To the extent any of the guidelines set forth herein are in conflict with contemporaneous City of Houston, Texas Affordable Home Development Program guidelines (see Exhibit A); Harris County, Texas affordable housing guidelines; or other vetted homebuyer down payment assistance guidelines, any terms and conditions contained in the above-cited guidelines that are not included in the Homebuyer Requirements contained herein, will be adopted for homebuyers receiving such assistance. The purpose is to ensure that homebuyer down payment assistance provided by any entity that offers the same is available to homebuyers purchasing homes under auspices of the Southeast Houston Affordable Housing Initiative.

Notwithstanding the foregoing, MRA's affordability period shall exist according to its terms and is not impacted by the affordability period adopted by any of the entity that provides down payment assistance.

**THESE ELIGIBILITY REQUIREMENTS MAY BE AMENDED FROM TIME TO TIME**

**EXHIBIT A**  
**CITY OF HOUSTON AFFORDABLE HOME DEVELOPMENT PROGRAM**  
**GUIDELINES\***

Applicant(s) and co-applicant(s) must be able to obtain a fixed-rate mortgage loan for the length of the Affordability Period.

Eligibility is valid for 120 days from the date the applicant is determined to be income eligible. If contracts are not signed within 120 days of that date, applicant may submit a written request for a one-time, 60-day extension, which HCD may grant on a case-by case basis at its discretion. Income-eligible determination is subject to appeal by the applicant pursuant to the process established by HCD.

Applicants and co-applicants must satisfy delinquency on a federal or federally insured loan, Internal Revenue Service taxes, utility payments applicable to the current or former address(es) or owe the City for City services provided to them (for example, City Emergency Medical Services bills, and municipal violations), listed on credit report, real property records or otherwise, prior to program participation.

Any applicant(s), co-applicant(s) and household member(s) 18 years of age and older who are registered as sex offenders are not eligible to receive financial assistance.

Any household member must be legally divorced to list themselves as separated from their significant other on the application. The valid divorce decree is required.

Homebuyer(s) must contribute \$350 into the purchase to demonstrate a level of commitment to the purchase transaction. The cost of the appraisal, credit report, inspection, earnest money and/or cash brought to closing satisfies this requirement.

To receive assistance, the total household income from all sources (including income from a non-purchasing spouse, and any other household member(s) 18 years of age or older) cannot exceed 120% percent of the AMI, adjusted for household size, as determined annually by HUD. Annual Income refers to gross annual income calculated using the 24 CFR §5.609 Part 5 definition.

Homebuyer applicant(s) must submit income certification documentation for the purpose of determining eligibility. Eligibility determination will be conducted by HCD staff upon written request.

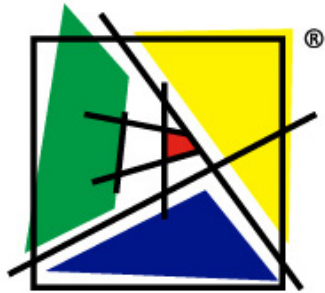
Liquid assets for the household cannot exceed \$30,000, or otherwise upon approval of the Assistant Director for the Single-Family Division.

Homebuyer applicant(s) agrees to an annual monitoring of the residence performed by the HCD staff to ensure that the Homebuyer is living in the home as their primary residence and complying with the restrictive covenants.

Program participants must agree to the Affordability Period and lien requirements. The Affordability Period of homes purchased will be five (5) years for up to \$100,000 of assistance or otherwise upon approval of the Director. The lien on the property will be removed by the City upon completion of the terms and conditions of all documents related to the Program and completion of the Affordability Period.

Forgiveness of the loan provided will be prorated over the course of the determined Affordability Period. The annual proration percentage will depend on the length of the Affordability Period, with 100% of the loan being forgiven and the lien satisfied at the termination of the Affordability Period.

\*Other City of Houston requirements may apply.



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**IDS ENGINEERING  
GROUP**

**DRAFT**

**ATTACHMENT B**

**Form of Work Order**

WORK ORDER NO. 01B

This Work Order No. 01A (this "Work Order") is issued subject to and is governed by that certain Professional Services Agreement between Midtown and Consultant dated as of Nov. 4, 2021 (the "PSA").

Work Order Date: October 23, 2024

Consultant: IDS Engineering Group

Type of Compensation: Cost Plus, Time & Materials, Firm Fixed Price, Lump Sum (Circle and set forth price if Firm Fixed Price or Lump Sum)

Compensation: \$75,000

Location of Services: Midtown District

Description of Services: See Attached

Schedule Requirements: Commencement of Services: 10/31/2024

Completion of Services: 10/31/2025

**Midtown:**

MIDTOWN REDEVELOPMENT  
AUTHORITY

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name and Title

Date: \_\_\_\_\_

**Consultant:**

IDS Engineering Group, Inc.

By: \_\_\_\_\_

Carol Harrison, P.E., Director of Public Works

\_\_\_\_\_  
Printed Name and Title

Date: October 23, 2024

[End of Attachment B]



**Scope of Services – Midtown Redevelopment Authority PSA Work Order:**

IDS will perform professional engineering and surveying services and/or retain specialty subconsultant services to provide hourly general consultation services for civil engineering tasks for the following:

- 1) Continuation of ongoing work reviewing plans, coordination, technical support and field representation related to the City of Houston 72-inch Water Line Project along Tuam and other streets in Midtown. This project will include reconstruction streets and sidewalks in conjunction with the water line construction.
- 2) Continuation of ongoing work-related to the Midtown Asphalt Street Overlay Prioritization Program which IDS built from COH data on pavement assessments throughout Midtown. IDS has developed priority area for future projects. Work efforts would be continued support, coordination with the City of Houston, provide technical input on future projects and support future overlay project as directed by Midtown. Additionally, IDS will provide oversight during construction.
- 3) Provide support to Midtown for Caroline Street Remedial Drainage Work Pilot Project.
- 4) Provide technical reviews, planning, data gathering, coordination with other consultants, studying of development opportunities to support present and future plans adopted by the Midtown TIRZ, development of Graphic Information System (GIS) deliverables, field surveys or boundary determinations, and attendance of meetings as requested by Midtown staff.
- 5) Provide construction management and/or construction inspection as request by Midtown staff.

This level of funding is based upon anticipated needs of the TIRZ during the upcoming 12-month period. Engineering services currently identified include coordination and construction oversight for projects being completed by City of Houston within the Midtown TIRZ.

Invoicing for these services will be consistent with our past standard practice of hourly charges for the general consultation services listed above. From time to time under the PSA Work Orders we are requested to perform specific engineering or survey assignments, for such assignments a separate scope is typically prepared and the fee is based upon an agreed to lump sum amount under this work order or as assigned a new work order. Our current hourly rate table is attached.

The estimated breakdown of fee allocation for Work Order 01B is as follows:

\$66,000 Engineering/ General Services  
(Hourly or Lump Sum per Task)

\$ 4,000 GIS Support Services

\$ 4,000 Survey Services

\$ 1,000 Reimbursable Expenses

**\$75,000 Total**



**midtown**  
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**CHANGE HAPPENS CDC  
(AHDP)**

**To:** Matt Thibodeaux, Executive Director  
Midtown Redevelopment Authority

**From:** Affordable Housing Consultant Advisory Group (AHCAG)

**CC:** Peggy Foreman  
Sean Haley

**Date:** October 25, 2024

**Subject:** Proposed Modifications to Change Happens AHDP Project

**INTRODUCTION**

Previously, the Midtown Redevelopment Authority Board of directors authorized the Executive director to negotiate a grant agreement with Change Happens Community Development Corporation (Change Happens CDC), a nonprofit affordable housing developer. Change Happens CDC is proposing to construct ten affordable housing units in the Third Ward neighborhood under auspices of the City of Houston’s Affordable Home Development Program. A Memorandum of Agreement between the Midtown Redevelopment Authority and the City of Houston makes it possible for each of ten homebuyers that purchase the homes developed by Change Happens CDC to receive \$50,000 in down payment assistance.

Due to the experiences of Change Happens CDC with demand in the affordable housing market, Change Happens CDC is asking for changes in unit sizes and corresponding changes in homebuyer sales prices. The Affordable Housing Consultant Advisory Group has reviewed the new proposal from Change Happens CDC and concludes that it is reasonable.

**Exhibit A** below displays the proposed unit sizes, bedroom/bath/garage configurations, and proposed sales prices.

**EXHIBIT A  
UNIT SIZES/BEDROOM/BATH/GARAGE CONFIGURATIONS/SALES PRICES**

ADDRESS	LOT SIZE IN SQ FT	TOTAL SQ. FT.	BEDROOMS/BATHS/GARAGE	SALES PRICE
2520 NAGLE ST	5,000	1,700	3/2/2	\$230,000.00
2715 NAGLE ST	5,000	1,700	3/2/2	\$230,000.00
2620 NAGLE	2,500	1,452	3/2/1	\$218,000.00
2811 NAGLE ST	5,000	1,700	3/2/2	\$230,000.00
2810 ANITA ST	5,000	1,700	3/2/2	\$230,000.00
2418 ANITA ST	5,000	1,700	3/2/2	\$230,000.00
2804 DREW ST	5,000	1,700	3/2/2	\$230,000.00
2717 NAGLE ST	5,000	1,700	3/2/2	\$230,000.00
2614 NAGLE ST	5,000	1,700	3/2/2	\$230,000.00
2610 DREW ST	5,000	1,700	3/2/2	\$230,000.00

The modified unit sizes and sales prices reflect reductions from the previous figures, as shown on **Exhibit B** below.

**EXHIBIT B  
PREVIOUS UNIT SIZES/BEDROOM/BATH/GARAGE CONFIGURATIONS/SALES PRICES**

ADDRESS	SALES PRICE	LOT SIZE IN SQ FT	TOTAL SQ. FT.	BEDROOM/BATH/GARAGE
2520 NAGLE ST	\$246,615	5,000	2,300	4/2.5/2
2715 NAGLE ST	\$246,615	5,000	2,300	4/2.5/2
2620 NAGLE	\$206,965	1,452	2,000	3/2/2
2811 NAGLE ST	\$224,500	5,000	2,200	3/2/2
2810 ANITA ST	\$246,615	5,000	2,300	4/2/5/2
2418 ANITA ST	\$224,500	5,000	2,200	3/2/2
2804 DREW ST	\$234,580	5,000	2,200	3/2/2
2717 NAGLE ST	\$234,580	5,000	2,200	3/2/2
2614 NAGLE ST	\$234,580	5,000	2,200	3/2/2
2610 DREW ST	\$246,615	5,000	2,300	4/2/5/2

**Exhibit C** following displays floor plans.

**ACTION FOR CONSIDERATION**

The AHCAG is proposing that the MRA board of directors authorize the development of a grant agreement between Change Happens CDC and the Midtown Redevelopment Authority that is based on the foregoing.

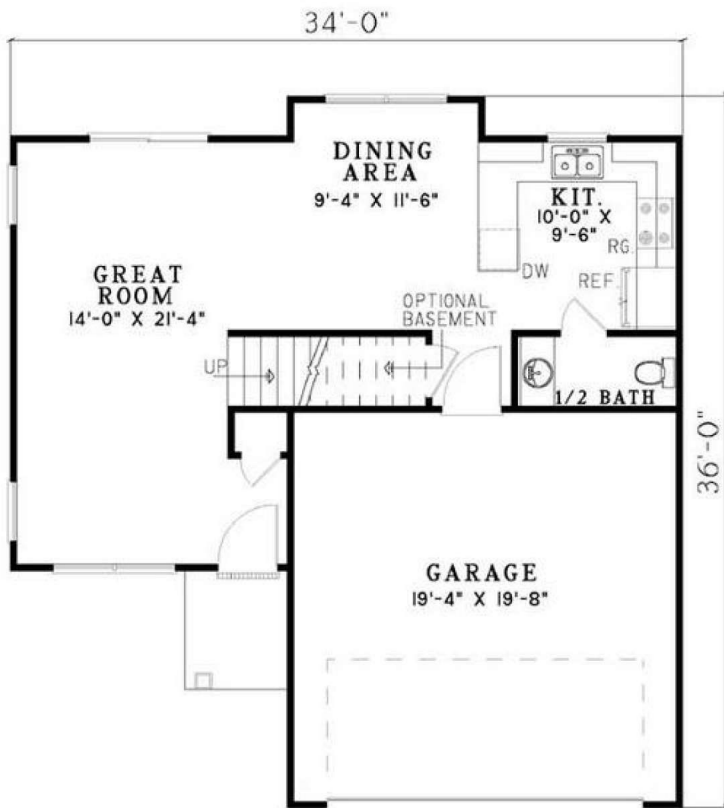
EXHIBIT C

PLAN 1700

2520 Nagle, 2715 Nagle, 2811 Nagle, 2810 Anita, 2418 Anita, 2804 Drew, 2717 Nagle, 2614 Nagle, 2610 Drew

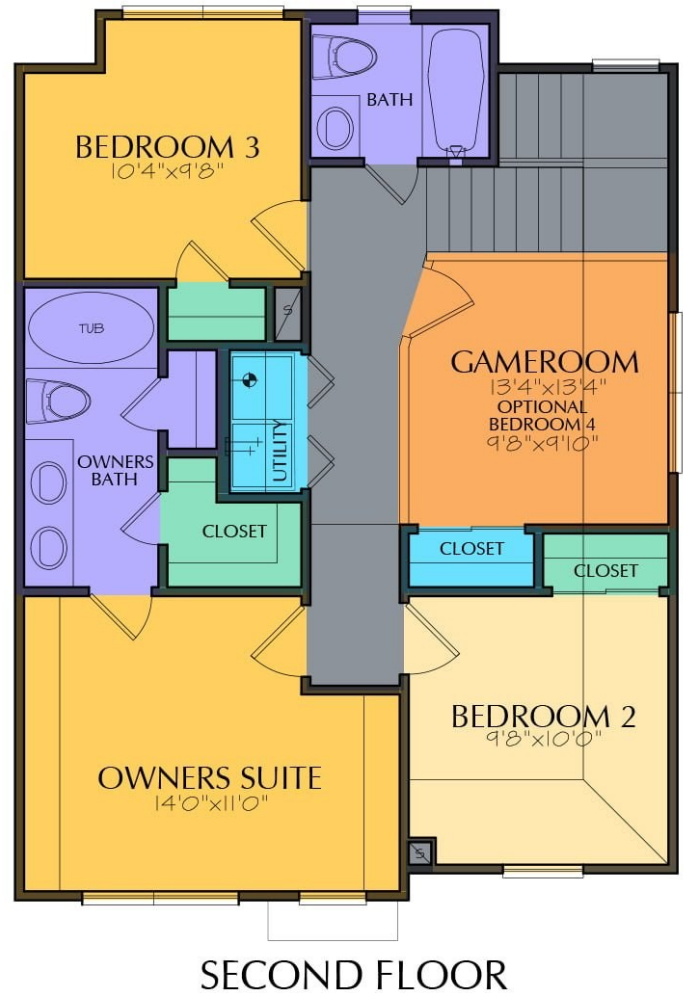
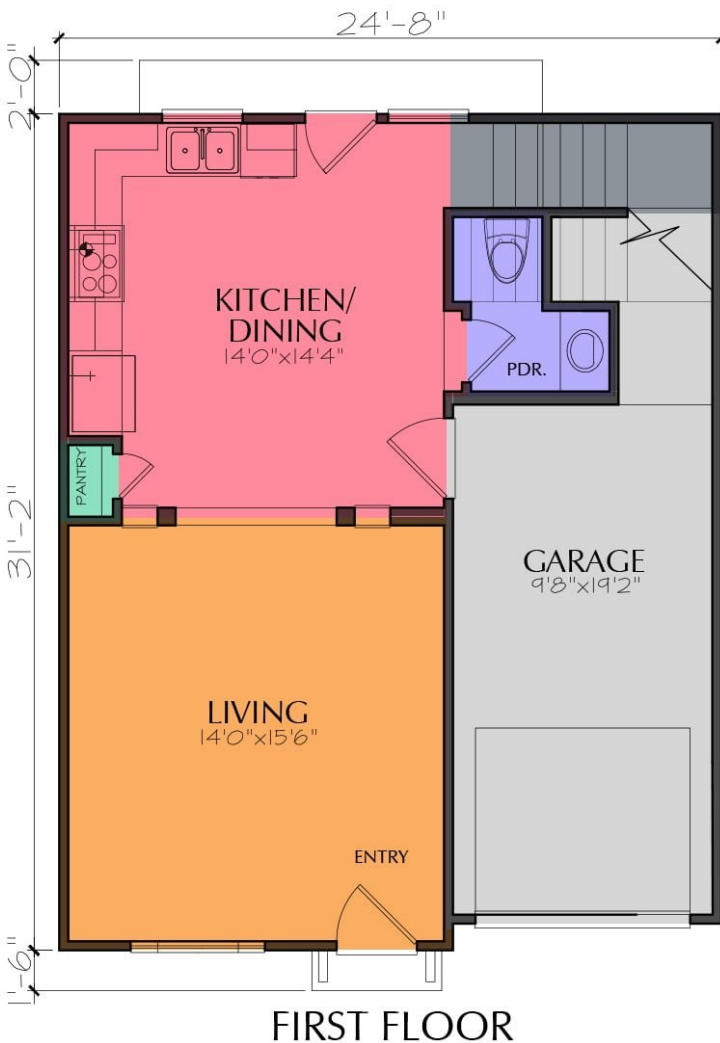


Bedrooms: 3	First floor: 611
Full Baths: 2	Second Floor: 675
Levels/Stories: 2	Garage: 414
Garage Stalls: 2	Width: 34' 0"
Living Sq. Ft.: 1286	Depth: 36' 0"
Total Sq. Ft.: 1700	Height: 22' 5"





JOB#:	F1033 A1.1L
LEVEL ONE:	530
LEVEL TWO:	734
TOTAL LIVING:	1264
WIDTH:	24'-8"
DEPTH:	31'-2"
1st FLOOR CLG.:	9'-1" U.O.N.
2nd FLOOR CLG.:	9'-5" U.O.N.
<b>Total Sq. Ft</b>	<b>1452</b>



GRANT AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION

\_\_\_\_\_, 2024

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## GRANT AGREEMENT

This Grant Agreement (the “Agreement”), effective as of \_\_\_\_\_, 2024 (the “Effective Date”), is made by and among REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (the “Zone”), a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code, MIDTOWN REDEVELOPMENT AUTHORITY (the “Grantor” or “Authority”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION (the “Grantee or Developer”), a Texas non-profit corporation created and organized under the laws of the State of Texas (each a “Party” and collectively, the “Parties”).

### RECITALS

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

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

WHEREAS, the City, the Zone and the Authority have entered into that certain Amended Agreement dated June 7, 2000, and approved pursuant to Ordinance No. 2000-0494 (as amended, the “Midtown Agreement”), pursuant to which the City delegated to the Authority the power to administer the Zone including, but not limited to, the power to use certain tax increment revenues dedicated to providing affordable housing pursuant to Section III(H) thereof; and

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

WHEREAS, the Authority has assembled land for development of affordable housing; and

WHEREAS, the Authority owns certain unimproved real property more particularly identified by street address and Harris County Appraisal District account number and described in **Exhibit D** attached hereto and incorporated herein by reference, which is located within the boundaries of the City of Houston, Harris County, Texas; and

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

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

WHEREAS, to stimulate the development of affordable housing, the Grantee has requested that the Authority grant up to ten (10) parcel(s) of real property within the City at no cost (except for required closing costs) to Grantee in order to provide for construction of safe, sanitary and affordable housing for low income persons; and

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

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

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

## **ARTICLE I DEFINITIONS**

Section 1.01. Defined Terms. Unless a particular word or phrase is otherwise defined or the context otherwise requires, the terms defined in the preamble and recitals shall have the meanings given to such terms therein, and the following terms shall have the following meanings:

**"Affordable Housing"** is defined in the Deed.

**"Authority Board"** means the board of directors of the Authority.

**"Authority Developer"** means a Person who is party to a development agreement with the Authority.

**"Authority's Representative"** means the Executive Director or any agent designated in writing by the Executive Director.

