

STATE OF TEXAS	§	CHAPTER 380 ECONOMIC
	§	DEVELOPMENT PROGRAM
	§	GRANT AGREEMENT OF THE
COUNTY OF BEXAR	§	CITY OF SAN ANTONIO

This Chapter 380 Economic Development Program Grant Agreement (hereinafter referred to as this "Agreement") is made and entered into by and among the City of San Antonio (the "CITY"), a municipal corporation of the State of Texas, acting by and through its CITY Manager or her designee, Tax Increment Reinvestment Zone Eleven (the "TIRZ"), acting by and through its Board of Directors (the "Board"), and Collaborative Homes, LLC (hereinafter referred to as "GRANTEE") and whom together may be referred to as the "Parties."

RECITALS

WHEREAS, GRANTEE is engaged in an economic development project called Sunglo Townhomes that will be located within the CITY limits of the CITY, the boundaries of the TIRZ and that will consist of the construction of ten (10) two-story townhomes to be located at 1519 S. Presa, San Antonio, TX 78210, (the "Project Site") as more specifically described in **Exhibit A**, (the "Project"); and

WHEREAS, once completed, the Project is anticipated to result in the investment of approximately THREE MILLION ONE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$3,100,000.00) in real property improvements within the boundaries of the TIRZ; and

WHEREAS, GRANTEE is seeking economic incentives from the CITY and the TIRZ to undertake and complete the Project; and

WHEREAS, the CITY and the TIRZ have identified funds to be made available to GRANTEE in the form of an economic development program grant for use in undertaking and completing the Project in accordance with the terms and conditions of this Agreement; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code and Section 311.010(b) and Section 311.010(h) of the Texas Tax Code, the CITY and the TIRZ are authorized to grant funds to promote state or local economic development and to stimulate business and commercial activity in the municipality and within the TIRZ; and

WHEREAS, the CITY and the TIRZ have indentified grant funds to be made available to GRANTEE for the Project and the Board of Directors of the TIRZ has authorized the TIRZ to enter into this Agreement with GRANTEE in accordance with the Resolution attached hereto as "**Exhibit B**", dated May 1, 2015; and

WHEREAS, the CITY Council has authorized the CITY Manager or her designee to enter into this Agreement in accordance with CITY Ordinance No. 2015-06-18-____, **Exhibit C**, passed and approved on _____, 2015, to grant certain funds as described herein; and

WHEREAS, the Board of Directors of the TIRZ, by resolution dated May 1, 14, 2015, has authorized the TIRZ to enter into this Agreement for the limited purpose of authorizing Tax Increment Funds ("TIF"), which, pursuant to Section 311.004, Texas Tax Code, are certain funds established by the CITY for the TIRZ, to be used as a funding source for this Agreement; **NOW THEREFORE**:

The Parties hereto severally and collectively agree, for the consideration herein set forth, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

ARTICLE I. AGREEMENT PURPOSE

GRANTEE shall undertake the Project which is anticipated to promote local economic development and to stimulate business and commercial activity in the CITY and in the TIRZ. The CITY and TIRZ are supporting the Project through this economic development grant to provide funds for the purpose of defraying costs associated with the Project's construction and intended to spur development in the CITY's Tax Increment Reinvestment Zone. The grant is of TIF funds to be used for Project Costs, as defined by the TIF Act, Texas Tax Code Ch. 311 and in accordance with Chapter 380 of the Texas Local Government Code. This Project will be added to the Project and Finance Plans for the Inner CITY TIRZ.

ARTICLE II. PROJECT REQUIREMENTS

A. Investment. GRANTEE shall make a minimum investment of approximately (\$3,100,000.00) (the "Minimum Investment) in construction costs in the Project, which Investment plus real estate acquisition is approximately (_____) which shall include approximately FIVE HUNDRED AND EIGHTEEN THOUSAND AND ZERO CENTS (\$518,000.00) of Public Improvements and pre-development costs. For the purposes of this agreement, "Public Improvements" shall include installation of underground utilities, streets, sidewalks, and other infrastructure improvements pertaining to the development of the Property, as more particularly described in **Exhibit "D"** attached and incorporated herein. For the purposes of this Agreement, "Investment" means all expenditures made by Grantee directly or indirectly, without limitation, to develop the project, including: Architectural, engineering and surveying expenses, financing costs and fees, construction period interest, property acquisition, closing and settlement expenses, demolition, construction, site preparation, paving, landscaping, utilities, project marketing, legal expenses, and reasonable fees paid to consultants, contractors and GRANTEE. For the purposes of this agreement, "Pre-development cost" shall include Architectural, engineering and surveying expenses, and well as demolition pertaining to the development of the Property, as more particularly described in **Exhibit "D"**.