**"Completion Date"** shall be as defined in Section 3.03.

**"Conflict of Interest"** means any known instance in which (i) Grantee, or an officer, director or employee of Grantee, has a familial or business relationship with the Authority, or an Authority Developer, or their respective boards of directors, officers, managers, employees, agents or consultants, or a Qualified Homebuyer, or (ii) a member of the Zone Board, the Authority Board or Grantee's board of directors may receive a pecuniary benefit meeting the definition of a conflict of interest under the Authority's conflict of interest policy.

“**Deed**” means a special warranty deed executed by the Authority conveying the Property to the Grantee with the restrictive covenants contained thereon, and which shall be substantially in the form attached as **Exhibit C** of this Agreement.

“**Executive Director**” shall mean the person serving as the Executive Director of the Authority or any agent designated in writing by the Executive Director.

“**Homebuyer Eligibility Requirements**” means the Homebuyer Eligibility Requirements attached as **Exhibit E** of this Agreement, as such requirements may be amended, modified or supplemented by the Authority from time to time.

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

“**Project**” means the development of affordable single-family housing on the Property by the Grantee, as described in Article III hereof.

“**Project Specifications**” shall be as defined in Section 3.01.

“**Property**” means the parcel(s) of real property identified and described in **Exhibit D**, which have been previously acquired by the Authority and are eligible to be conveyed to the Grantee hereunder.

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

“**Qualified Homebuyer(s)**” means those purchasers that meet (i) the Homebuyer Eligibility Requirements and (ii) such other requirements, as more particularly defined in the Deed, to purchase the single-family residences to be developed under this Agreement.

“**Reconveyance Right**” is defined in the Deed.

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

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

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

## **ARTICLE II GENERAL REPRESENTATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **ARTICLE III THE PROJECT**

#### Section 3.01. General Purpose.

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

(b) The Project shall consist of the design, construction, assembly, installation and implementation of no fewer than ten (10) affordable single-family residences, consistent with the approved specifications (the "Project Specifications").

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

(d) Grantee covenants and agrees that:

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

(ii) the Property shall be used solely to develop and construct ten (10) single-family residences thereon,

(iii) all single-family residences developed on the Property shall qualify as Affordable Housing at all times for a term of not less than the Affordability Period as defined in the Deed.

(iv) upon request by the Executive Director, Grantee shall provide the Authority with sufficient and complete financial data, as well as any other information, regarding the Project.

(v) upon completion of construction of the single-family residences contemplated hereunder, the Grantee shall cause each such single-family residence to be sold to a Qualified Homebuyer for (i) not more than the maximum sale price for that residence set forth in **Exhibit A-I** or (ii) such other amount as the Executive Director may designate in writing.

(vi) Grantee shall sell each such single-family residence constructed on the Property only to a Qualified Homebuyer who meets the Homebuyer Eligibility Requirements, unless the Authority Board and/or the Executive Director approves a waiver in writing of such Homebuyer Eligibility Requirements for such transaction, and shall use customary documentation, in form and substance acceptable to the Authority, to evidence each such transaction, including but not limited to a Deferred Payment Forgivable Promissory Note and Subordinate Lien Deed of Trust for the benefit of the Authority, to secure the performance of the Qualified Homebuyer's obligations with respect to such single-family residence.

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

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

Section 3.03. Completion of Construction. Grantee shall complete construction of the Project no later than the date that is 240 days from the date of acquisition of the Property (the "Completion Date") all subject to force majeure. Upon written request by the Grantee, the Executive Director, in his sole discretion, may extend the Completion Date for one or more additional periods each such extension period not to exceed 120 days. To be effective, any such extension must be in writing and signed by the Executive Director. Construction of the Project will not be deemed complete until the Authority has received all necessary documentation from the Grantee evidencing completion as described herein, and the Executive Director provides written confirmation that the Authority deems the Project completed.

**ARTICLE IV  
CONVEYANCE, FINANCING AND FUNDING**

**Section 4.01. Conveyance of the Property.** The Authority agrees to grant the Property to Grantee in order to facilitate the provision of decent, safe, sanitary and affordable housing for low income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed attached hereto as **Exhibit C**, in the Official Public Records of Real Property of Harris County, Texas, subject to the terms and conditions set forth in an Unimproved Property Contract to be entered into by the Grantee and the Authority substantially in the form attached hereto as **Exhibit B**. The Parties agree that the Executive Director shall have the sole right to determine when to enter into such Unimproved Property Contract with Grantee.

**Section 4.02. Funding for the Project.** The Parties agree that Grantee shall be solely responsible for securing any and all funding and financing necessary to acquire the Property and complete construction of the Project in accordance with the terms of this Agreement. Upon request therefor, Grantee shall provide evidence satisfactory to the Authority of sufficient funding, including a binding commitment for financing to complete the Project. The Authority shall have no obligation to provide any funds for any purpose in connection with the design and construction of the Project.

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

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

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

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

(b) any marketing, public awareness campaigns or signage related to the Project shall recognize the Authority's contributions in a prominent manner and, in the case of written materials, the Authority's name shall be in text no smaller than one-half (1/2) of the size of the Grantee's name and of an equal size as that if any other Project participants being recognized. All such marketing materials, public awareness campaigns or signage, including social media postings, shall be provided to Grantor for review and comment at least forty-eight (48) hours in advance of publication or distribution of same;

(c) the Grantor shall have the right to release information regarding the Project to any public media outlet. Grantee hereby grants Grantor permission to use any and all information and details (not marked confidential) contained in this Agreement or otherwise provided to Grantor for press releases, public awareness, public reporting, and/or public announcements. Grantee agrees to provide Grantor with an advance copy of any press release, public reporting, and/or public



announcement regarding the Project for review and comment at least forty-eight (48) hours prior to release of same.

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

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

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

## **ARTICLE VI DEFAULT**

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

(a) Grantee fails to take title to the Property as contemplated under this Agreement, within 120 days of the Effective Date, unless, upon written request therefor, such time period is extended by the Executive Director;

(b) Grantee fails to complete construction of any one or more of the single-family residences within the time requirements set forth in Section 3.03;

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

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

(e) Grantee fails to comply with a covenant relating to Single-Family Residential Use, Affordable Housing, or sale to Qualified Homebuyers, as further detailed in Section 3.01 and in the Deed.

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

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

Section 6.02. Remedies Upon Event of Default.

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

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

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

## ARTICLE VII INDEMNIFICATION AND RELEASE

### Section 7.01. Indemnification.

(a) **TO THE FULLEST EXTENT PERMITTED BY LAW, GRANTEE AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE AUTHORITY, THE CITY, THE ZONE, AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, DEMANDS, CLAIMS, SUITS, CAUSES OF ACTION, LIABILITIES, COSTS, FINES, SETTLEMENTS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, EXPERT FEES, INTEREST EXPENSES AND ATTORNEY'S FEES) (COLLECTIVELY "LOSSES"), WHETHER ARISING IN EQUITY, AT COMMON LAW, OR BY STATUTE, INCLUDING WITHOUT LIMITATION (I) THE TEXAS DECEPTIVE TRADE PRACTICES ACT OR SIMILAR STATUTES OF OTHER JURISDICTIONS, (II) THE LAW OF CONTRACTS, (III) THE LAW OF TORTS (INCLUDING WITHOUT LIMITATION NEGLIGENCE AND STRICT LIABILITY WITHOUT REGARD TO FAULT) OR (IV) THE LAW OF PROPERTY, OF EVERY KIND OR CHARACTER (INCLUDING WITHOUT LIMITATION, LOSSES FOR PERSONAL INJURY (INCLUDING WITHOUT LIMITATION EMOTIONAL DISTRESS), REAL OR PERSONAL PROPERTY DAMAGE (INCLUDING WITHOUT LIMITATION CITY PROPERTY), OR ECONOMIC LOSS) ARISING IN FAVOR OF OR BROUGHT BY (I) ANY OF GRANTEE'S EMPLOYEES, AGENTS, SUBCONTRACTORS, SUB-SUBCONTRACTORS, SUPPLIERS, MATERIALMEN OR REPRESENTATIVES, OR BY (II) ANY GOVERNMENTAL AUTHORITY OR BY (III) ANY OTHER THIRD PARTY CLAIMANT, (COLLECTIVELY, "INDEMNITORS") BASED UPON, IN CONNECTION WITH, RELATING TO OR ARISING OUT OF GRANTEE'S (OR ANY OF ITS CONTRACTORS', SUB-SUBCONTRACTORS', SUPPLIERS', MATERIALMENS', EMPLOYEES', OR ANY OTHER PERSON DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM OR FOR WHOSE ACTIONS THEY MAY BE LIABLE) ACTIONS OR INACTIONS UNDER THIS AGREEMENT, THE WORK, ANY BREACH OF WARRANTY MADE HEREIN BY GRANTEE, ANY**

**FAILURE TO COMPLY WITH ANY REQUIREMENT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY INDEMNITOR'S FAILURE TO COMPLY WITH ANY APPLICABLE LAW, ANY LIENS OR ENCUMBRANCES ON THE WORK, THE PROJECT OR THE AUTHORITY'S PROPERTY ARISING OUT OF THE WORK, OR ANY INFRINGEMENT OF ANY INTELLECTUAL PROPERTY ARISING OUT OF THE WORK, AND EVEN IF DUE IN PART TO ANY INDEMNIFIED PARTY'S NEGLIGENCE OR OTHER FAULT, BREACH OF CONTRACT OR WARRANTY, VIOLATION OF STATUTE, INCLUDING WITHOUT LIMITATION THE TEXAS DECEPTIVE TRADE PRACTICES ACT, OR STRICT LIABILITY WITHOUT REGARD TO FAULT.**

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

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

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

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

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

## ARTICLE VIII GENERAL

Section 8.01. Inspections, Audits. The Grantee agrees to use commercially reasonable efforts during the term of this Agreement to keep such operating records as may be required by the City, the Authority, or by state and federal law or regulation. The Grantee shall allow the Authority reasonable access to documents and records in the Grantee's possession, custody or control relating to the Project that the Authority deems necessary to assist the Authority in determining the Grantee's compliance with this Agreement. Grantee shall allow the Authority reasonable access to the Project to conduct visual inspections of the Project. All inspections will be made only after giving the Grantee notice at least 24 hours in advance thereof.

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

### Section 8.03. Dispute Resolution.

(a) In the event of any claim, dispute or controversy arising out of or relating to this Agreement (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of torts, contracts, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, or seeks damages or any other relief) which the Parties have been unable to settle or agree upon within a period of thirty (30) days after the dispute or disagreement arises, each Party shall nominate a senior officer of its management to meet at a mutually agreed time and place not later than forty-five (45) days after the dispute or disagreement has arisen to attempt to resolve such dispute or disagreement. Should a resolution of such dispute or disagreement not be obtained within fifteen (15) days after the meeting of senior officers for such purpose, either Party may then by written notice to the other submit the dispute to non-binding mediation in accordance with this Section.

(b) In the event that the Parties are unable to resolve any disputes in accordance with Section 8.03(a), either Party may, by written notice to the other submit the dispute to non-binding mediation before a mutually agreed-upon mediator. If the Parties are unable to agree upon a mediator within twenty (20) days after the written notice of submission to mediation, the American Arbitration Association shall be empowered to appoint a qualified mediator. If the dispute is technical in nature, the mediator appointed by the American Arbitration Association shall be qualified by at least ten (10) years' experience in construction, engineering, and/or architecture. The mediation shall be conducted within thirty (30) days of the selection or appointment of the mediator, as applicable. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held at a mutually agreeable location in Houston, Texas. If the Parties are unable to agree upon a location, the mediation shall be held at the offices of the American Arbitration Association in Houston, Texas. Participation in non-binding mediation in accordance with this Section shall be a condition precedent to Grantee having the right to file any legal or equitable action against the Authority.

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

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

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

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

Grantee: CHANGE HAPPENS COMMUNITY  
DEVELOPMENT CORPORATION  
3353 Elgin Street, Third Floor  
Houston, Texas 77004  
Attention: Leslie Smith, II, \_\_\_\_\_  
Email: ismith@changehappenscdc.org

Authority: Midtown Redevelopment Authority  
410 Pierce Street, Suite 355  
Houston, Texas 77002-8722  
Attention: Executive Director  
Email: mthibodeaux@midtownhouston.com

with a copy to:

Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002  
Attention: Mary Buzak  
Email: mary.buzak@bracewell.com

and

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

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

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

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

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

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

such obligations. If any assignment of the obligations by the Grantee hereunder is deemed ineffective or invalid, the Grantee shall remain liable hereunder.

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

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

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

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

Section 8.14. Term. This Agreement shall be in force and effect from the Effective Date for a term expiring twelve (12) months after the occurrence of the following events: (i) completion of construction of the Project and (ii) the closing of the sale of all single-family residences constructed on the Property to Qualified Homebuyers.

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

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

Section 8.17. Survivability. Notwithstanding any termination or expiration of this Agreement, the obligations of the Grantee which are intended by their nature to survive such expiration or termination, including without limitation those set forth in ARTICLE VII (INDEMNIFICATION AND RELEASE); Section 8.01 (Inspections, Audits), with respect to documents and records in the Grantee's possession, custody or control relating to the Project; Section 8.07 (Waivers); Section 8.08 (Invalidity); Section 8.12 (Waiver of Consequential Damages); and this Section 8.17 of this Agreement, shall survive for the maximum duration of time allowed by law.

*[Signatures follow on next page]*



IN WITNESS WHEREOF, the Authority and the Grantee 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, to become effective as of the Effective Date. The Authority and the Grantee 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.

**MIDTOWN REDEVELOPMENT  
AUTHORITY**

**CHANGE HAPPENS COMMUNITY  
DEVELOPMENT CORPORATION**

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

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

ATTEST:

ATTEST:

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

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

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

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

ATTEST:

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

**Exhibit A**  
*to*  
*Grant Agreement*

**Project Specifications**

CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION shall construct a total of ten (10) single-family homes on the Property, using one or more floor plans, and adhering to the specifications set forth in the Project Specifications Summary and Maximum Sales Prices attached hereto as Exhibit A-1.

When complete, each home shall have the total square footage and shall be constructed on a lot size approximating that set forth in Exhibit A-1.

Construction shall be in compliance with Plans and Specifications approved by the Authority. The time for Completion of the Project is 240 days from the date of acquisition of the Property, which time period may be extended by the Executive Director upon written request of the Grantee, as further provided in Section 3.03 of this Agreement.

Each single-family home will have the following design features: SEE ATTACHED.

**EXHIBIT A-1**  
*to*  
*Grant Agreement*

**CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION**

**PROJECT SPECIFICATIONS SUMMARY AND MAXIMUM SALES PRICES**

<b><u>Tract</u></b>	<b><u>Address</u></b>	<b><u>Lot Size</u></b>	<b><u>Floor Plan</u></b>	<b><u>Total Square Footage</u></b>	<b><u>Gross Living Area</u></b>	<b><u>Bedrooms</u></b>	<b><u>Bathrooms</u></b>	<b><u>Garage</u></b>	<b><u>Maximum Sale Price</u></b>	<b><u>Recapture Amount<sup>1</sup></u></b>
1	2520 Nagle	5000	1700	1700	1286	3	2	2	\$230,000	
2	2715 Nagle	5000	1700	1700	1286	3	2	2	\$230,000	
3	2620 Nagle	2500	1452	1452	1265	3	2	1	\$218,000	
4	2811 Nagle	5000	1700	1700	1286	3	2	2	\$230,000	
5	2810 Anita	5000	1700	1700	1286	3	2	2	\$230,000	
6	2418 Anita	5000	1700	1700	1286	3	2	2	\$230,000	
7	2804 Drew	5000	1700	1700	1286	3	2	2	\$230,000	
8	2717 Nagle	5000	1700	1700	1286	3	2	2	\$230,000	
9	2614 Nagle	5000	1700	1700	1286	3	2	2	\$230,000	
10	2610 Drew	5000	1700	1700	1286	3	2	2	\$230,000	

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<sup>1</sup> Recapture Amounts to be inserted prior to conveyance of the Property.

**Exhibit B**  
*to*  
*Grant Agreement*

**UNIMPROVED PROPERTY CONTRACT**

1. **PARTIES:** The parties to this contract are MIDTOWN REDEVELOPMENT AUTHORITY, a Texas not-for-profit local government corporation (Seller) and \_\_\_\_\_ (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
2. **PROPERTY:** Those certain tracts of land identified and described on **Exhibit A** attached hereto, and consisting of approximately \_\_\_\_\_ square feet, together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property). Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.
3. **SALES PRICE:**
- A. Cash portion of Sales Price payable by Buyer at closing \$ \_\_\_\_\_
  - B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ \_\_\_\_\_
  - C. Sales Price (Sum of A and B) \$ \_\_\_\_\_
  - D. The Sales Price will be adjusted based on the latest survey obtained under Paragraph 6C. The Sales Price is calculated on the basis of \$ \_\_\_n/a\_\_\_ per square foot of total area. "Total area" means the total land area within the perimeter boundaries of the Property. If the Sales Price is adjusted by more than 5% of the stated Sales Price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the Sales Price automatically will be made to the cash portion of the Sales Price payable by Buyer without the necessity of an amendment to this contract.
4. **FINANCING:** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)
- A.  **THIRD PARTY FINANCING:** One or more third party mortgage loans in the total amount of \$ \_\_\_\_\_ (excluding any loan funding fee or mortgage insurance premium).
    - (1) **Property Approval:** If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and lender required repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.
    - (2) **Credit Approval:** (Check one box only)

(Address of Property)

- (a)  This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.
- (b)  This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

B.  ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached Texas Real Estate Commission (TREC) Loan Assumption Addendum.

C.  SELLER FINANCING: A deferred payment forgivable promissory note from Buyer to Seller in the amount of \$ \_\_\_\_\_ or such other amount as the parties may mutually agree, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. **EARNEST MONEY:** Within 3 days after the Effective Date of this contract, Buyer must deliver \$500.00 as earnest money to Thomas Hartman as escrow agent, at Old Republic National Title Insurance Company, 1225 North Loop West, Suite 750, Houston, Texas 77008. Buyer shall deliver additional earnest money of \$ n/a to the escrow agent within n/a days after the Effective Date of this contract. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday. **Time is of the essence for this paragraph.** References in this contract to the "**Effective Date**" of this contract shall mean and refer to the date the escrow agent receipts this contract after execution by all parties.

6. **TITLE POLICY AND SURVEY:**

A. TITLE POLICY: Seller shall furnish to Buyer at  Seller's  Buyer's expense an owner policy of title insurance (Title Policy) issued by Old Republic National Title Insurance Company (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

- (1) Easements, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other matters of record (excluding prior conveyances of the surface estate) in the Official Public Records of Harris County, Texas, which are applicable to the Property.
- (2) The standard printed exception for standby fees, taxes and assessments.
- (3) Liens created as part of the financing described in Paragraph 4.
- (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
- (5) Visible and apparent easements and other matters not appearing of record, but that are depicted on the survey of the Property and described in the Commitment (hereafter defined).

- (6) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (7) The standard printed exception as to marital rights.
- (8) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (9) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have this exception amended to read "shortages in area."
- (10) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.
- B. COMMITMENT: Within 20 days after the Effective Date of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)
- (1)  Within 14 days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit) **If Seller fails to furnish the existing survey or affidavit within the time prescribed, or** if the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at  Seller's  Buyer's expense no later than 3 days prior to Closing Date.
- (2)  Within 30 days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense; provided however, if the period of time for delivery of the Commitment and Exception Documents is extended pursuant to Paragraph 6.B., the period of time for obtaining the survey shall be extended for the same period of time. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- (3)  Within n/a days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.
- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (8) above; or disclosed in the Commitment other than items 6A(1) through (10) above; (ii) any portion of the Property lying in a special flood

hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions or restrictions which prohibit or impair the following use or activity: development, use and occupancy of the Property for affordable housing, as defined by the United States Department of Housing and Urban Development.

Buyer must object the earlier of (i) the Closing Date or (ii) 10 days after Buyer receives the Commitment, Exception Documents, and the survey; provided however, if the Commitment, Exception Documents and survey are not delivered to Buyer until the Closing Date, the time for Buyer to object to the same will be automatically extended to 10 days after the Closing Date and the Closing Date will be extended for the period of time for such objections to be made and Seller's cure of such objections as provided below. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Buyer is advised to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) MEMBERSHIP IN PROPERTY OWNERS' ASSOCIATION(S): The Property  is  is not subject to mandatory membership in a property owners' association(s). If the Property is subject to mandatory membership in a property owners' association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners' association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners' association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a

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(Address of Property)

party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

**If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners' Association should be used.**

- (3) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.



(Address of Property)

- (8) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property  is  is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.

**7. PROPERTY CONDITION:**

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. The Property shall be restored substantially to its present condition after any such inspections, surveys or tests at Buyer's sole expense. **Buyer hereby indemnifies and holds Seller harmless from any claims, costs, expenses, attorney's fees, bodily injuries, accidents or damage and shall repair any physical damage, to or on the Property caused by Buyer or Buyer's inspections, tests or surveys. Buyer's covenants pursuant to this Section 7.A. shall survive the Closing or any termination of this contract.**

**NOTICE:** Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

B. ACCEPTANCE OF PROPERTY CONDITION: (Check one box only)

- (1)  Buyer accepts the Property in its present condition.
- (2)  Buyer accepts the Property in its present condition provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: \_\_\_\_\_  
\_\_\_\_\_. (Do not insert general phrases, such as "subject to inspections," that do not identify specific repairs.)

NOTICE TO BUYER AND SELLER: Buyer's agreement to accept the Property in its present condition under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

C. COMPLETION OF REPAIRS: Unless otherwise agreed in writing, Seller shall not complete any repairs prior to the Closing Date. All required permits must be obtained, and repairs and treatments, if any, must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 15 days, if necessary, for Seller to complete repairs and treatments.

D. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. During the Option Period, Buyer and Buyer's agents shall have access to the Property to conduct

such tests, assessments and inspections as Buyer deems necessary with respect to environmental matters.

E. SELLER'S DISCLOSURES: Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property.
- (3) any environmental hazards that materially and adversely affect the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

Seller's knowledge shall mean the current actual knowledge of Matt Thibodeaux, Seller's Executive Director, after performing reasonable inspections of Seller's files regarding the Property, but with no further inspections, investigations or inquiries.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements. NONE

9. **CLOSING:**

A. The closing of the sale will be on or before 60 days after the Effective Date of this contract, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a special warranty deed conveying title to the Property to Buyer substantially in the form and content substantially similar to the Special Warranty Deed attached hereto as **Exhibit B** and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy and any documents required or described in Paragraph 11. Special Provisions.
- (4) There shall be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer, and assumed loans will not be in default.

(5) If the Property is subject to a lease which will be assumed by Buyer, Seller shall (i) deliver to Buyer the lease(s) and the move-in condition form signed by the tenant, if any, and (ii) transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has received the security deposit and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

10. **POSSESSION:** Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

11. **SPECIAL PROVISIONS:**

A. Within 14 days after the Effective Date of this contract, Seller shall deliver to Buyer copies of the following items, to the extent that the items are in Seller's possession or are readily available to Seller: (1) all leases pertaining to the Property, including all modifications thereto; (2) all licenses and permits related to the Property; (3) utility capacity letters from the Property's water and sewer service provider; (4) all previous environmental assessments or studies; and (5) all surveys and plats of the Property.

B. The Property, and any improvements constructed on the Property, shall (i) be solely used to provide Affordable Housing for a period of not less than the Affordability Period as defined in the Form of Special Warranty Deed attached hereto as Exhibit B and (ii) comply with the Project Specifications, attached to the Form of Special Warranty Deed as Appendix B. The restrictions contained in (i) and (ii) of this sub-paragraph B, (collectively the "Restrictions") shall run with the Property, shall be binding on the Buyer, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of the Seller, its successors and assigns for the term of the Restrictions.

C. Buyer may not assign this contract without the written consent of Seller.

D. Buyer, at Buyer's expense, may conduct a Phase I environmental assessment of the Property and any other tests, inspections or assessments related to environmental matters of the Property (collectively, the Phase I) during the Option Period and as provided in Paragraphs 7.A and 7.D. If Buyer gives Seller written notice of termination of this contract based on matters disclosed in the Phase I or other environmental tests, inspections or assessments of the Property, Buyer shall provide Seller with a copy of the Phase I with the written notice of termination.

E. **NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY HEREIN, BUYER SHALL PAY ALL CLOSING COSTS.**

12. **SETTLEMENT AND OTHER EXPENSES:**

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

(a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; and other expenses payable by Seller under this contract.

(b) Seller shall also pay an amount not to exceed \$ n/a to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; owner title policy and any endorsements or modifications thereto, loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; escrow fees; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

### 13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. Obligations imposed by this paragraph will survive closing.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. **CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer or (b) accept the Property in its damaged condition without reduction to the Sales Price.

15. **DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default after the expiration of 10 days' notice and opportunity to cure, and Seller then may (a) seek such relief as may be provided at law or in equity or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default after the expiration of 10 days' notice and opportunity to cure, and Buyer then may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract.

16. **MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.
- 18. ESCROW:**
- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
  - B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
  - C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursal of the earnest money.
  - D. **NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.
- 19. REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back-up offers.
- 20. FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by the Internal Revenue Code and regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

**21. NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by electronic transmission as follows and to the attorney representing each party, if any, designated in Paragraph 25:

**To Buyer at:**

\_\_\_\_\_  
\_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_  
\_\_\_\_\_

**To Seller at:**

410 Pierce St., Suite 355  
Houston, Texas 77002

Telephone: (713) 526-7577 \_\_\_\_\_

Email: mthibodeaux@midtownhouston.com

kschramm@midtownhouston.com  
\_\_\_\_\_

**22. AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- |  |   |
|--|---|
| <input type="checkbox"/> Third Party Financing Addendum for Credit Approval                                      | <input type="checkbox"/> Addendum for "Back-Up" Contract  |
| <input type="checkbox"/> Seller Financing Addendum   | <input type="checkbox"/> Addendum for Coastal Area Property   |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners' Association | <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal                 |
| <input type="checkbox"/> Buyer's Temporary Residential Lease   | <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Seller's Temporary Residential Lease  | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway          |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals                                 | <input type="checkbox"/> Addendum for Sale of Other Property by Buyer                                     |
|  | <input checked="" type="checkbox"/> Other (list): Form of Special Warranty Deed.                          |

**23. TERMINATION OPTION:** For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$100.00 (Option Fee) within 3 days after the Effective Date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 15 days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination under this Paragraph 23 within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee  will  will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

**24. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts this offer by 5:00 p.m. Central Standard Time on \_\_\_\_\_, the offer will lapse and become null and void.

**25. CONSULT AN ATTORNEY:** TREC rules prohibit real estate licensees from giving legal advice. READ THIS CONTRACT CAREFULLY. If you do not understand the effect of this contract, consult an attorney BEFORE signing.

Buyer's Attorney is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

**Seller's Attorney is:**

Peggy Foreman  
Burney & Foreman  
5447 Almeda Road, Suite 400  
Houston, Texas 77004

Telephone: (713) 526-6404 \_\_\_\_\_

Email: pforeman@burneyandforeman.com \_\_\_\_\_

**EXECUTED** the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BUYER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SELLER:**

Midtown Redevelopment Authority

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CONTRACT AND EARNEST MONEY RECEIPT**

Receipt of Contract and \$ \_\_\_\_\_ Earnest Money in the form of \_\_\_\_\_ is acknowledged.

Title Company: Old Republic National Title Insurance Company

Date: \_\_\_\_\_

By: \_\_\_\_\_

Email Address: \_\_\_\_\_

Thomas Hartman, Escrow Agent/Officer

Address: 1225 North Loop West, Suite 750

Telephone: 713-766-7192

<u>Houston</u>	<u>Texas</u>	<u>77008</u>
City	State	Zip



**Exhibit A**

*to*

*Unimproved Property Contract*

*Property Descriptions*

[See attached Exhibit D to the Grant Agreement]

**Exhibit B**

*to*

*Unimproved Property Contract*

**Form of Special Warranty Deed**

[See attached Exhibit C to the Grant Agreement]

**Exhibit C**  
*to*  
*Grant Agreement*

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER**

**SPECIAL WARRANTY DEED**

THE STATE OF TEXAS     §  
  §           KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF HARRIS     §

THAT MIDTOWN REDEVELOPMENT AUTHORITY, a Texas public not for profit local government corporation ("**Grantor**"), for and in consideration of the sum of TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, and CONVEYED and by these presents does GRANT, BARGAIN, SELL, AND CONVEY unto CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION, a Texas non-profit corporation ("**Grantee or Developer**"), whose address is 3353 Elgin Street, Third Floor, Houston, Texas 77004, those certain tracts or parcels of land in Harris County, Texas more particularly described in **Appendix A** attached hereto and incorporated herein by this reference, together with all improvements thereon and all rights and interests appurtenant thereto (each such tract of land, improvements, rights and interests is hereinafter individually referred to as a "**Tract**" and the Tracts are collectively referred to as the "**Property**").

This Special Warranty Deed and the conveyance hereinabove set forth is executed by Grantor and accepted by Grantee subject to all matters of record in the Office of the County Clerk of Harris County, Texas, and all matters that a true and correct on-the-ground survey of the Property would reveal, to the extent the same are validly existing and applicable to the Property (hereinafter referred to collectively as the "**Permitted Encumbrances**").

**RESTRICTION TO AFFORDABLE HOUSING USE**

1.     Definitions. Unless a particular word or phrase is otherwise defined or the context otherwise requires, capitalized words and phrases used in this Special Warranty Deed shall have the following meanings:

    "**Affordable Housing**" means

- (i)     housing that is for purchase by a family if the housing has an initial purchase price that does not exceed ninety-five percent (95%) of the median purchase price for the type of single-family housing (1 to 4 family residence, condominium unit, cooperative unit, combination manufactured home and

lot, or manufactured home lot) for the City of Houston as determined by the United States Department of Housing and Urban Development (“HUD”) and has an estimated appraised value at acquisition, if standard, or after any repair needed to meet property standards set out in 24 CFR 92.251, that does not exceed ninety-five percent (95%) of the median purchase price described above;

- (ii) housing that is the principal residence of an owner whose family qualifies as a Very Low or Low Income Family at the time of purchase; and
- (iii) housing for which a Qualified Homebuyer is paying no more than thirty-three percent (33%) of gross income for total mortgage principal, interest, taxes and insurance at the time of purchase; and
- (iv) housing that is subject, for the Affordability Period, to restrictions or recapture provisions as provided in the Restrictions herein.

“**Affordability Period**” means the minimum period of time during which a Qualified Homebuyer must own and occupy a particular single-family residence built on the Property (“**Affordable Housing Unit**”) as his/her/their principal residence, which period shall be:

- (i) twenty (20) years commencing on the first date that the Qualified Homebuyer occupies the Affordable Housing Unit as his/her/their principal residence, provided, however, that if the Qualified Homebuyer receives federal HOME Program assistance in an amount over \$40,000.00, then the Affordability Period shall be twenty-five (25) years; unless,
- (ii) the Zone is no longer in existence, in which case, the period shall end the first day that the Zone is no longer in existence.

“**Low Income Family**” means a family whose annual income exceeds 50% but does not exceed 80% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“**Qualified Homebuyer**” means:

- (i) a Very Low Income Family; or
- (ii) a Low Income Family

“**Very Low Income Family**” means a family whose annual income does not exceed 50% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“**Zone**” means Reinvestment Zone Number Two, City of Houston, Texas, a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code.

2. Restrictions. As a material portion of the consideration for this Special Warranty Deed and the conveyance hereinabove set forth, this Special Warranty Deed is executed by Grantor

and accepted by Grantee subject to the following restrictions (the “**Restrictions**”), which are hereby adopted and established for, imposed upon and made applicable to the Property:

(a) The Property, and any improvements constructed on the Property, shall (i) be used exclusively to provide Affordable Housing for a period of not less than the Affordability Period as defined in this Special Warranty Deed, (ii) be owned and occupied by a Qualified Homebuyer at all times during the Affordability Period, (iii) not be used as a rental house, lodging house, rooming house, hotel, "bed and breakfast", listed on AIRBNB or other similar listing services for short-term or long-term lease or rental or for any commercial, business or professional purpose, and (iv) comply with the Project Specifications, attached hereto as **Appendix B**.

(b) Any holder of a first lien deed of trust on a Tract owned by a Qualified Homebuyer (a “**First Lien Deed of Trust**”) shall provide Grantor with: (i) 30 days written notice prior to pursuing remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and/or (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust.

The Restrictions shall run with the Property, shall be binding on Grantee, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of Grantor, its successors and assigns for the term of the Restrictions.

3. Covenants Running with the Land. All of the agreements, conditions, and restrictions contained in this Special Warranty Deed shall be deemed covenants running with the land and shall inure to the benefit of Grantee as the owner of the Property and each successor owner of any portion of the Property and the Grantor and its successors and assigns (the “**Benefitted Party(ies)**”).

4. Reconveyance Right. If at any time during the Affordability Period, a Tract is not being used in compliance with the Restrictions, Grantor reserves and shall have the right (the “**Reconveyance Right**”), but not the obligation, to require Grantee or its successors and assigns to reconvey such Tract (together with all improvements thereon and appurtenances thereto) to Grantor. Closing upon such reconveyance transaction shall be completed within 30 days from the date of Grantor's notice to Grantee or its successors and assigns of its election to exercise its Reconveyance Right. The Tract shall be reconveyed by Grantee or its successors and assigns free and clear of any and all monetary liens and any other exceptions to title other than the Permitted Encumbrances and such other encumbrances to title that are reasonably acceptable to Grantor. This Reconveyance Right shall automatically terminate upon the expiration of the term of the Restrictions. This Reconveyance Right shall be subordinate to the rights of any holder of a First Lien Deed of Trust on the Tract provided such holder of a First Lien Deed of Trust shall provide Grantor with: (i) 30 days written notice prior to pursuing remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust prior to the day of foreclosure.

5. Recapture Upon Sale During the Affordability Period. If at any time during the Affordability Period, the Grantee or its successors and assigns enters into a contract to sell or otherwise transfers any Tract (together with all improvements thereon and appurtenances thereto) either voluntarily or involuntarily to a party other than the initial Qualified Homebuyer (the “**Third Party Purchaser**”), Grantor shall recapture from the available net proceeds of such sale an amount equal to the amount denoted as the “**Recapture Amount**” for such Tract in the table attached hereto as **Appendix B**. Within 14 business days of receipt of the Recapture Amount, Grantor shall release the Restrictions imposed hereunder. The obligations established under this Special Warranty Deed shall be secured by a Promissory Note and Deed of Trust for the benefit of the Grantor. Available net proceeds are the funds remaining after payment of any superior liens and any closing costs.

6. Right of First Refusal. If, at any time during the Affordability Period (as defined herein) the Grantee or its successors and assigns in title to the Property (“**Successors**”) desires to sell all of a portion of the Property (together with all improvements thereon and appurtenances thereto) to a Third Party Purchaser (as defined herein), Grantee or its Successors shall deliver to the Grantor, at the address provided in Section 12 hereof (or such organization’s then current address), written notice specifying the sales price and other relevant terms and conditions of the proposed sale (each, a “**Proposed Sale Notice**”). The Grantor shall have thirty (30) days to notify Grantee or Successors whether Grantor will exercise its option to purchase the Property (or the applicable portion thereof) at fair market value and under the Conditions, provided that Grantor's offer may include non-material terms and conditions which do not cause any delay or expense to Grantee or its Successors. If Grantor delivers written notice to Grantee or Successors within such thirty (30) day period that Grantor elects to exercise its option, then Grantee or Successors shall sell the Property (or the applicable portion thereof) to Grantor at the specified sales price and under the conditions specified by Grantor. If Grantor fails to deliver written notice to Grantee or Successors within such thirty (30) day period, then Grantor shall be deemed to have elected not to exercise its right of first refusal and its right of first refusal shall be deemed void and of no further force and effect so long as the Property (or the applicable portion thereof) is sold within sixty (60) days (which may be extended for an additional thirty (30) days with the approval of Grantor’s Executive Director) at the same sales price and upon the same conditions as set forth in the Proposed Sale Notice.. The foregoing process shall apply only with respect to Grantor's right of first refusal to buy the Property, and shall not constitute approval of any sale of all or a portion of the Property to any third party for any purpose. Grantee or Successors shall be bound by the terms and conditions of this Right of First Refusal for each and every new, bona fide offer received by Grantee to purchase all or any portion of the Property. Notices required by this Section shall be given in accordance with the provisions of Section 12 hereof.

7. Attorneys’ Fees. In the event any party or parties shall institute any action or proceeding, excluding any arbitration proceeding, against the other party or parties relating to the provisions of the Restrictions set forth in this Special Warranty Deed, or any default hereunder, then, and in that event, the non-prevailing party or parties in such action or proceeding shall reimburse the prevailing party or parties for the reasonable expenses of attorneys’ fees and disbursements incurred in connection with such action or proceeding.

8. Governing Law. The Restrictions shall be governed by and construed in accordance with the laws of the State of Texas.

9. Injunctive Relief. In the event of any violation or threatened violation by any person of any of the terms, restrictions, or conditions of this Special Warranty Deed, any of the Benefitted Parties shall have the right to seek an injunction to enjoin such violation or threatened violation in a court of competent jurisdiction.

10. Waiver of Default. No waiver of any violation of the Restrictions shall be implied from any omission by any Benefitted Party to take any action in respect of such violation if such violation continues or is repeated. No express waiver of any violation shall affect any violation or cover any period of time other than the violation and period of time specified in such express waiver. One or more waivers of any violation of any term contained in this shall not be deemed to be a waiver of any subsequent violation of the same term contained in the Restrictions. The consent or approval by any party to or of any act or request by any other party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests. The rights and remedies given to any party by the Restrictions shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity, which any such party might otherwise have by virtue of a violation under the Restrictions, and the exercise of one such right or remedy by any such party shall not impair such party's standing to exercise any other right or remedy.

11. Amendments. The Restrictions may be amended or modified only by a written instrument executed by all of the then owners of the Property, their respective Mortgagees, if any, and the Grantor. Except as otherwise provided herein, any termination of the Restrictions will require the prior written consent of all owners of the Property, their respective Mortgagees, if any, and the Grantor. Each of such owners will provide the name and address of applicable Mortgagees upon receipt of a written request therefor from any owner seeking to amend the Restrictions. As used in the Restrictions, the term "Mortgagee" means the trustee and beneficiary under a Mortgage, and the term "Mortgage" means any deed of trust encumbering all or any portion of the Property.

12. Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed sufficiently given for all purposes when delivered personally, when sent by certified or registered mail, postage prepaid, return receipt requested or by private courier service, in each case, with the address as indicated below; provided that any such notices, demands or other communications shall be deemed effective only upon receipt. Each party may, by written notice given to the other party, designate any other address or addresses to which notices, demands and other communications to them shall be sent as contemplated in this Special Warranty Deed. Until otherwise so provided, by the respective parties, all notices, demands and communications to each of them shall be addressed as follows:

**GRANTOR:**

Midtown Redevelopment Authority  
410 Pierce Street, Suite 355  
Houston, Texas 7002  
Attn: Executive Director

**GRANTEE:**

CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION  
3353 Elgin Street, Third Floor  
Houston, Texas 77004  
Attn: Leslie Smith, II, \_\_\_\_\_

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the title to the Property unto the said Grantee, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, BY, THROUGH, OR UNDER GRANTOR, BUT NOT OTHERWISE subject to the Permitted Encumbrances, the Restrictions and the matters herein stated.

[Execution Page to Follow]



EXECUTED this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**“GRANTOR”**

MIDTOWN REDEVELOPMENT  
AUTHORITY, a Texas public not for profit local  
government corporation

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

THE STATE OF TEXAS    §  
  §  
COUNTY OF HARRIS    §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_, by \_\_\_\_\_, \_\_\_\_\_ of MIDTOWN  
REDEVELOPMENT AUTHORITY, a Texas public not for profit local government corporation,  
on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

[SEAL]

Grantee's Acceptance of Special Warranty Deed

Grantee accepts this Special Warranty Deed and consents to its form and substance. Grantee expressly agrees to the terms and conditions set forth herein and acknowledges that it has read and accepts the obligations imposed on it by the terms hereof. Grantee further acknowledges that the provisions of this Special Warranty Deed are binding on and inure to the benefit of Grantor and Grantee and their respective heirs, successors and assigns.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**“GRANTEE”**

CHANGE HAPPENS COMMUNITY  
DEVELOPMENT CORPORATION, a Texas non-profit corporation

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

THE STATE OF TEXAS    §  
  §  
COUNTY OF HARRIS    §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Leslie Smith, II, \_\_\_\_\_ of CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION, a Texas non-profit corporation, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My commission expires: \_\_\_\_\_

[SEAL]

**Appendix A**  
*to*  
*Special Warranty Deed*

Property Description

Appendix A-1  
To Special Warranty Deed

**Appendix B**  
*to*  
*Special Warranty Deed*

**Appendix B-1**  
To Special Warranty Deed

**Exhibit D**  
*to*  
*Grant Agreement*

**Description of Property Being Conveyed to Grantee**

**Tract 1:**

Lot Three (3), in Block “C”, of the Subdivision Outlot 1 of the Ten Acre, Lots 1, 2, 3, 4, in HOLMAN SURVEY, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 11, Page 331 of the Deed Records of HARRIS County, Texas. (HCAD #019-003-000-0003)

*(Commonly known as 2520 Nagle Street, Houston, Texas 77004)*

**Tract 2:**

Lot Three (3), in Block Five (5), of Holman Outlot, Section Thirteen (13), a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 1 Page 25 of the Map Records of Harris County, Texas. (HCAD #019-049-000-0003)

*(Commonly known as 2715 Nagle Street, Houston, Texas 77004)*

**Tract 3:**

The East one-half (E. ½) of Lot Six (6), Block One (1), of Wm. A. Wilson, Subdivision of 10 Acre Holman Outlot, Section Thirteen (13), a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 1, Page 25, of the Map Records of Harris County, Texas.

(HCAD #019-045-000-0006)

*(Commonly known as 2620 Nagle Street, Houston, Texas 77004)*

**Tract 4:**

Lots Three (3), in Block Four (4), of Holman Outlot Thirteen (13), an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 1, Page 25 of the Map Records of Harris County, Texas.

(HCAD #019-048-000-0003)

*(Commonly known as 2811 Nagle Street, Houston, Texas 77004)*

**Tract 5:**

Lot Nine (9), in Block Five (5), of Holman Ten Acre Lot No. 22, of the J.S. Holman Survey, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 222, Page 145 of the Deed Records of Harris County, Texas.

(HCAD #019-099-000-0009)

*(Commonly known as 2810 Anita Street, Houston, Texas 77004)*

**Tract 6:**

Lot Five (5), Block Two (2), Orgen, a subdivision of part of 10 acre Lot Twenty-four (24) of J.S. Holman Survey, an addition in Harris County, Texas, according to the map or plat thereof recorded in Volume 2, Page 22, Map Records of Harris County, Texas.

(HCAD #019-112-000-0005)

*(Commonly known as 2418 Anita Street, Houston, Texas 77004)*

**Tract 7:**

Lot Eighteen (18), of CROW-SETTEGAST, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 314, Page 49 of the Deed Records of Harris County, Texas.

(HCAD #019-044-000-0018)

*(Commonly known as 2804 Drew Street, Houston, Texas 77004)*

**Tract 8:**

Lot Four (4), in Block Five (5), of Wm. A. Wilson, a Subdivision of Ten acres, of the J.S. HOLMAN SURVEY Outlot Thirteen (13), a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 1, Page 25 of the Map Records of Harris County, Texas.

(HCAD #019-149-000-0010) verify

*(Commonly known as 2717 Nagle Street, Houston, Texas 77004)*

**Tract 9:**

Lot Seven (7), Block One (1), of Wm. A. Wilson, Subdivision of 10 Acre Holman Outlot, Section Thirteen (13), a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 1, Page 25, of the Map Records of Harris County, Texas.

(HCAD #019-045-000-0007).

*(Commonly known as 2614 Nagle Street, Houston, Texas 77004)*

**Tract 10:**

Lot Nine (9), in Block Three (3), of Wm. A. Wilson, a Subdivision of 10 acre HOLMAN Outlot, Section Thirteen (13), a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 1, Page 25 of the Map Records of Harris County, Texas.

(HCAD #019-047-000-0009)

*(Commonly known as 2610 Drew Street, Houston, Texas 77004)*

**Exhibit E**  
*to*  
*Grant Agreement*

**Homebuyer Eligibility Requirements**

***Southeast Houston Affordable Housing Initiative (SEHAHI)***

***Center for Civic and Public Policy Improvement (CCPPI)***  
***Homebuyer Eligibility Requirements***

**Homebuyer Eligibility Requirements** – To be considered eligible, the prospective homebuyer must meet the following requirements:

1. Homebuyer(s) must be US Citizen or permanent resident alien and provide one of the following:
  - a. Birth certificate issued by any U.S. jurisdiction
  - b. U.S. Passport
  - c. Green Card
2. Homebuyer(s) must be a resident of the City of Houston metropolitan area for at least the past twelve (12) months or longer and provide evidence of same which may include but is not limited to one of the following:
  - a. Lease in the name of the prospective homebuyer(s) for a period covering the last twelve (12) months
  - b. Utility bill in the name of the prospective homebuyer(s) covering the last twelve (12) months
3. Homebuyer(s) must be a first-time homeowner [has not owned a home in the last three (3) years] and provide the following:
  - a. Affidavit certifying to the above
4. If not self-employed, Homebuyer(s) must have been employed by the same employer for at least three months and provide the following:
  - a. Employment verification.
5. Homebuyer(s) may not own another home or residential real estate property other than heir property with multiple owners and must provide the following:
  - a. Affidavit certifying to the above
6. Homebuyer(s) total annual gross household income cannot exceed a maximum of 120% AMI or the income level designated in the applicable development agreement, adjusted for household size, as published annually by HUD. Homebuyer's total Mortgage PITI cannot exceed 33% of annual gross household income. If the income verification process is



conducted by Houston Area Urban League (HAUL), Homebuyer(s) must submit the following documents related to income and assets:

- a. One of the following:
    - i. If employed: Two (2) months of pay stubs
    - ii. If self-employed: YTD Profit & Loss Statement from a CPA or tax preparer
  - b. Two (2) months of statements for all bank accounts including personal and business
  - c. Most recent IRA, 401K or other retirement or pension account statements
  - d. Award letters for pension(s)
  - e. Award letters for social security
  - f. Two (2) years of filed tax returns
  - g. Any other documentation that HAUL may reasonably request to determine Homebuyer(s) income eligibility
7. Homebuyer(s) must successfully complete eight (8) hours of homeownership education course from a HUD Certified counseling agency & taught by a HUD Certified Counselor. Houston Area Urban League (HAUL) is utilized to provide this homeownership education. If Homebuyer chooses to utilize another HUD certified counseling agency an additional two (2) hour course conducted by HAUL must also be completed. This course will cover requirements/restrictions unique to the Midtown Redevelopment Authority (MRA) affordable housing program as well as information related to ad valorem taxation including filing protests and homestead tax exemptions.
8. Homebuyer(s) may not have liquid assets more than \$30,000.00. IRA's and 401K's (retirement accounts) are subject to a (.06%) imputed income from assets.
9. Homebuyer(s) must agree to maintain the home as their principal place of residence for the full affordability period of 20 years (25 years if Homebuyer(s) receives more than \$40,000 of federal HOME Program assistance). If the affordability period is not satisfied, the full amount of the Midtown Homebuyer assistance must be repaid to MRA.
10. Homebuyer(s) must meet Lender's underwriting requirements and be approved for a mortgage loan for at least the length of the affordability period. Homebuyer(s) must escrow taxes through the mortgage.
11. Homebuyer(s) must agree to participate in compliance monitoring and lien requirements for the duration of the affordability period. The current affordability period is twenty (20) years.
12. Homebuyer(s) must agree not to use the home as a long-term or short-term rental property during the affordability period. Homebuyer(s) must provide the following annually:
- a. Affidavit certifying to the above

13. Developer(s) is prohibited from sale of home to buyer related within three degrees of consanguinity or affinity to develop(s) by blood, marriage or adoption. Developer(s) must provide the following:
  - a. Affidavit certifying to the above
14. Developer and the prospective Homebuyer must each submit a Conflict of Interest Affidavit, signed under penalty of perjury, stating that neither the Developer nor the Homebuyer has a familial or business relationship with Midtown Redevelopment Authority, any of its Developers, or their respective boards of directors, officers, managers, employees, agents, or consultants.
15. To the extent any of the guidelines set forth herein are in conflict with contemporaneous City of Houston, Texas Affordable Home Development Program guidelines (see Attachment A hereto); Harris County, Texas affordable housing guidelines; or other vetted homebuyer down payment assistance guidelines, any terms and conditions contained in the above-cited guidelines that are not included in the Homebuyer Requirements contained herein, will be adopted for homebuyers receiving such assistance. The purpose is to ensure that homebuyer down payment assistance provided by any entity that offers the same is available to homebuyers purchasing homes under auspices of the Southeast Houston Affordable Housing Initiative.

Notwithstanding the foregoing, MRA's affordability period shall exist according to its terms and is not impacted by the affordability period adopted by any of the entity that provides down payment assistance.

**THESE ELIGIBILITY REQUIREMENTS MAY BE AMENDED FROM TIME TO TIME**

## **ATTACHMENT A**

### **CITY OF HOUSTON AFFORDABLE HOME DEVELOPMENT PROGRAM GUIDELINES\***

Applicant(s) and co-applicant(s) must be able to obtain a fixed-rate mortgage loan for the length of the Affordability Period.

Eligibility is valid for 120 days from the date the applicant is determined to be income eligible. If contracts are not signed within 120 days of that date, applicant may submit a written request for a one-time, 60-day extension, which HCD may grant on a case-by case basis at its discretion. Income-eligible determination is subject to appeal by the applicant pursuant to the process established by HCD.

Applicants and co-applicants must satisfy delinquency on a federal or federally insured loan, Internal Revenue Service taxes, utility payments applicable to the current or former address(es) or owe the City for City services provided to them (for example, City Emergency Medical Services bills, and municipal violations), listed on credit report, real property records or otherwise, prior to program participation.

Any applicant(s), co-applicant(s) and household member(s) 18 years of age and older who are registered as sex offenders are not eligible to receive financial assistance. Any household member must be legally divorced to list themselves as separated from their significant other on the application. The valid divorce decree is required.

Homebuyer(s) must contribute \$350 into the purchase to demonstrate a level of commitment to the purchase transaction. The cost of the appraisal, credit report, inspection, earnest money and/or cash brought to closing satisfies this requirement.

To receive assistance, the total household income from all sources (including income from a non-purchasing spouse, and any other household member(s) 18 years of age or older) cannot exceed 120% percent of the AMI, adjusted for household size, as determined annually by HUD. Annual Income refers to gross annual income calculated using the 24 CFR §5.609 Part 5 definition.

Homebuyer applicant(s) must submit income certification documentation for the purpose of determining eligibility. Eligibility determination will be conducted by HCD staff upon written request.

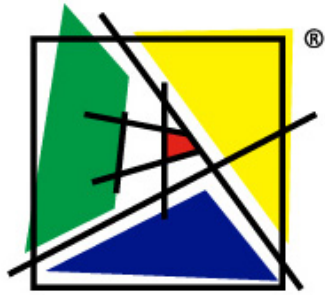
Liquid assets for the household cannot exceed \$30,000, or otherwise upon approval of the Assistant Director for the Single-Family Division.

Homebuyer applicant(s) agrees to an annual monitoring of the residence performed by the HCD staff to ensure that the Homebuyer is living in the home as their primary residence and complying with the restrictive covenants.

Program participants must agree to the Affordability Period and lien requirements. The Affordability Period of homes purchased will be five (5) years for up to \$100,000 of assistance or otherwise upon approval of the Director. The lien on the property will be removed by the City upon completion of the terms and conditions of all documents related to the Program and completion of the Affordability Period.

Forgiveness of the loan provided will be prorated over the course of the determined Affordability Period. The annual proration percentage will depend on the length of the Affordability Period, with 100% of the loan being forgiven and the lien satisfied at the termination of the Affordability Period.

\*Other City of Houston requirements may apply.



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

**WALIPP**

## SECOND AMENDMENT TO OPTION AGREEMENT

This Second Amendment to Option Agreement (“Amendment”) is entered into by and between MIDTOWN REDEVELOPMENT AUTHORITY, a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code (“MIDTOWN”), and WILLIAM A. LAWSON INSTITUTE FOR PEACE AND PROSPERITY, a Texas nonprofit corporation (“WALIPP”). The effective date of this Amendment is October 18, 2024 (“Amendment Effective Date”).

### RECITALS

WHEREAS, MIDTOWN and WALIPP entered into that certain Option Agreement having an effective date of November 28, 2023 and a First Amendment entered into February 26, 2024 (collectively, “Option Agreement”) to grant or donate certain real property to WALIPP located in City of Houston, Harris County, Texas and defined as the “Option Property” in Section B of the Option Agreement (“Property”) and more specifically set forth in the attached Exhibit A; and

WHEREAS, WALIPP, in conjunction with Volunteers of America National Services, has formed WALIPP Senior Residences Expansion, LP, a Texas limited partnership (the “Partnership”) which has received an allocation of low income housing tax credits from the Texas Department of Housing and Community Affairs (“TDHCA”) to own, construct and develop a proposed affordable housing senior residence (the “Project”) on the Property.

WHEREAS, MIDTOWN and WALIPP wish to enter into this Amendment to extend the option date pursuant to the terms of the Option Agreement.

NOW THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, MIDTOWN and WALIPP hereby agree as follows:

1. Recitals: The above recitals are true and correct and incorporated into this Amendment by reference.
2. Definitions: Any capitalized terms not defined in this Amendment shall have the meaning given to such terms in the Option Agreement.
3. Amendment:

Section 2 shall change the Outside Option Exercise Date to May 1, 2025.

4. Full Force and Effect: Except as specifically modified by this Amendment all other provisions of the Option Agreement remain in full force and effect. To this extent of any conflict between the provisions of the Option Agreement and this Amendment, the provisions of this Amendment shall control.

5. Authority: MIDTOWN and WALIPP represent and warrant to the other that such party has the full right, power, and lawful authority to enter into, execute, and perform under this Amendment and that such actions do not violate any other agreement, covenant, or restriction placed upon such party. MIDTOWN and WALIPP further represent and warrant to each other that the person signing this Amendment on its behalf has been duly authorized to do so.
6. Governing Law: This Amendment shall be governed by the laws of the State of Texas.
7. Binding Effect: This Amendment shall be binding upon, and shall inure to the benefit of, MIDTOWN, WALIPP, and their respective successors or assigns.
8. Headings: The headings contained in this Amendment are for convenience of reference only and shall not be construed as limiting or defining in any way the provisions of this Amendment.
9. Counterpart: This Amendment may be executed in multiple counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument. The signatures of each party hereto need not appear on each counterpart hereof, provided the signature appears on an identical counterpart. Any signature delivered by facsimile or other form of electronic transmission, including an email with a .pdf attachment, shall be considered an original signature by all parties.

*[Remainder of page intentionally left blank. Signatures on following page(s)]*

IN WITNESS WHEREOF, MIDTOWN and WALIPP have executed this Amendment as of the amendment Effective Date.

**MIDTOWN:**

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

By: 

Name: Matt Thibodeaux

Title: Executive Director

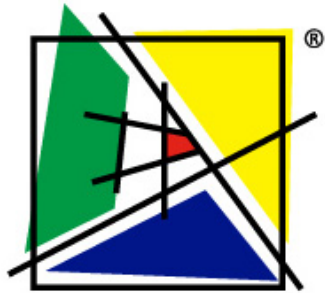
**WALIPP:**

**WILLIAM A. LAWSON INSTITUTE FOR  
PEACE AND PROSPERITY, a Texas nonprofit**  
corporation body corporate and politic organized  
under the laws of the

By: \_\_\_\_\_

Cheryl Lawson, Executive Director





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

**CHANGE HAPPENS CDC  
12 SINGLE-FAMILY HOMES**

GRANT AGREEMENT

By and Among

MIDTOWN REDEVELOPMENT AUTHORITY

and

REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS

and

CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION

\_\_\_\_\_, 2024

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## GRANT AGREEMENT

This Grant Agreement (the “Agreement”), effective as of 10/24/2024, 2024 (the “Effective Date”), is made by and among REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS (the “Zone”), a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code, MIDTOWN REDEVELOPMENT AUTHORITY (the “Grantor” or “Authority”), a public not for profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION dba CHANGE HAPPENS CDC (the “Grantee or Developer”), a Texas non-profit corporation created and organized under the laws of the State of Texas (each a “Party” and collectively, the “Parties”).

### RECITALS

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

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

WHEREAS, the City, the Zone and the Authority have entered into that certain Amended Agreement dated June 7, 2000, and approved pursuant to Ordinance No. 2000-0494 (as amended, the “Midtown Agreement”), pursuant to which the City delegated to the Authority the power to administer the Zone including, but not limited to, the power to use certain tax increment revenues dedicated to providing affordable housing pursuant to Section III(H) thereof; and

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

WHEREAS, the Authority has assembled land for development of affordable housing; and

WHEREAS, the Authority owns certain unimproved real property more particularly identified by street address and Harris County Appraisal District account number and described in **Exhibit D** attached hereto and incorporated herein by reference, which is located within the boundaries of the City of Houston, Harris County, Texas; and

WHEREAS, the Authority seeks to facilitate the development of such land as affordable housing by entering into this Agreement with Grantee as part of a pilot project, and model for future projects, designed to expand the supply of safe, sanitary and affordable housing for low to moderate income persons within the City; and

WHEREAS, to stimulate the development of affordable housing, the Grantee has requested that the Authority grant up to twelve (12) parcel(s) of real property within the City at no cost (except for required closing costs) to Grantee in order to provide for construction of safe, sanitary and affordable housing for low to moderate income persons; and

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

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

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

## **ARTICLE I DEFINITIONS**

Section 1.01. Defined Terms. Unless a particular word or phrase is otherwise defined or the context otherwise requires, the terms defined in the preamble and recitals shall have the meanings given to such terms therein, and the following terms shall have the following meanings:

**"Affordable Housing"** is defined in the Deed.

**"Authority Board"** means the board of directors of the Authority.

**"Authority Developer"** means a Person who is party to a development agreement with the Authority.

**"Authority's Representative"** means the Executive Director or any agent designated in writing by the Executive Director.

**"Completion Date"** shall be as defined in Section 3.03.

**"Conflict of Interest"** means any known instance in which (i) Grantee, or an officer, director or employee of Grantee, has a familial or business relationship with the Authority, or an Authority Developer, or their respective boards of directors, officers, managers, employees, agents or consultants, or a Qualified Homebuyer, or (ii) a member of the Zone Board, the Authority Board or Grantee's board of directors may receive a pecuniary benefit meeting the definition of a conflict of interest under the Authority's conflict of interest policy.

“**Deed**” means a special warranty deed executed by the Authority conveying the Property to the Grantee with the restrictive covenants contained thereon, and which shall be substantially in the form attached as **Exhibit C** of this Agreement.

“**Executive Director**” shall mean the person serving as the Executive Director of the Authority or any agent designated in writing by the Executive Director.

“**Homebuyer Eligibility Requirements**” means the Homebuyer Eligibility Requirements attached as **Exhibit E** of this Agreement, as such requirements may be amended, modified or supplemented by the Authority from time to time.

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

“**Project**” means the development of affordable single-family housing on the Property by the Grantee, as described in Article III hereof.

“**Project Specifications**” shall be as defined in Section 3.01.

“**Property**” means the parcel(s) of real property identified and described in **Exhibit D**, which have been previously acquired by the Authority and are eligible to be conveyed to the Grantee hereunder.

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

“**Qualified Homebuyer(s)**” means those purchasers that meet (i) the Homebuyer Eligibility Requirements and (ii) such other requirements, as more particularly defined in the Deed, to purchase the single-family residences to be developed under this Agreement.

“**Reconveyance Right**” is defined in the Deed.

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

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

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

## ARTICLE II GENERAL REPRESENTATIONS

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

### **ARTICLE III THE PROJECT**

#### Section 3.01. General Purpose.

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

(b) The Project shall consist of the design, construction, assembly, installation and implementation of no fewer than twelve (12) affordable single-family residences, consistent with the approved specifications (the "Project Specifications").

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

(d) Grantee covenants and agrees that:

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

(ii) the Property shall be used solely to develop and construct twelve (12) single-family residences thereon,

(iii) all single-family residences developed on the Property shall qualify as Affordable Housing at all times for a term of not less than the Affordability Period as defined in the Deed.

(iv) upon request by the Executive Director, Grantee shall provide the Authority with sufficient and complete financial data, as well as any other information, regarding the Project.

(v) upon completion of construction of the single-family residences contemplated hereunder, the Grantee shall cause each such single-family residence to be sold to a Qualified Homebuyer for (i) not more than the maximum sale price for that residence set forth in **Exhibit A**, or (ii) such other amount as the Executive Director may designate in writing.

(vi) Grantee shall sell each such single-family residence constructed on the Property only to a Qualified Homebuyer who meets the Homebuyer Eligibility Requirements, unless the Authority Board and/or the Executive Director approves a waiver in writing of such Homebuyer Eligibility Requirements for such transaction, and use customary documentation, in form and substance acceptable to the Authority, to evidence each such transaction, including but not limited to a Deferred Payment Forgivable Promissory Note and Subordinate Lien Deed of Trust for the benefit of the Authority, to secure the performance of the Qualified Homebuyer's obligations with respect to such single-family residence.

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

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

Section 3.03. Completion of Construction. Grantee shall complete construction of the Project no later than the date that is 240 days from the date of acquisition of the Property (the "Completion Date") all subject to force majeure. Upon written request by the Grantee, the Executive Director, in his sole discretion, may extend the Completion Date for one or more additional periods, each such extension period not to exceed 120 days. To be effective, any such extension must be in writing and signed by the Executive Director. The construction of the Project will not be deemed complete until the Authority has received all necessary documentation from the Grantee evidencing completion as described herein, and the Executive Director provides written confirmation that the Authority deems the Project completed.

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

**Section 4.01. Conveyance of the Property.** The Authority agrees to grant the Property to Grantee in order to facilitate the provision of decent, safe, sanitary and affordable housing for low to moderate income persons. The Authority agrees to execute and record a deed, substantially similar to the Deed attached hereto as **Exhibit C**, in the Official Public Records of Real Property of Harris County, Texas, subject to the terms and conditions set forth in an Unimproved Property Contract to be entered into by the Grantee and the Authority substantially in the form attached hereto as **Exhibit B**. The Parties agree that the Executive Director shall have the sole right to determine when to enter into such Unimproved Property Contract with Grantee.

**Section 4.02. Funding for the Project.** The Parties agree that Grantee shall be solely responsible for securing any and all funding and financing necessary to acquire the Property and complete construction of the Project in accordance with the terms of this Agreement. Upon request therefor, Grantee shall provide evidence satisfactory to the Authority of sufficient funding, including a binding commitment for financing to complete the Project. The Authority shall have no obligation to provide any funds for any purpose in connection with the design and construction of the Project.

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

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

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

- (a) the Grantee shall provide the Authority with all reports reasonably requested by the Authority;
- (b) any marketing, public awareness campaigns or signage related to the Project shall recognize the Authority's contributions in a prominent manner and, in the case of written materials, the Authority's name shall be in text no smaller than one-half (1/2) of the size of the Grantee's name and of an equal size as that if any other Project participants being recognized. All such marketing materials, public awareness campaigns or signage, including social media postings, shall be provided to Grantor for review and comment at least forty-eight (48) hours in advance of publication or distribution of same;
- (c) the Grantor shall have the right to release information regarding the Project to any public media outlet. Grantee hereby grants Grantor permission to use any and all information and details (not marked confidential) contained in this Agreement or otherwise provided to Grantor for press releases, public awareness, public reporting, and/or public announcements. Grantee agrees to provide Grantor with an advance copy of any press release, public reporting, and/or public

announcements regarding the Project for review and comment at least forty-eight (48) hours prior to release of same.

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

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

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

## **ARTICLE VI DEFAULT**

Section 6.01. Events of Default. Each of the following shall constitute an Event of Default by the Grantee under this Agreement, if such events are not cured to the satisfaction of the Authority after written notice of the occurrence of such event and if Grantee does not commence a cure within 30 days of such written notice and does not thereafter diligently prosecute it to completion:

(a) Grantee fails to take title to the Property as contemplated under this Agreement, within 120 days of the Effective Date, unless such time period is extended by the Executive Director;

(b) Grantee fails to complete construction of any one or more of the single-family residences within the time requirements set forth in Section 3.03;

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

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

(e) Grantee fails to comply with a covenant relating to Single-Family Residential Use, Affordable Housing, or sale to Qualified Homebuyers, as further detailed in Section 3.01 and in the Deed.

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

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

Section 6.02. Remedies Upon Event of Default.

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

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

## ARTICLE VII INDEMNIFICATION AND RELEASE

### Section 7.01. Indemnification.

(a) **TO THE FULLEST EXTENT PERMITTED BY LAW, GRANTEE AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE AUTHORITY, THE CITY, THE ZONE, AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, DEMANDS, CLAIMS, SUITS, CAUSES OF ACTION, LIABILITIES, COSTS, FINES, SETTLEMENTS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, EXPERT FEES, INTEREST EXPENSES AND ATTORNEY'S FEES) (COLLECTIVELY "LOSSES"), WHETHER ARISING IN EQUITY, AT COMMON LAW, OR BY STATUTE, INCLUDING WITHOUT LIMITATION (I) THE TEXAS DECEPTIVE TRADE PRACTICES ACT OR SIMILAR STATUTES OF OTHER JURISDICTIONS, (II) THE LAW OF CONTRACTS, (III) THE LAW OF TORTS (INCLUDING WITHOUT LIMITATION NEGLIGENCE AND STRICT LIABILITY WITHOUT REGARD TO FAULT) OR (IV) THE LAW OF PROPERTY, OF EVERY KIND OR CHARACTER (INCLUDING WITHOUT LIMITATION, LOSSES FOR PERSONAL INJURY (INCLUDING WITHOUT LIMITATION EMOTIONAL DISTRESS), REAL OR PERSONAL PROPERTY DAMAGE (INCLUDING WITHOUT LIMITATION CITY PROPERTY), OR ECONOMIC LOSS) ARISING IN FAVOR OF OR BROUGHT BY (I) ANY OF GRANTEE'S EMPLOYEES, AGENTS, SUBCONTRACTORS, SUB-SUBCONTRACTORS, SUPPLIERS, MATERIALMEN OR REPRESENTATIVES, OR BY (II) ANY GOVERNMENTAL AUTHORITY OR BY (III) ANY OTHER THIRD PARTY CLAIMANT, (COLLECTIVELY, "INDEMNITORS") BASED UPON, IN CONNECTION WITH, RELATING TO OR ARISING OUT OF GRANTEE'S (OR ANY OF ITS CONTRACTORS', SUB-SUBCONTRACTORS', SUPPLIERS', MATERIALMENS', EMPLOYEES', OR ANY OTHER PERSON DIRECTLY OR**

**INDIRECTLY EMPLOYED BY ANY OF THEM OR FOR WHOSE ACTIONS THEY MAY BE LIABLE) ACTIONS OR INACTIONS UNDER THIS AGREEMENT, THE WORK, ANY BREACH OF WARRANTY MADE HEREIN BY GRANTEE, ANY FAILURE TO COMPLY WITH ANY REQUIREMENT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY INDEMNITOR'S FAILURE TO COMPLY WITH ANY APPLICABLE LAW, ANY LIENS OR ENCUMBRANCES ON THE WORK, THE PROJECT OR THE AUTHORITY'S PROPERTY ARISING OUT OF THE WORK, OR ANY INFRINGEMENT OF ANY INTELLECTUAL PROPERTY ARISING OUT OF THE WORK, AND EVEN IF DUE IN PART TO ANY INDEMNIFIED PARTY'S NEGLIGENCE OR OTHER FAULT, BREACH OF CONTRACT OR WARRANTY, VIOLATION OF STATUTE, INCLUDING WITHOUT LIMITATION THE TEXAS DECEPTIVE TRADE PRACTICES ACT, OR STRICT LIABILITY WITHOUT REGARD TO FAULT.**

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

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

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

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

Section 7.03. Other Indemnities. Other provisions in this Agreement containing indemnities shall be deemed to be cumulative of and to operate independently of the indemnities

provided above such that all indemnities provided in this Agreement shall be construed to grant indemnity to the Indemnified Parties to the fullest and broadest extent possible.

## **ARTICLE VIII GENERAL**

Section 8.01. Inspections, Audits. The Grantee agrees to use commercially reasonable efforts during the term of this Agreement to keep such operating records as may be required by the City, the Authority, or by state and federal law or regulation. The Grantee shall allow the Authority reasonable access to documents and records in the Grantee's possession, custody or control relating to the Project that the Authority deems necessary to assist the Authority in determining the Grantee's compliance with this Agreement. Grantee shall allow the Authority reasonable access to the Project to conduct visual inspections of the Project. All inspections will be made only after giving the Grantee notice at least 24 hours in advance thereof.

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

### Section 8.03. Dispute Resolution.

(a) In the event of any claim, dispute or controversy arising out of or relating to this Agreement (whether such claim, dispute or controversy is allegedly extra-contractual in nature, whether such claim, dispute or controversy arises under the law of torts, contracts, property, or otherwise, or at law or in equity, or under state or federal laws, or by statute or common law, or seeks damages or any other relief) which the Parties have been unable to settle or agree upon within a period of thirty (30) days after the dispute or disagreement arises, each Party shall nominate a senior officer of its management to meet at a mutually agreed time and place not later than forty-five (45) days after the dispute or disagreement has arisen to attempt to resolve such dispute or disagreement. Should a resolution of such dispute or disagreement not be obtained within fifteen (15) days after the meeting of senior officers for such purpose, either Party may then by written notice to the other submit the dispute to non-binding mediation in accordance with this Section.

(b) In the event that the Parties are unable to resolve any disputes in accordance with Section 8.03(a), either Party may, by written notice to the other submit the dispute to non-binding mediation before a mutually agreed-upon mediator. If the Parties are unable to agree upon a mediator within twenty (20) days after the written notice of submission to mediation, the American Arbitration Association shall be empowered to appoint a qualified mediator. If the dispute is technical in nature, the mediator appointed by the American Arbitration Association shall be qualified by at least ten (10) years' experience in construction, engineering, and/or architecture. The mediation shall be conducted within thirty (30) days of the selection or appointment of the mediator, as applicable. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held at a mutually agreeable location in Houston, Texas. If the Parties are unable to agree upon a location, the mediation shall be held at the

offices of the American Arbitration Association in Houston, Texas. Participation in non-binding mediation in accordance with this Section shall be a condition precedent to Grantee having the right to file any legal or equitable action against the Authority.

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

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

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

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

<u>Grantee:</u>	Change Happens CDC 505 Bastrop Street #408 Houston, Texas 77003 Attention: Leslie Smith II Email: lsmith@changehappenscdc.org
<u>Authority:</u>	Midtown Redevelopment Authority 410 Pierce Street, Suite 355 Houston, Texas 77002-8722 Attention: Executive Director Email: mthibodeaux@midtownhouston.com



with a copy to:

Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002  
Attention: Mary Buzak  
Email: mary.buzak@bracewell.com

and

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

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

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

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

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

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

obligations. If any assignment of the obligations by the Grantee hereunder is deemed ineffective or invalid, the Grantee shall remain liable hereunder.

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

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

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

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

Section 8.14. Term. This Agreement shall be in force and effect from the Effective Date for a term expiring twelve (12) months after the occurrence of the following events: (i) completion of construction of the Project and (ii) the closing of the sale of all single-family residences on the Property to Qualified Homebuyers.

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

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

Section 8.17. Survivability. Notwithstanding any termination or expiration of this Agreement, the obligations of the Grantee which are intended by their nature to survive such expiration or termination, including without limitation those set forth in ARTICLE VII (INDEMNIFICATION AND RELEASE); Section 8.01 (Inspections, Audits), with respect to documents and records in the Grantee's possession, custody or control relating to the Project; Section 8.07 (Waivers); Section 8.08 (Invalidity); Section 8.12 (Waiver of Consequential Damages); and this Section 8.17 of this Agreement, shall survive for the maximum duration of time allowed by law.

IN WITNESS WHEREOF, the Authority and the Grantee 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, to become effective as of the Effective Date. The Authority and the Grantee 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.

**MIDTOWN REDEVELOPMENT  
AUTHORITY**

**CHANGE HAPPENS COMMUNITY  
DEVELOPMENT CORPORATION**

Signed by:  
By: Al Odom  
Name: Al Odom  
Title: Chairman of the Board of Directors

Signed by:  
By: Rev. Smith  
Name: Rev. Smith  
Title: CEO/Founder

ATTEST:

ATTEST:

DocuSigned by:  
By: Camille Foster  
Name: Camille Foster  
Title: Secretary

Signed by:  
By: Larry Baly  
Name: Larry Baly  
Title: CFO

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

Signed by:  
By: Al Odom  
Name: Al Odom  
Title: Chairman of the Board of Directors

ATTEST:

DocuSigned by:  
By: Camille Foster  
Name: Camille Foster  
Title: Secretary

**Exhibit A***to  
Grant Agreement***Project Specifications**

<b><u>Tract</u></b>	<b><u>Address</u></b>	<b><u>Lot Size</u></b>	<b><u>Floor Plan</u></b>	<b><u>Total Square Footage</u></b>	<b><u>Gross Living Area</u></b>	<b><u>Bedrooms</u></b>	<b><u>Bathrooms</u></b>	<b><u>Garage</u></b>	<b><u>Maximum Sale Price</u></b>	<b><u>Recapture Amount<sup>1</sup></u></b>
1	3218 TUAM ST	4970.47	1479	1,479	1,059	3	2.5	2	\$220,965	
2	3413 BEULAH ST	5058.00	1479	1,479	1,059	3	2.5	2	\$220,965	
3	3317 BEULAH ST	4940.64	1479	1,479	1,059	3	2.5	2	\$220,965	
4	3425 DREW ST	5003.92	1479	1,479	1,059	3	2.5	2	\$220,965	
5	3247 FRANCIS ST	5023.4	1479	1,479	1,059	3	2.5	2	\$220,965	
6	3427 DREW ST	5015.41	1479	1,479	1,059	3	2.5	2	\$220,965	
7	3309 DREW ST	5014.69	1479	1,479	1,059	3	2.5	2	\$220,965	
8	3205 ANITA ST	5027.59	1479	1,479	1,059	3	2.5	2	\$220,965	
9	3325 BEULAH ST	4854.82	1479	1,479	1,059	3	2.5	2	\$220,965	
10	0 ROSALIE ST	5070.43	1479	1,479	1,059	3	2.5	2	\$220,965	
11	3250 FRANCIS ST	4321.20	1479	1,479	1,059	3	2.5	2	\$220,965	
12	3220 ANITA ST	3954.94	1479	1,479	1,059	3	2.5	2	\$220,965	

Each single-family home will have the following design features: SEE ATTACHED

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<sup>1</sup> Recapture Amounts to be inserted prior to conveyance of the Property.

CHANGE HAPPENS CDC  
 FIXTURES AND FINISHES

	Floor Plan Name/Number
	1704
Design Feature	Material
Countertop, Kitchen	Granite
Countertop, Bathrooms & Powder Rooms	Granite
Flooring, Bedrooms	Carpet
Flooring, Living Room	Laminate Wood
Flooring, Dining Room	Laminate Wood
Flooring, Bathrooms & Powder Rooms	Tile
Doors, Interior (Type)	Hollow Wood
Doors, Exterior (Type)	Solid Wood
Tub Type in Primary Bedroom	Standup Shower, No Tub
Tub Type in Other Bathrooms	Acrylic
Shower Separate in Primary Bedroom? Yes or No	Just a Shower
Shower Separate in Other Bathroom? Yes or No	No
Kitchen Appliances, List Items to be Included	Stove, Microwave, Fridge, Dishwasher
Any Rooms with Ceiling Fans? If yes, list which rooms.	Bedrooms and Living Room
Crown Molding in any Rooms? If yes, list which rooms.	No Crown
Chair Rails or any other molding? If yes, list which rooms.	No Chair Rails
Alarm System Included? Yes or No	Wired but no System Included
Water Heater, Tank Size or Tankless?	40 gallon Standard
Siding, Front Elevation: Masonry, Hardie, Combo?	Hardie
Siding, Side & Rear Elevations: Masonry, Hardie, Combo?	Hardie
Stairs, Wood or Wrought Iron Banisters & Balusters?	No Stairs, One Story
Architectural Features? List any Vaulted Ceilings, Columns, Arches, Built-Ins, etc.	No Features
Fireplace? Yes or No	No

**Exhibit B**  
*to*  
*Grant Agreement*

**UNIMPROVED PROPERTY CONTRACT**

1. **PARTIES:** The parties to this contract are MIDTOWN REDEVELOPMENT AUTHORITY, a Texas not-for-profit local government corporation (Seller) and \_\_\_\_\_ (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. **PROPERTY:** Those certain tracts of land identified and described on **Exhibit A** attached hereto, and consisting of approximately \_\_\_\_\_ square feet, together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property). Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.

3. **SALES PRICE:**

A. Cash portion of Sales Price payable by Buyer at closing \$ \_\_\_\_\_

B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ \_\_\_\_\_

C. Sales Price (Sum of A and B) \$ \_\_\_\_\_

D. The Sales Price will be adjusted based on the latest survey obtained under Paragraph 6C. The Sales Price is calculated on the basis of \$ \_\_\_n/a\_\_\_ per square foot of total area. "Total area" means the total land area within the perimeter boundaries of the Property. If the Sales Price is adjusted by more than 5% of the stated Sales Price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the Sales Price automatically will be made to the cash portion of the Sales Price payable by Buyer without the necessity of an amendment to this contract

4. **FINANCING:** The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

A.  **THIRD PARTY FINANCING:** One or more third party mortgage loans in the total amount of \$ \_\_\_\_\_ (excluding any loan funding fee or mortgage insurance premium).

(1) **Property Approval:** If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and lender required repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

## (2) Credit Approval: (Check one box only)

- (a)  This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.
- (b)  This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

B.  ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached Texas Real Estate Commission (TREC) Loan Assumption Addendum.

C.  SELLER FINANCING: A deferred payment promissory note from Buyer to Seller of \$\_\_\_\_\_, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. **EARNEST MONEY:** Within 3 days after the Effective Date of this contract, Buyer must deliver \$500 as earnest money to Thomas Hartman as escrow agent, at Old Republic National Title Insurance Company, 1225 North Loop West, Suite 750, Houston, Texas 77008. Buyer shall deliver additional earnest money of \$ n/a to the escrow agent within n/a days after the Effective Date of this contract. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday. **Time is of the essence for this paragraph.** References in this contract to the "**Effective Date**" of this contract shall mean and refer to the date the escrow agent receipts this contract after execution by all parties.

## 6. TITLE POLICY AND SURVEY:

A. TITLE POLICY: Seller shall furnish to Buyer at  Seller's  Buyer's expense an owner policy of title insurance (Title Policy) issued by Old Republic National Title Insurance Company (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

- (1) Easements, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other matters of record (excluding prior conveyances of the surface estate) in the Official Public Records of Harris County, Texas, which are applicable to the Property.
- (2) The standard printed exception for standby fees, taxes and assessments.
- (3) Liens created as part of the financing described in Paragraph 4.
- (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
- (5) Visible and apparent easements and other matters not appearing of record, but that are depicted on the survey of the Property and described in the Commitment (hereafter defined).



- (6) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (7) The standard printed exception as to marital rights.
- (8) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (9) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have this exception amended to read "shortages in area."
- (10) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.
- B. COMMITMENT: Within 20 days after the Effective Date of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)
- (1)  Within 14 days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit) **If Seller fails to furnish the existing survey or affidavit within the time prescribed, or if the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at  Seller's  Buyer's expense no later than 3 days prior to Closing Date.**
- (2)  Within 30 days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense; provided however, if the period of time for delivery of the Commitment and Exception Documents is extended pursuant to Paragraph 6.B., the period of time for obtaining the survey shall be extended for the same period of time. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- (3)  Within n/a days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.
- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (8) above; or disclosed in the Commitment other than items 6A(1) through (10) above; (ii) any portion of the Property lying in a special flood

hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions or restrictions which prohibit or impair the following use or activity: development, use and occupancy of the Property for affordable housing as defined by the United States Department of Housing and Urban Development.

Buyer must object the earlier of (i) the Closing Date or (ii) 10 days after Buyer receives the Commitment, Exception Documents, and the survey; provided however, if the Commitment, Exception Documents and survey are not delivered to Buyer until the Closing Date, the time for Buyer to object to the same will be automatically extended to 10 days after the Closing Date and the Closing Date will be extended for the period of time for such objections to be made and Seller's cure of such objections as provided below. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Buyer is advised to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) MEMBERSHIP IN PROPERTY OWNERS' ASSOCIATION(S): The Property  is  is not subject to mandatory membership in a property owners' association(s). If the Property is subject to mandatory membership in a property owners' association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners' association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners' association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a

party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

**If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners' Association should be used.**

- (3) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.

- (8) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property  is  is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.

## 7. PROPERTY CONDITION:

- A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. The Property shall be restored substantially to its present condition after any such inspections, surveys or tests at Buyer's sole expense. **Buyer hereby indemnifies and holds Seller harmless from any claims, costs, expenses, attorney's fees, bodily injuries, accidents or damage and shall repair any physical damage, to or on the Property caused by Buyer or Buyer's inspections, tests or surveys. Buyer's covenants pursuant to this Section 7.A. shall survive the Closing or any termination of this contract.**

**NOTICE:** Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

- B. ACCEPTANCE OF PROPERTY CONDITION: (Check one box only)

- (1)  Buyer accepts the Property in its present condition.
- (2)  Buyer accepts the Property in its present condition provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: \_\_\_\_\_  
 \_\_\_\_\_ (Do not insert general phrases, such as "subject to inspections," that do not identify specific repairs.)

**NOTICE TO BUYER AND SELLER:** Buyer's agreement to accept the Property in its present condition under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

- C. COMPLETION OF REPAIRS: Unless otherwise agreed in writing, Seller shall not complete any repairs prior to the Closing Date. All required permits must be obtained, and repairs and treatments, if any, must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 15 days, if necessary, for Seller to complete repairs and treatments.
- D. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. During the Option Period, Buyer and Buyer's agents shall have access to the Property to conduct

such tests, assessments and inspections as Buyer deems necessary with respect to environmental matters.

E. **SELLER'S DISCLOSURES:** Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property.
- (3) any environmental hazards that materially and adversely affect the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

Seller's knowledge shall mean the current actual knowledge of Matt Thibodeaux, Seller's Executive Director, after performing reasonable inspections of Seller's files regarding the Property, but with no further inspections, investigations or inquiries.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements. NONE

9. **CLOSING:**

A. The closing of the sale will be on or before 60 days after the Effective Date of this contract, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a special warranty deed conveying title to the Property to Buyer substantially in the form and content substantially similar to the Special Warranty Deed attached hereto as **Exhibit B** and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy and any documents required or described in Paragraph 11. Special Provisions.
- (4) There shall be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer, and assumed loans will not be in default.

- (5) If the Property is subject to a lease which will be assumed by Buyer, Seller shall (i) deliver to Buyer the lease(s) and the move-in condition form signed by the tenant, if any, and (ii) transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has received the security deposit and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

**10. POSSESSION:** Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

**11. SPECIAL PROVISIONS:**

A. Within 14 days after the Effective Date of this contract, Seller shall deliver to Buyer copies of the following items, to the extent that the items are in Seller's possession or are readily available to Seller: (1) all leases pertaining to the Property, including all modifications thereto; (2) all licenses and permits related to the Property; (3) utility capacity letters from the Property's water and sewer service provider; (4) all previous environmental assessments or studies; and (5) all surveys and plats of the Property.

B. The Property, and any improvements constructed on the Property, shall (i) be solely used to provide Affordable Housing for a period of not less than the Affordability Period as defined in the Form of Special Warranty Deed attached hereto as Exhibit B and (ii) comply with the Project Specifications, attached to the Form of Special Warranty Deed as Appendix B. The restrictions contained in (i) and (ii) of this sub-paragraph B, (collectively the "Restrictions") shall run with the Property, shall be binding on the Buyer, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of the Seller, its successors and assigns for the term of the Restrictions.

C. Buyer may not assign this contract without the written consent of Seller.

D. Buyer, at Buyer's expense, may conduct a Phase I environmental assessment of the Property and any other tests, inspections or assessments related to environmental matters of the Property (collectively, the Phase I) during the Option Period and as provided in Paragraphs 7.A and 7.D. If Buyer gives Seller written notice of termination of this contract based on matters disclosed in the Phase I or other environmental tests, inspections or assessments of the Property, Buyer shall provide Seller with a copy of the Phase I with the written notice of termination.

**E. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY HEREIN, BUYER SHALL PAY ALL CLOSING COSTS.**

**12. SETTLEMENT AND OTHER EXPENSES:**

A. The following expenses must be paid at or prior to closing:

- (1) Expenses payable by Seller (Seller's Expenses):
- (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; and other expenses payable by Seller under this contract.
  - (b) Seller shall also pay an amount not to exceed \$ n/a to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas

Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; owner title policy and any endorsements or modifications thereto, loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; escrow fees; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

### 13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. Obligations imposed by this paragraph will survive closing.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. **CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer or (b) accept the Property in its damaged condition without reduction to the Sales Price.

15. **DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default after the expiration of 10 days' notice and opportunity to cure, and Seller then may (a) seek such relief as may be provided at law or in equity or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default after the expiration of 10 days' notice and opportunity to cure, and Buyer then may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract.

16. **MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this

contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.
- 18. ESCROW:**
- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
- B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
- C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.
- D. **NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.
- 19. REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back-up offers.
- 20. FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by the Internal Revenue Code and regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.



**21. NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by electronic transmission as follows and to the attorney representing each party, if any, designated in Paragraph 25:

**To Buyer at:**

\_\_\_\_\_  
\_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_  
\_\_\_\_\_

**To Seller at:**

410 Pierce St., Suite 355  
Houston, Texas 77002

Telephone: (713) 526-7577 \_\_\_\_\_

Email: kschramm@midtownhouston.com  
\_\_\_\_\_

**22. AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- |  |   |
|--|---|
| <input type="checkbox"/> Third Party Financing Addendum for Credit Approval                                      | <input type="checkbox"/> Addendum for "Back-Up" Contract  |
| <input type="checkbox"/> Seller Financing Addendum   | <input type="checkbox"/> Addendum for Coastal Area Property   |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners' Association | <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal                 |
| <input type="checkbox"/> Buyer's Temporary Residential Lease   | <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Seller's Temporary Residential Lease  | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway          |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals                                 | <input type="checkbox"/> Addendum for Sale of Other Property by Buyer                                     |
|  | <input checked="" type="checkbox"/> Other (list): Form of Special Warranty Deed.                          |

**23. TERMINATION OPTION:** For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$100.00 (Option Fee) within 3 days after the Effective Date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 15 days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination under this Paragraph 23 within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee  will  will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

Contract Concerning \_\_\_\_\_

Page 12 of 13

(Address of Property)

**24. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts this offer by 5:00 p.m. Central Standard Time on \_\_\_\_\_, the offer will lapse and become null and void.

**25. CONSULT AN ATTORNEY:** TREC rules prohibit real estate licensees from giving legal advice. READ THIS CONTRACT CAREFULLY. If you do not understand the effect of this contract, consult an attorney BEFORE signing.

Buyer's Attorney is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

**Seller's Attorney is:**

Mary Buzak  
Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002

Telephone (713) 221-1153 \_\_\_\_\_

Email: mary.buzak@bracewell.com \_\_\_\_\_

**EXECUTED** the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BUYER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SELLER:**

Midtown Redevelopment Authority

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Contract Concerning \_\_\_\_\_

(Address of Property)

Page 13 of 13

**CONTRACT AND EARNEST MONEY RECEIPT**

Receipt of Contract and \$ \_\_\_\_\_ Earnest Money in the form of \_\_\_\_\_ is acknowledged.

Title Company: Old Republic National Title Insurance Company

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Thomas Hartman, Escrow Agent/Officer

Email Address: \_\_\_\_\_

Address: 1225 North Loop West, Suite 750

Telephone: 713-766-7192

Houston                      Texas                      77008  
City                              State                              Zip

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

Midtown-Seller

**Error! Unknown document property name.**

**Exhibit A**

*to*

*Unimproved Property Contract*

Property Description

[See attached Exhibit D to the Grant Agreement]

**Exhibit B**

*to*

*Unimproved Property Contract*

**Form of Special Warranty Deed**

[See attached Exhibit C to the Grant Agreement]

**Exhibit C**  
*to*  
*Grant Agreement*

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER**

**SPECIAL WARRANTY DEED**

THE STATE OF TEXAS     §  
  §     KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF HARRIS     §

THAT MIDTOWN REDEVELOPMENT AUTHORITY, a public not for profit local government corporation ("**Grantor**"), for and in consideration of the sum of TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, and CONVEYED and by these presents does GRANT, BARGAIN, SELL, AND CONVEY unto CHANGE HAPPENS COMMUNITY DEVELOPMENT CORPORATION, a non-profit corporation created and organized under the laws of the State of Texas ("**Grantee**" or "**Developer**"), whose address is 505 Bastrop Street #408, Houston, Texas 77003, those certain tracts or parcels of land in Harris County, Texas, more particularly described in **Appendix A** attached hereto and incorporated herein by this reference, together with all improvements thereon and all rights and interests appurtenant thereto (each such tract of land, improvements, rights and interests is hereinafter individually referred to as a "**Tract**" and the Tracts are collectively referred to as the "**Property**").

This Special Warranty Deed and the conveyance hereinabove set forth is executed by Grantor and accepted by Grantee subject to all matters of record in the Office of the County Clerk of Harris County, Texas, and all matters that a true and correct on-the-ground survey of the Property would reveal, to the extent the same are validly existing and applicable to the Property (hereinafter referred to collectively as the "**Permitted Encumbrances**").

**RESTRICTION TO AFFORDABLE HOUSING USE**

1. **Definitions.** Unless a particular word or phrase is otherwise defined or the context otherwise requires, capitalized words and phrases used in this Special Warranty Deed shall have the following meanings:

“Affordable Housing” means

- (i) housing that is for purchase by a family if the housing has an initial purchase price that does not exceed ninety-five percent (95%) of the median purchase price for the type of single-family housing (1 to 4 family residence,

condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) for the City of Houston as determined by the United States Department of Housing and Urban Development (“HUD”) and has an estimated appraised value at acquisition, if standard, or after any repair needed to meet property standards set out in 24 CFR 92.251, that does not exceed ninety-five percent (95%) of the median purchase price described above;

- (ii) housing that is the principal residence of an owner whose family qualifies as a Very Low, Low or Moderate Income Family at the time of purchase; and
- (iii) housing in which a Qualified Homebuyer is paying no more than thirty-three percent (33%) of gross income for total mortgage principal, interest, taxes and insurance at the time of purchase; and
- (iv) housing that is subject, for the Affordability Period, to restrictions or recapture provisions as provided in the Restrictions herein.

“Affordability Period” means the minimum period of time during which a Qualified Homebuyer must own and occupy a particular single-family residence built on the Property (“Affordable Housing Unit”) as his/her/their principal residence, which period shall be:

- (i) twenty (20) years commencing on the first date that the Qualified Homebuyer occupies the Affordable Housing Unit as his/her/their principal residence, provided, however, that if the Qualified Homebuyer receives federal HOME Program assistance in an amount over \$40,000.00, then the Affordability Period shall be twenty-five (25) years; unless,
- (ii) the Zone is no longer in existence, in which case, the period shall end the first day that the Zone is no longer in existence.

“Low Income Family” means a family whose annual income exceeds 50% but does not exceed 80% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Moderate Income Family” means a family whose income exceeds 80% but does not exceed 120% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Qualified Homebuyer” means:

- (i) a Very Low Income Family;
- (ii) a Low Income Family; or
- (iii) a Moderate Income Family.

“Very Low Income Family” means a family whose annual income does not exceed 50% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families.

“Zone” means Reinvestment Zone Number Two, City of Houston, Texas, a tax increment reinvestment zone created by the City of Houston, Texas in accordance with Chapter 311, Texas Tax Code.

2. Restrictions. As a material portion of the consideration for this Special Warranty Deed and the conveyance hereinabove set forth, this Special Warranty Deed is executed by Grantor and accepted by Grantee subject to the following restrictions (the “**Restrictions**”), which are hereby adopted and established for, imposed upon and made applicable to the Property:

(a) The Property, and any improvements constructed on the Property, shall (i) be used exclusively to provide Affordable Housing for a period of not less than the Affordability Period as defined in this Special Warranty Deed, (ii) be owned and occupied by a Qualified Homebuyer at all times during the Affordability Period, (iii) not be used as a rental house, lodging house, rooming house, hotel, “bed and breakfast,” listed on AIRBNB or other similar listing services for short-term or long-term lease or rental or for any commercial, business or professional purpose, and (iv) comply with the Project Specifications, attached hereto as **Appendix B**.

(b) Any holder of a first lien deed of trust on a Tract owned by a Qualified Homebuyer (a “First Lien Deed of Trust”) shall provide Grantor with: (i) 30 days written notice prior to pursuing remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and/or (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust.

The Restrictions shall run with the Property, shall be binding on Grantee, its successors and assigns for the term of the Restrictions, and shall inure to the benefit of Grantor, its successors and assigns for the term of the Restrictions.

3. Covenants Running with the Land. All of the agreements, conditions, and restrictions contained in this Special Warranty Deed shall be deemed covenants running with the land and shall inure to the benefit of Grantee as the owner of the Property and each successor owner of any portion of the Property and the Grantor and its successors and assigns (the “Benefitted Party(ies)”).

4. Reconveyance Right. If at any time during the Affordability Period, a Tract is not being used in compliance with the Restrictions, Grantor reserves and shall have the right (the “Reconveyance Right”), but not the obligation, to require Grantee or its successors and assigns to reconvey the Tract (together with all improvements thereon and appurtenances thereto) to Grantor. Closing upon such reconveyance transaction shall be completed within 30 days from the date of Grantor's notice to Grantee or its successors and assigns of its election to exercise its Reconveyance Right. The Tract shall be reconveyed by Grantee or its successors and assigns free and clear of any and all monetary liens and any other exceptions to title other than the Permitted Encumbrances and such other encumbrances to title that are reasonably acceptable to Grantor. This



Reconveyance Right shall automatically terminate upon the expiration of the term of the Restrictions. This Reconveyance Right shall be subordinate to the rights of any holder of a First Lien Deed of Trust on the Tract provided such holder of a First Lien Deed of Trust shall provide Grantor with: (i) 30 days written notice prior to pursuing remedies and/or foreclosure pursuant to its First Lien Deed of Trust; (ii) the opportunity to cure any defaults under the subject First Lien Deed of Trust; and (iii) the right and opportunity to purchase the indebtedness secured by the subject First Lien Deed of Trust and all liens securing the same including the subject First Lien Deed of Trust prior to the day of foreclosure.

5. Recapture Upon Sale During the Affordability Period. If at any time during the Affordability Period, the Grantee or its successors and assigns enters into a contract to sell or otherwise transfers any Tract (together with all improvements thereon and appurtenances thereto) either voluntarily or involuntarily to a party other than the initial Qualified Homebuyer (the "Third Party Purchaser"), Grantor shall recapture from the available net proceeds of such sale an amount equal to the amount denoted as the "Recapture Amount" for such Tract in the table attached hereto as **Appendix B**. Within 14 business days of receipt of the Recapture Amount, Grantor shall release the Restrictions imposed hereunder. The obligations established under this Special Warranty Deed shall be secured by a Promissory Note and Deed of Trust for the benefit of the Grantor. Available net proceeds are the funds remaining after payment of any superior liens and any closing costs.

6. Right of First Refusal. If, at any time during the Affordability Period (as defined herein) the Grantee or its successors and assigns desires to sell all or a portion of the Property (together with all improvements thereon and appurtenances thereto) to a Third Party Purchaser (as defined herein), Grantee or its successors and assigns shall deliver to the Grantor, at the address provided in Section 12 hereof (or such organization's then current address), written notice specifying the sales price and other relevant terms and conditions of the proposed sale. The Grantor shall have thirty (30) days to notify Grantee or its successors and assigns whether Grantor will exercise its option to purchase the Property (or the applicable portion thereof) at fair market value and under the same terms and conditions, provided that Grantor's offer may include non-material terms and conditions which do not cause any delay or expense to Grantee or its successors and assigns. If Grantor delivers written notice to Grantee or its successors and assigns within such thirty (30) day period that Grantor elects to exercise its option, then Grantee or its successors and assigns shall sell the Property (or the applicable portion thereof) to Grantor at the specified sales price and under the conditions specified by Grantor. If Grantor fails to deliver written notice to Grantee or its successors and assigns within such thirty (30) day period, then Grantor shall be deemed to have elected not to exercise its right of first refusal. The foregoing process shall apply only with respect to Grantor's right of first refusal to buy the Property, and shall not constitute approval of any sale of all or a portion of the Property to any third party for any purpose. Grantee or its successors and assigns shall be bound by the terms and conditions of this Right of First Refusal for each and every new, bona fide offer received by Grantee to purchase all or any portion of the Property. Notices required by this Section shall be given in accordance with the provisions of Section 12 hereof.

7. Attorneys' Fees. In the event any party or parties shall institute any action or proceeding, excluding any arbitration proceeding, against the other party or parties relating to the provisions of the Restrictions set forth in this Special Warranty Deed, or any default hereunder, then, and in that event, the non-prevailing party or parties in such action or proceeding shall

reimburse the prevailing party or parties for the reasonable expenses of attorneys' fees and disbursements incurred in connection with such action or proceeding.

8. Governing Law. The Restrictions shall be governed by and construed in accordance with the laws of the State of Texas.

9. Injunctive Relief. In the event of any violation or threatened violation by any person of any of the terms, restrictions, or conditions of this Special Warranty Deed, any of the Benefitted Parties shall have the right to seek an injunction to enjoin such violation or threatened violation in a court of competent jurisdiction.

10. Waiver of Default. No waiver of any violation of the Restrictions shall be implied from any omission by any Benefitted Party to take any action in respect of such violation if such violation continues or is repeated. No express waiver of any violation shall affect any violation or cover any period of time other than the violation and period of time specified in such express waiver. One or more waivers of any violation of any term contained in this shall not be deemed to be a waiver of any subsequent violation of the same term contained in the Restrictions. The consent or approval by any party to or of any act or request by any other party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests. The rights and remedies given to any party by the Restrictions shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity, which any such party might otherwise have by virtue of a violation under the Restrictions, and the exercise of one such right or remedy by any such party shall not impair such party's standing to exercise any other right or remedy.

11. Amendments. The Restrictions may be amended or modified only by a written instrument executed by all of the then owners of the Property, their respective Mortgagees, if any, and the Grantor. Except as otherwise provided herein, any termination of the Restrictions will require the prior written consent of all owners of the Property, their respective Mortgagees, if any, and the Grantor. Each of such owners will provide the name and address of applicable Mortgagees upon receipt of a written request therefor from any owner seeking to amend the Restrictions. As used in the Restrictions, the term "Mortgagee" means the trustee and beneficiary under a Mortgage, and the term "Mortgage" means any deed of trust encumbering all or any portion of the Property.

12. Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed sufficiently given for all purposes when delivered personally, when sent by certified or registered mail, postage prepaid, return receipt requested or by private courier service, in each case, with the address as indicated below; provided that any such notices, demands or other communications shall be deemed effective only upon receipt. Each party may, by written notice given to the other party, designate any other address or addresses to which notices, demands and other communications to them shall be sent as contemplated in this Special Warranty Deed. Until otherwise so provided, by the respective parties, all notices, demands and communications to each of them shall be addressed as follows:

**GRANTOR:**

Midtown Redevelopment Authority

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

**GRANTEE:**

Change Happens Community Development Corporation  
505 Bastrop Street #408  
Houston, Texas 77003  
Attention: Leslie Smith II

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the title to the Property unto the said Grantee, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, BY, THROUGH, OR UNDER GRANTOR, BUT NOT OTHERWISE subject to the Permitted Encumbrances, the Restrictions and the matters herein stated.

[Execution Page to Follow]

EXECUTED this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**“GRANTOR”**

MIDTOWN REDEVELOPMENT  
AUTHORITY, a Texas public not for profit local  
government corporation

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

THE STATE OF TEXAS    §  
                                  §  
COUNTY OF HARRIS    §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_, by \_\_\_\_\_, \_\_\_\_\_ of MIDTOWN  
REDEVELOPMENT AUTHORITY, a Texas public not for profit local government corporation,  
on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

[SEAL]

Grantee's Acceptance of Special Warranty Deed

Grantee accepts this Special Warranty Deed and consents to its form and substance. Grantee expressly agrees to the terms and conditions set forth herein and acknowledges that it has read and accepts the obligations imposed on it by the terms hereof. Grantee further acknowledges that the provisions of this Special Warranty Deed are binding on and inure to the benefit of Grantor and Grantee and their respective heirs, successors and assigns.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**"GRANTEE"**

CHANGE HAPPENS COMMUNITY  
DEVELOPMENT CORPORATION, a Texas non-  
profit corporation

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

THE STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Change Happens  
Community Development Corporation, a Texas non-profit corporation, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

[SEAL]

**Appendix A**  
*to*  
*Special Warranty Deed*

Property Description

**Appendix B***to  
Special Warranty Deed***Project Specifications**

<b><u>Tract</u></b>	<b><u>Address</u></b>	<b><u>Lot Size</u></b>	<b><u>Floor Plan</u></b>	<b><u>Total Square Footage</u></b>	<b><u>Gross Living Area</u></b>	<b><u>Bedrooms</u></b>	<b><u>Bathrooms</u></b>	<b><u>Garage</u></b>	<b><u>Maximum Sale Price</u></b>	<b><u>Recapture Amount<sup>2</sup></u></b>
1	3218 TUAM ST	4970.47	1479	1,479	1,059	3	2.5	2	\$220,965	
2	3413 BEULAH ST	5058.00	1479	1,479	1,059	3	2.5	2	\$220,965	
3	3317 BEULAH ST	4940.64	1479	1,479	1,059	3	2.5	2	\$220,965	
4	3425 DREW ST	5003.92	1479	1,479	1,059	3	2.5	2	\$220,965	
5	3247 FRANCIS ST	5023.4	1479	1,479	1,059	3	2.5	2	\$220,965	
6	3427 DREW ST	5015.41	1479	1,479	1,059	3	2.5	2	\$220,965	
7	3309 DREW ST	5014.69	1479	1,479	1,059	3	2.5	2	\$220,965	
8	3205 ANITA ST	5027.59	1479	1,479	1,059	3	2.5	2	\$220,965	
9	3325 BEULAH ST	4854.82	1479	1,479	1,059	3	2.5	2	\$220,965	
10	0 ROSALIE ST	5070.43	1479	1,479	1,059	3	2.5	2	\$220,965	
11	3250 FRANCIS ST	4321.20	1479	1,479	1,059	3	2.5	2	\$220,965	

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<sup>2</sup> Recapture Amounts to be inserted prior to conveyance of the Property.

12	3220 ANITA ST	3954.94	1479	1,479	1,059	3	2.5	2	\$220,965	
----	---------------------	---------	------	-------	-------	---	-----	---	-----------	--

Each single-family home will have the following design features: SEE ATTACHED



CHANGE HAPPENS CDC  
 FIXTURES AND FINISHES

	Floor Plan Name/Number
	1704
Design Feature	Material
Countertop, Kitchen	Granite
Countertop, Bathrooms & Powder Rooms	Granite
Flooring, Bedrooms	Carpet
Flooring, Living Room	Laminate Wood
Flooring, Dining Room	Laminate Wood
Flooring, Bathrooms & Powder Rooms	Tile
Doors, Interior (Type)	Hollow Wood
Doors, Exterior (Type)	Solid Wood
Tub Type in Primary Bedroom	Standup Shower, No Tub
Tub Type in Other Bathrooms	Acrylic
Shower Separate in Primary Bedroom? Yes or No	Just a Shower
Shower Separate in Other Bathroom? Yes or No	No
Kitchen Appliances, List Items to be Included	Stove, Microwave, Fridge, Dishwasher
Any Rooms with Ceiling Fans? If yes, list which rooms.	Bedrooms and Living Room
Crown Molding in any Rooms? If yes, list which rooms.	No Crown
Chair Rails or any other molding? If yes, list which rooms.	No Chair Rails
Alarm System Included? Yes or No	Wired but no System Included
Water Heater, Tank Size or Tankless?	40 gallon Standard
Siding, Front Elevation: Masonry, Hardie, Combo?	Hardie
Siding, Side & Rear Elevations: Masonry, Hardie, Combo?	Hardie
Stairs, Wood or Wrought Iron Banisters & Balusters?	No Stairs, One Story
Architectural Features? List any Vaulted Ceilings, Columns, Arches, Built-Ins, etc.	No Features
Fireplace? Yes or No	No

**Exhibit D**

*to*  
*Grant Agreement*

**Property Identification List**

**Tract 1: 3218 Tuam Street, Houston, Texas 77004** (HCAD #0510260000029)

Lot Six (6), in Block Four (4), of Booker T. Washington Addition, a subdivision in Harris County, Texas according to the map or plat thereof, recorded in Volume 5, Page 73 of the Map Records of Harris County, Texas.

**Tract 2: 3413 Beulah Street, Houston, Texas 77004** (HCAD #0372480000012)

Lot Twelve (12), in Block Thirty-eight (38) of William A. Wilson Co., an addition in Harris County, Texas according to the map or plat thereof recorded in Volume 3, Page 67 of the Map Records of Harris County, Texas.

**Tract 3: 3317 Beulah Street, Houston, Texas 77004** (HCAD #0510370000012)

Lot Twelve (12), in Block Fifteen (15), of Booker T. Washington Addition, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 5, Page 73, of the Map Records of Harris County, Texas.

**Tract 4: 3425 Drew Street, Houston, Texas 77004** (HCAD #0372560000014)

Lot Fourteen (14), in Block Forty-six (46), of William A. Wilson Company Subdivision of Lots 2, 3 and 4 of the East Half of the Henry Tierwester 1/4 League, in the City of Houston, a subdivision in Harris County, Texas according to the map or plat thereof recorded in Volume 3, Page 67, of the Map Records of Harris County, Texas.

**Tract 5: 3247 Francis Street, Houston, Texas 77004** (HCAD #0510440000012)

Lot Twelve (12), in Block Twenty-two (22), of Booker T. Washington, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 5, Page 73 of the Map Records of Harris County, Texas.

**Tract 6: 3427 Drew Street, Houston, Texas 77004** (HCAD #0372560000015)

Lot Fifteen (15), in Block Forty-nine (49), of William A. Wilson Company, a subdivision of Lots 2, 3, & 4 of Tierwester, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 3, Page 67, of the Map Records of Harris County, Texas.

**Tract 7: 3309 Drew Street, Houston, Texas 77004** (HCAD #0372350000007)

Lot 6, Block 25, William A. Wilson Subdivision of Lots 10 and 9 of the West ½ of the H. Tierwester 1/4 League Survey, Harris County, Texas, according to the map or plat thereof recorded in Volume 2, Page 2 “B”, Map Records of Harris County, Texas.

**Tract 8: 3205 Anita Street, Houston, Texas 77004** (HCAD #0510260000016)

Lot Sixteen (16), in Block Four (4), of Booker T. Washington Addition, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 5, Page 73, of the Map Records of Harris County, Texas.

**Tract 9: 3325 Beulah Street, Houston, Texas 77004** (HCAD #0510370000010)

Lot Ten (10), in Block Fifteen (15), of Booker T. Washington Addition, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 5, Page 73, of the Map Records of Harris County, Texas.

**Tract 10: 0 Rosalie Street, Houston, Texas 77004** (HCAD #0510280000016)

The West Twenty feet (W. 20') of Lot Fourteen (14) and the adjoining East Twenty feet (E. 20') of Lot Fifteen (15), in Block Seven (7) of Booker T. Washington, an addition in Harris County, Texas according to the map or plat thereof recorded in Volume 5, Page 73 of the Map Records of Harris County, Texas

**Tract 11: 3250 Francis Street, Houston, Texas 77004** (HCAD #05301400000003)

Lot Three (3) in Block Two (2) of Forest Home, an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 6, Page 24, of the Map Records of Harris County, Texas.

**Tract 12: 3220 Anita Street, Houston, Texas 77004** (HCAD #0510290000008)

The East Forty Feet (E. 40') of Lot Eight (8) in Block Seven (7), of BOOKER T. WASHINGTON ADDITION, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 5, Page 73 of the Map Records of Harris County, Texas.

**Exhibit E**  
*to*  
*Grant Agreement*

**Homebuyer Eligibility Guidelines**

***Southeast Houston Affordable Housing Initiative (SEHAHI)***

*Center for Civic and Public Policy Improvement (CCPPI)*  
*Homebuyer Eligibility Requirements*

**Homebuyer Eligibility Requirements** – To be considered eligible, the prospective homebuyer must meet the following requirements:

1. Homebuyer(s) must be US Citizen or permanent resident alien and provide one of the following:
  - a. Birth certificate issued by any U.S. jurisdiction
  - b. U.S. Passport
  - c. Green Card
2. Homebuyer(s) must be a resident of the City of Houston metropolitan area for at least the past twelve (12) months or longer and provide evidence of same which may include but is not limited to one of the following:
  - a. Lease in the name of the prospective homebuyer(s) for a period covering the last twelve (12) months
  - b. Utility bill in the name of the prospective homebuyer(s) covering the last twelve (12) months
3. Homebuyer(s) must be a first-time homeowner [has not owned a home in the last three (3) years] and provide the following:
  - a. Affidavit certifying to the above
4. If not self-employed, Homebuyer(s) must have been employed by the same employer for at least three months and provide the following:
  - a. Employment verification.
5. Homebuyer(s) may not own another home or residential real estate property other than heir property with multiple owners and must provide the following:
  - a. Affidavit certifying to the above
6. Homebuyer(s) total annual gross household income cannot exceed a maximum of 120% AMI or the income level designated in the applicable development agreement, adjusted for household size, as published annually by HUD. Homebuyer's total Mortgage PITI cannot exceed 33% of annual gross household income. If the income verification process is

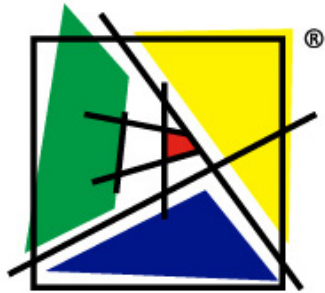
conducted by Houston Area Urban League (HAUL), Homebuyer(s) must submit the following documents related to income and assets:

- a. One of the following:
    - i. If employed: Two (2) months of pay stubs
    - ii. If self-employed: YTD Profit & Loss Statement from a CPA or tax preparer
  - b. Two (2) months of statements for all bank accounts including personal and business
  - c. Most recent IRA, 401K or other retirement or pension account statements
  - d. Award letters for pension(s)
  - e. Award letters for social security
  - f. Two (2) years of filed tax returns
  - g. Any other documentation that HAUL may reasonably request to determine Homebuyer(s) income eligibility
7. Homebuyer(s) must successfully complete eight (8) hours of homeownership education course from a HUD Certified counseling agency & taught by a HUD Certified Counselor. Houston Area Urban League (HAUL) is utilized to provide this homeownership education. If Homebuyer chooses to utilize another HUD certified counseling agency an additional two (2) hour course conducted by HAUL must also be completed. This course will cover requirements/restrictions unique to the Midtown Redevelopment Authority (MRA) affordable housing program as well as information related to ad valorem taxation including filing protests and homestead tax exemptions.
8. Homebuyer(s) may not have liquid assets more than \$30,000.00. IRA's and 401K's (retirement accounts) are subject to a (.06%) imputed income from assets.
9. Homebuyer(s) must agree to maintain the home as their principal place of residence for the full affordability period of 20 years (25 years if Homebuyer(s) receives more than \$40,000 of federal HOME Program assistance). If the affordability period is not satisfied, the full amount of the Midtown Homebuyer assistance must be repaid to MRA.
10. Homebuyer(s) must meet Lender's underwriting requirements and be approved for a mortgage loan for at least the length of the affordability period. Homebuyer(s) must escrow taxes through the mortgage.
11. Homebuyer(s) must agree to participate in compliance monitoring and lien requirements for the duration of the affordability period. The current affordability period is twenty (20) years.
12. Homebuyer(s) must agree not to use the home as a long-term or short-term rental property during the affordability period. Homebuyer(s) must provide the following annually:
- a. Affidavit certifying to the above

13. Developer(s) is prohibited from sale of home to buyer related within three degrees of consanguinity or affinity to develop(s) by blood, marriage or adoption. Developer(s) must provide the following:
  - a. Affidavit certifying to the above
14. Developer and the prospective Homebuyer must each submit a Conflict of Interest Affidavit, signed under penalty of perjury, stating that neither the Developer nor the Homebuyer has a familial or business relationship with Midtown Redevelopment Authority, any of its Developers, or their respective boards of directors, officers, managers, employees, agents, or consultants.
15. To the extent any of the guidelines set forth herein are in conflict with contemporaneous City of Houston, Texas Affordable Home Development Program guidelines (see Exhibit A); Harris County, Texas affordable housing guidelines; or other vetted homebuyer down payment assistance guidelines, any terms and conditions contained in the above-cited guidelines that are not included in the Homebuyer Requirements contained herein, will be adopted for homebuyers receiving such assistance. The purpose is to ensure that homebuyer down payment assistance provided by any entity that offers the same is available to homebuyers purchasing homes under auspices of the Southeast Houston Affordable Housing Initiative.

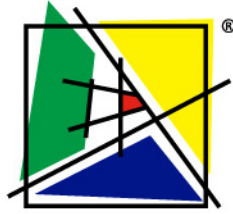
Notwithstanding the foregoing, MRA's affordability period shall exist according to its terms and is not impacted by the affordability period adopted by any of the entity that provides down payment assistance.

**THESE ELIGIBILITY REQUIREMENTS MAY BE AMENDED FROM TIME TO TIME**



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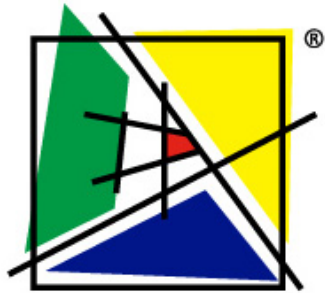
**PEARL RESIDENCES  
AT MIDTOWN OWNERS LLC**



**midtown**  
HOUSTON

**MIDTOWN AFFORDABLE  
HOUSING PROGRAM**





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

**SMITH & COMPANY**  
**ARCHITECT**

September 4, 2024

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

**RE: Proposal for Professional Architectural Services – 3rd Floor Tenant Build Out at the Emancipation Building at 3131 Emancipation Ave. – Iridium Specialty Pharmacy**

Dear Marlon:

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

#### **PROJECT UNDERSTANDING**

MRA plans to build out approximately 1,530 SF of existing shell space on the 3rd floor of the Emancipation Building at 3131 Emancipation Ave. The space will be fully constructed for the tenant Iridium Specialty Pharmacy. Construction documents will be based upon the test fit layout has been completed by S&C and attached for reference. It is expected that the project will be competitively bid.

#### **SCOPE OF WORK**

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

- Programming and confirmation of space needs both present and future
- Architecture
- Interior Design
- Mechanical, Electrical, Plumbing & Fire Protection Engineering
- Low Voltage / Technology Design Services
- Bidding / Negotiation
- Construction Administration (Includes two site visits per month, RFI and Submittal responses.)

#### **COMPENSATION**

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

<u>Phase</u>	<u>Fee</u>
*Schematic Design	\$5,500
Design Development	\$11,000
50% Construction Documents	\$13,750
Permit Drawings / Bid Documents	\$13,750
Bidding & Negotiation	\$2,750
<u>Construction Admin</u>	<u>\$8,250</u>
Total Fee	\$55,000

\*work in this phase is to be based on the approved Test Fit, *Exhibit A*.

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

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

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

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

## **PROJECT SCHEDULE**

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

Schematic Design	2 weeks
Design Development	4 weeks
DD Owner Review and Approval	1 week
50% Construction Documents	3 weeks
50% CD Owner Review and Approval	1 week
Permit / Bid Documents	3 weeks

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

## **ADDITIONAL SERVICES**

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

- Change in the instructions or approvals previously given by the Owner that necessitate

revisions in Instruments of Service.

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

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

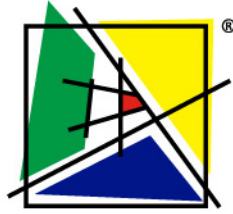
1. Environmental Consulting
2. Furniture, Fixtures, and Equipment Design
3. Cost Consulting
4. Value Engineering Services resulting from changes by the owner
5. Post Occupancy Services
6. Construction / Project Management
7. Materials Testing
8. Furniture, Fixtures, and Equipment Procurement and Installation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

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

Sincerely,



Justin Taplet, AIA,  
NOMA  
Sr. PM



**midtown**  
HOUSTON

**MIDTOWN CAPITAL  
IMPROVEMENTS  
PROGRAM**

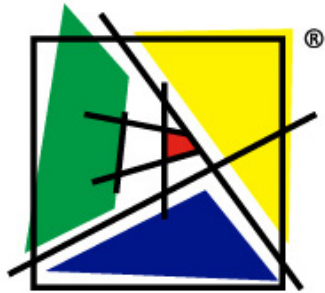
## **Capital Improvements Program**

### **Caroline Street Reconstruction**

- Contractor has received permits and started work on remedial drainage pilot project.
- Construction of flumes and driveway adjustment near Dennis Street have been completed.
- Upcoming work includes rain garden modification near Rosalie Street and adjustment of junction box at discharge point near Dennis Street.

### **North Houston Highway Improvement Project (NHHIP) – Caroline-Wheeler Cap Park**

- In consultation with the Mayor's staff, The Goodman Corporation modified Midtown's grant request to H-GAC for the Caroline-Wheeler Cap Park into one combined grant request for all NHHIP Segment 3A caps and 3B-2 bridges along IH-69/US-59.
- The combined grant request includes cap structures at: Caroline-Wheeler (\$15,297,004); Almeda-Cleburne (\$12,810,500); Fannin (\$33,198,722); and signature bridges at Elgin, McGowen, and Tuam Street (\$17,491,266 - \$5,830,422 per bridge); cap and bridge improvements total \$78,797,492.
- The City of Houston is listed as the combined grant requester, and funds will be allocated to TxDOT to include in its related NHHIP contracts.
- HGAC's Transportation Advisory Committee (TAC) and Transportation Policy Council (TPC) have approved the \$78.8M request for the NHHIP Segment 3A caps and 3B-2 bridges along IH-69/US-59.



**midtown**  
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**CAROLINE STREET  
CHANGE ORDER #1**

**CHANGE ORDER NO. 1  
FOR  
CAROLINE STREET REMEDIAL REPAIRS**

**PREPARED BY:**



**ELITE CONSTRUCTION AND ENGINEERING SERVICES  
LLC**

**TBPE FIRM REGISTRATION NO. F20722  
7915 FM 1960 WEST, SUITE 375  
HOUSTON, TX 77070  
TEL (832) 276-7304**

**Contractor:** Elite Construction and Engineering Services, LLC

**Owner:**

\_\_\_\_\_  
**Signature of Authorized Agent**

\_\_\_\_\_  
**Signature of Authorized Agent**

Ariel Mejia Jr., P.E

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Printed Name**

Managing Member

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Title**

10/25/2024

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**UNIT PRICE BID**

Item No.	Description of Item	Quantity	Unit	Unit Price	Extended Total
1	Removal and Replace Existing Sidewalk to Uncover and Locate Existing Inlet, items Includes additional 15" SDR 35 pipe and Accessible Junction Box	1	LS	\$ 12,277.60	\$ 12,277.60
<b>Total</b>					<b>12,277.60</b>





ELITE CONSTRUCTION AND ENGINEERING SERVICES  
LLC

**Removal and Replace Existing Sidewalk to Uncover and Locate Existing Inlet, items Includes additional 15" SDR 35 pipe and Accessible Junction Box**

BID ITEM INPUT				
Work Hours per Day	8	Hours per Day		
Calculated Task Duration	2.00	Days		
Total Crew Hours	16.00	CREW HOURS		
Total Man-Hours	128.00	MAN-HOURS		

LABOR	RATE PER HOUR	REGULAR HOURS	OVERT COST	OVERT HOURS	WEEKLY COST	AMOUNT
Foreman	\$ 40.00	16.00				\$ 640.00
Operator Excavator	\$ 27.00	16.00				\$ 432.00
Laborer	\$ 18.00	16.00				\$ 288.00
Laborer	\$ 18.00	16.00				\$ 288.00
<b>Labor Subtotal</b>						<b>\$ 1,648.00</b>

FUEL & LUBE	QUANTITY	UNIT	RATE PER DAY	Weekly Gallons	AMOUNT
Excavator	25.00	gal	\$ 112.50	\$ 137.50	\$ 225.00
<b>Fuel &amp; Lube Subtotal</b>					<b>\$ 225.00</b>

EQUIPMENT	QUANTITY	UNIT	RATE	AMOUNT
Excavator	1.00	Day	\$ 675.00	\$ 675.00
Hydraulic Hammer Breaker	1.00	Day	\$ 450.00	\$ 450.00
<b>Equipment Subtotal</b>				<b>\$ 1,125.00</b>

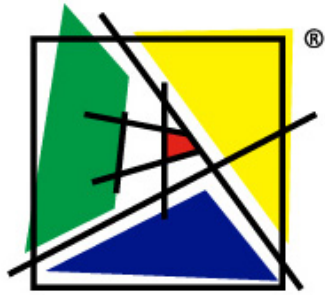
MATERIALS	QUANTITY	UNIT	RATE	Comment	AMOUNT
Concrete Short Load	3.00	CY	\$ 150.00		\$ 450.00
C-Sand	0.50	Load	\$ 750.00		\$ 375.00
15" Pipe (14- segment minimum Includes Delivery)	14.00	LF	\$ 45.00		\$ 630.00
Top w 35" Concrete Hole	1.00	EA	\$ 400.00		\$ 400.00
Junction Box (30"x30")	1.00	EA	\$ 1,150.00		\$ 1,150.00
Ring, Frame and Cover	1.00	EA	\$ 435.00		\$ 435.00
<b>Materials Subtotal</b>					<b>\$ 3,440.00</b>

SUBCONTRACTORS	QUANTITY	UNIT	RATE	AMOUNT
<b>Subcontractors</b>				<b>\$ -</b>

OTHER DIRECT COSTS	QUANTITY	UNIT	RATE	AMOUNT
Pedestrian Traffic Control Devices and Steel Plate	1.00	LS	\$ 1,250.00	\$ 1,250.00
Remove, Dispose and Replace of Sidewalk (10'x5')	50.00	SF	\$ 25.00	\$ 1,250.00
Disposal of Excavated Material	6.00	CY	\$ 50.00	\$ 300.00
Additional Site Restoration	1.00	Day	\$ 650.00	\$ 650.00
<b>Other Direct Costs</b>				<b>\$ 3,450.00</b>

Markup, Overhead & Profit Input		BID ITEM SUBTOTAL		\$	9,888.00
Labor Burden (Payroll Taxes, workers comp, health insurance, retirement benefits, small tools and equip, semi annual bonus)	25.00%	Labor Burden (Payroll Taxes, workers comp, health insurance, retirement benefits, small tools and equip, semi annual bonus)		\$	412.00
Office Overhead	5.00%	Office Overhead		\$	494.40
Profit	10.00%	Profit		\$	988.80
Bond & Insurance	5.00%	Bond		\$	494.40
<b>BID ITEM TOTAL:</b>				<b>\$</b>	<b>12,277.60</b>

THANK YOU FOR YOUR BUSINESS!



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**GOODMAN DESIGN**

**Project Readiness for Various Projects  
for  
Midtown Redevelopment Authority (MRA)**

October 2024

The Goodman Corporation (TGC) is pleased to submit this proposal to provide consulting services for the various projects within the Midtown Redevelopment Authority that are in various stages of project development. All projects included in this scope have been submitted for DCR Intake with the City of Houston Interagency (with the exception of the HUD funded Isabella and Truxillo Roadway Rehabilitation Project). Additional analyses are required to advance these projects forward with the City of Houston (City) to begin design of any improvements. The following table lists the projects included in this scope to complete the DCR Intake process and any related analysis requested by City of Houston. Note that this scope assumes that no full DCR will be required.

No.	Project Name
1	Cleburne Street Multimodal Improvements (FTA Funded)
2	Caroline Street Sharrow Improvements (FTA Funded)
3	Isabella and Truxillo Roadway Rehabilitation Project (HUD Funded)

The corridors to be improved include the following limits for each project:

No.	Project Limits
1	Cleburne Street (Main Street to La Branch Street)
2	Caroline Street (Wheeler Avenue to Hermann Drive)
3	Isabella Street (Main Street to Fannin Street, and San Jacinto Street to Alameda Street) Truxillo Street (Main Street to just west of IH-69)

It is anticipated that surveying services, electrical design services, acquisition of additional right-of-way, and use of easements are not required for this Project.

**Task 1: Project Management**

- Coordinate with project sponsors and other stakeholders
- Internal coordination with team members
- Manage project scope, schedule, quantity, and budget
- Submit monthly invoices

**Task 2: DCR Intake and Concept Plans**

TGC will prepare and provide a DCR intake form to the City of Houston for Project No. 3 – Isabella and Truxillo Roadway Rehabilitation and sidewalk improvements. This will include TGC developing the following:

- Conceptual project scope and schematic, to be refined later through survey
- A conceptual line-item Project cost estimate, delineating all improvements
- Geotechnical analysis to determine where full depth reconstruction or mill and overlay is sufficient to rehabilitate the existing pavement sections

TGC will review this conceptual package with Midtown for approval and adjustment prior to submission to the City of Houston. TGC assumes within this scope that Midtown is not constrained entirely by the grant amount but would like it to be within \$1M+ of the HUD allocation of \$1,142,857.

TGC will submit the form to the City which accurately describes the scope, impact, and funding sources. TGC will coordinate with the City through the DCR Intake process. If a full DCR is required, TGC will stop at this task and await further direction.

**Task 3: Drainage & Traffic Memorandums**

As part of the DCR Intake review process with the City, additional analysis and memorandums will be required to advance these projects. Even though the Isabella and Truxillo Roadway Rehabilitation Project has not yet undergone the DCR Intake review process, a drainage memorandum is anticipated due to the project's scope and previous discussions with the City. The specific analyses and memorandums required for each project are outlined below:

Task	Projects
Drainage Analysis and Memo	<ol style="list-style-type: none"> <li>1. Cleburne Street Multimodal Improvements</li> <li>2. Isabella and Truxillo Roadway Rehabilitation Project</li> </ol>
Traffic Analysis and Memo	<ol style="list-style-type: none"> <li>1. Cleburne Street Multimodal Improvements</li> <li>2. Caroline Street Sharrow Improvements</li> </ol>

**Project Schedule**

Services will be completed on a mutually agreeable schedule, depending on the timelines required to complete geotechnical services and traffic counts. Required traffic and drainage memos and conceptual plans and cost estimates are assumed to be completed within 4 weeks of receipt of traffic counts. TGC does not control the timelines required for DCR Intake reviews by the City of Houston.

### Project Budget

Progress payments will be made based on the percentage of completion of each task. Monthly invoices, including progress reports, will be provided commensurate with the percentage of the project completed each month. The costs within this scope are inclusive of all direct and indirect costs as provided in the tables below.

Task	Description	Cost
1	Project Management	\$4,822
2	DCR Intake and Concept Plans (Isabella and Truxillo)	\$32,526
3	Drainage & Traffic Memorandums	\$8,546
<b>Total Authorized</b>		<b>\$45,893</b>

### Level of Effort

MID123 - PROJECT READINESS						
Category	Category Rate	Task 1 Project Mgmt	Task 2 DCR intake & Concept	Task 3 Memos	General ODC	Totals
Admin I	\$95.33					
Associate I	\$103.27					
Associate II	\$119.16					
Associate III	\$142.99					
Senior Associate I	\$158.88					
Senior Associate II	\$174.77					
Senior Associate III	\$190.66	16	16	24		\$10,677
Principal I	\$206.55					
Principal II	\$246.27	4	4	8		\$3,940
Principal III	\$293.08	2				\$586
Engineer Associate I	\$103.27					
Engineer Associate II	\$119.16		12			\$1,430
Engineer Associate III	\$146.96					
Engineer Senior Associate I	\$162.85					
Engineer Senior Associate II	\$178.74					
Engineer Senior Associate III	\$198.60					
Engineer Principal I	\$214.49					
Engineer Principal II	\$254.21					
Engineer Principal III	\$309.82					
Staff Hours By Task		22	32	32	86	\$16,633
<b>Other Direct Expenses</b>						
Mileage & Printing & Ads		\$200				\$200
<b>Sub-Contractors</b>						
Traffic Counts (+10%)				\$2,000		\$2,000
Geotech (+10%)			\$27,060			\$27,060
<b>Subtotals</b>						
Subtotal: Staff Expense		\$4,622	\$5,466	\$6,546		\$16,633
Subtotal: Other Direct Expenses		\$200				\$200
Subtotal: Sub-Contractor			\$27,060	\$2,000		\$29,060
<b>Totals</b>		<b>\$4,822</b>	<b>\$32,526</b>	<b>\$8,546</b>		<b>\$45,893</b>

**Accepted for Midtown Redevelopment Authority**

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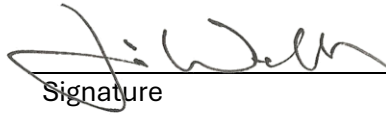
Signature

Date

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**Accepted for The Goodman Corporation**



Signature

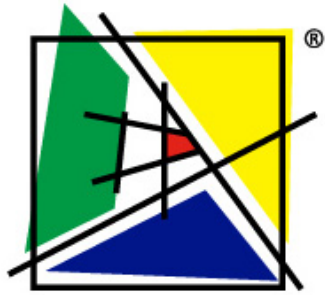
October 23, 2024

Date

Jim Webb, AICP, ENV SP

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**midtown**  
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**NHHIP SIGMENT**





# I-45 NHHIP Segment 3A Design Refinements & Structural Caps

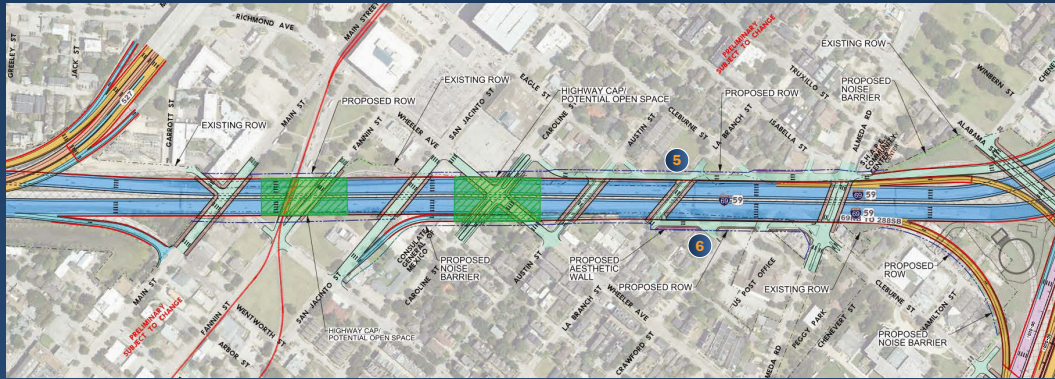
For additional information about the Project, visit us online at: [www.txdot.gov/nhhip](http://www.txdot.gov/nhhip)

To view this exhibit in other languages, please scan the QR code here:

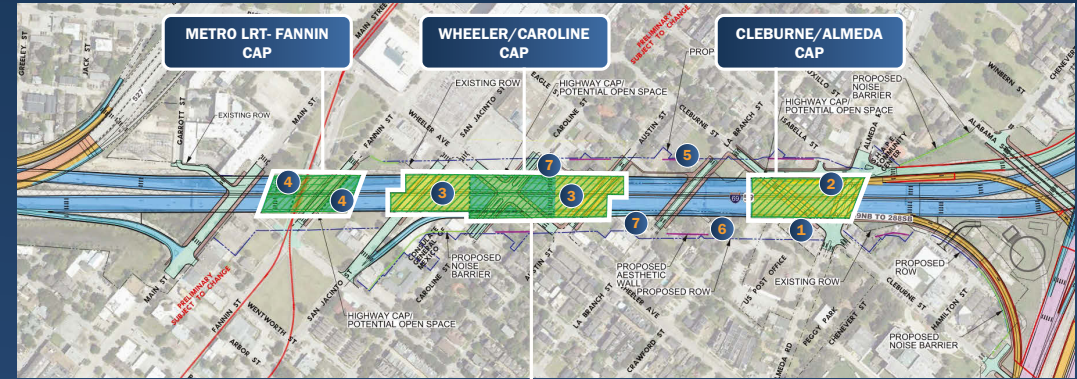
Para ver esta presentación en otros idiomas, por favor escanee el código QR aquí:



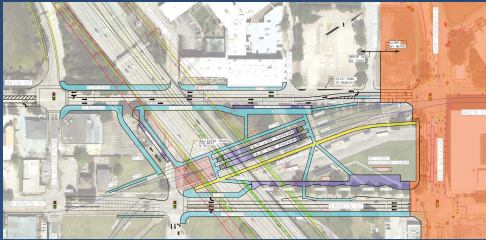
## FEIS APPROVED



## PROPOSED CHANGES \*



## Working with METRO



TxDOT is partnering with METRO on a plan that would take the METRORail Red Line from the nearby Wheeler Transit Station across I-69. In addition to providing 3 light rail tracks, new bus turnouts and platforms will be installed along Fannin St. and across I-69. Above is a rendering of what this proposed idea would look like.

- 1
- 2
- 3
- 4
- 5
- 6
- 7

Extend Cleburne St. across I-69, preserving this important connection between Third Ward and Midtown.

- Community request and VRA commitment

Develop potential roadway cap extension opportunity between Almeda Rd. and Cleburne St.

- City of Houston and management districts request

Develop potential roadway cap extension opportunity, which would increase the cap area from Wheeler Ave. and Caroline St. to include San Jacinto and Austin streets.

Develop potential roadway cap extension opportunity which would increase the cap area to the west of the METRORail crossing, and to the east of the Fannin St. crossing.

- Requested by METRO, City of Houston, and management districts

Shorten I-69 southbound frontage road to end at Cleburne St.

- Requested by City of Houston and management districts
- Enhanced bicycle/pedestrian opportunities in space where frontage road removed

Remove proposed I-69 northbound frontage road between La Branch St. and Almeda Rd.

- Requested by City of Houston and management districts
- Proposed frontage road creates adverse cross street intersections and does not enhance access and operations
- Enhanced bicycle/pedestrian opportunities in space where frontage road removed

Build specialized retaining walls due to high groundwater and excavation depth.

- Impacts amount of right of way required



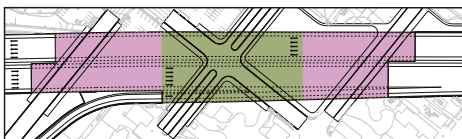
These walls will be diaphragm walls or "D-Walls" for short. They are built deep into the ground in solid concrete rectangular sections which are interlocked with watertight vertical joints. Horizontal rods called tiebacks help stabilize these walls.

\* NEPA reevaluations will be performed as needed when proposed changes deviate from the FEIS

## WHAT IS A CAP?

A cap is the concrete infrastructure required to build a roadway at natural ground level over a highway that is below ground level. The cap also provides the opportunity for the "Art of the Possible." Through public and private funding partnerships, the cap can become an iconic destination for the community. The exhibits below demonstrate possible cap features that can be employed to define how the community can repurpose the space. You can either utilize the QRC or fill out a comment form to provide feedback.

The Wheeler/Caroline cap is being used as an example here, but all the potential amenities could be added to each of the structural caps in Segment 3A.

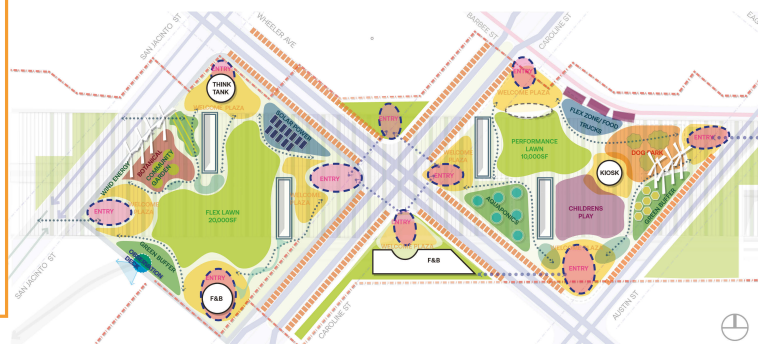


WHEELER/CAROLINE CAP

## CAPS: THE ART OF THE POSSIBLE



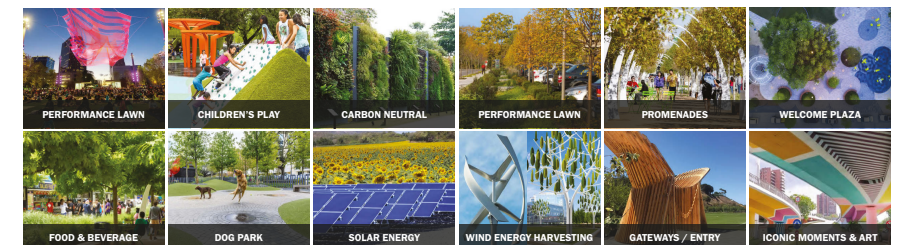
Scan to complete survey



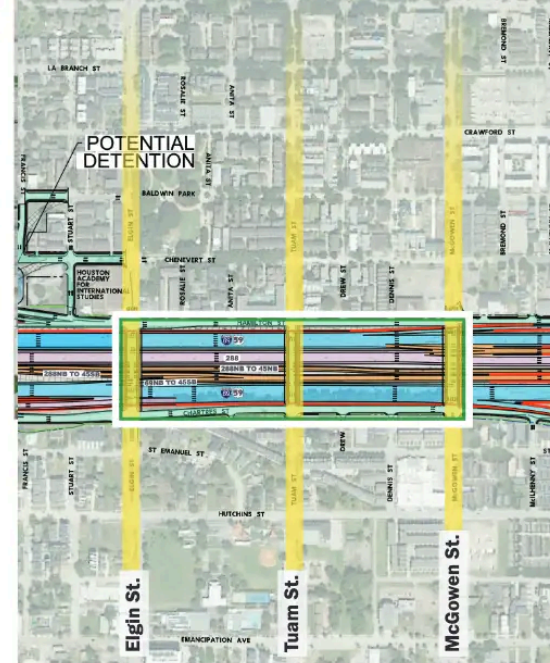
WHEELER/CAROLINE CAP PROPOSAL

The Wheeler/Caroline Cap Proposal image is one of many options for how the various features and amenities could be laid out in the cap spaces.

- WELCOME ENTRY
- GREEN BUFFER
- PLAY GARDEN
- BUILDING
- STREET PARKING
- PLAZA
- FLEXIBLE LAWN
- DOG PARK
- BOTANICAL EXPERIENCE
- PEDESTRIAN CIRCULATION
- AQUAPONICS
- APIARIES
- FLEX SPACE
- PROMENADE



POSSIBLE CAP FEATURES & AMENITIES



**ARCH BRIDGES**

# Elgin Road/Tuam Street/ McGowen Arch Bridges

## Building iconic infrastructure to enhance mobility

To facilitate connectivity between Midtown and Third Ward, a trio of signature bridges is planned for Elgin, Tuam and McGowen Streets. These new bridges will cross I-69 between the current Hwy 288 and I-45 interchanges, reconnecting community hubs such as Emancipation Park and Houston Community College-Central Campus.

The three arch bridges will mirror the visual impact of Houston’s noteworthy series of I-69 bridges from Hazard Street to Montrose Boulevard, and will include dedicated pedestrian and bike lanes to enhance safety for all transportation modes.



*\*All renderings, maps, and schematics within this document are conceptual and are not meant to represent final design.*