B. Construction and Completion. GRANTEE shall make all commercially reasonable efforts to commence construction and demolition on or before December 1, 2015 ("Commencement Date") and shall use commercially reasonable efforts to complete construction on the Public Improvements described in **Exhibit "D"** no later than June 1, 2017 (the "Completion Date") subject to Force Majeure. The Commencement Date shall be determined by the issuance of a building permit for the Project Site and CITY's receipt of correspondence from the general contractor for the Project certifying that construction has commenced. The Completion Date shall be determined by the following: (1) Construction of the Public Improvement as required by this Agreement in accordance with the engineer's design; and (2) In order for a Public Improvement to have achieved a state of "Completion", the improvement must: (a) be inspected by a design engineer, and be the subject of a certification letter from the design engineer, sealed with the engineer's professional seal, certifying that the Public

Improvements were designed in such a manner as to endure without need for maintenance, repair or replacement for five (5) years, taking into consideration the site and traffic conditions, present and future, at or near the improvements, and certifying that the Public Improvements were constructed according to the specifications required by the engineer's design for each improvement; and (b) be approved by the CITY as evidenced by a letter of acceptance issued by an authorized official of the CITY; and (c) for streets and drainage improvements only, be or have been subject to the one-year extended warranty bond required by Chapter 35 of the CITY's Unified Development Code.

1. GRANTEE shall provide progress reports to CITY on the Project and Project Site on a quarterly basis through the term of this Agreement. In addition to the quarterly progress reports, should CITY request an interim progress report during the term of this Agreement, GRANTEE shall provide such progress report within fifteen (15) business days.

2. GRANTEE shall comply with all applicable Federal, State and local laws and regulations, including federal Environmental Protection Agency (EPA), Texas Department of State Health Services (TDSHS) and Texas Commission on Environmental Quality (TCEQ) rules and regulations and all other regulations and laws relating to the environment, Asbestos Containing Materials (ACM), Hazardous Substances or exposure to ACM and Hazardous Substances as applicable and shall develop and operate the Project in accordance with the terms and conditions of this Agreement.

3. No streets, sidewalks, drainage, public utility infrastructure, or other public improvements ("Public Improvements") with a lien still attached may be offered to the CITY for dedication. If any lien or claim of lien, whether choate or inchoate (collectively, any "Mechanic's Lien") is filed against GRANTEE regarding the Public Improvements on the Project by reason of any work, labor, services or materials supplied or claimed to have been supplied by, or on behalf of, GRANTEE, or any of its agents or Contractors, GRANTEE shall cause the same to be satisfied or discharged of record, or effectively prevent the enforcement or foreclosure against the Project's Public Improvements by injunction, payment, deposit, bond, court order or otherwise.

4. GRANTEE is responsible for complying with all applicable CITY Code provisions, including provisions of the Unified Development Code, enforced pursuant to the CITY's subdivision platting authority, and as amended, including, but not limited to, those provisions related to drainage, utilities, and substandard public street rights-of-ways for development and construction of the Project including the Public Improvements. In addition, GRANTEE shall exercise commercially reasonable efforts to follow the recommendations of the applicable Master Plan and shall consider incorporating low impact development strategies for water quality, storm water and drainage where appropriate for the Project. This Agreement in no way obligates CITY to approve any subsequent permits or requests for the Project as GRANTEE is still responsible for acquiring all necessary permits and/or approvals as needed for the Project.

5. Payment and Performance Bonds. For all Phases, in accordance with Chapter 2253 of the Texas Government Code, the GRANTEE shall cause its general contractor or general contractors to obtain payment and performance bonds naming the CITY as a beneficiary or obligee of the bonds. The GRANTEE and its contractors must wait for approval of the bonds by the CITY's Risk Management Department prior to construction, in order for the Public Improvements to be eligible for reimbursement. Failure to meet the CITY's minimum standards for these bonds prior to the commencement of construction for each Phase will be considered a breach of this Agreement. The payment and performance bonds for each Phase shall be in an amount sufficient to cover the entire contract cost of the Public Improvements for that Phase.

a. The CITY's Risk Management Department shall determine whether the bonds meet the minimum standard. Failure of the GRANTEE to comply with this Section or Chapter 2253 of the Texas Government Code is a breach of this Agreement, and the CITY may exercise the full range of legal remedies available, including but not limited to: terminating this Agreement, exercising its rights under Article X, and/or removing the value of Phases and lots which are ineligible for reimbursement.

6. The GRANTEE shall, at its own cost and expense, maintain or cause to be maintained all Public Improvements not dedicated to the CITY upon completion. For all Public Improvements dedicated to the CITY upon completion, the GRANTEE shall, at its own cost and expense, maintain or cause to be maintained all Public Improvements until acceptance by the CITY as evidenced by written acceptance and for one year after Completion.

a. If applicable and upon acceptance of a street or drainage improvement for maintenance by the CITY, GRANTEE shall deliver to the CITY a one-year extended warranty bond, naming the CITY as the obligee, in conformity with Chapter 35 of the CITY's Unified Development Code. The cost of repair, replacement, reconstruction and maintenance for defects discovered during the first year after Completion shall be paid by the GRANTEE or the bond company and shall not be paid out of the TIF Fund.

b. After the expiration of the one year extended warranty bond, the cost of the repair, replacement, reconstruction and maintenance of the Public Improvements dedicated to the CITY shall be the CITY's responsibility. The CITY shall be reimbursed from the TIF Fund for those costs incurred, including, but not limited to: demolition, rebuilding, engineering, design, reconstruction or any other cost necessitated by the failure without regard to fault or degree ("failure") of Public Improvements, which is discovered within years two through ten after Completion of said Public Improvements.

c. Payment of the CITY under this Section shall take priority over reimbursement of the GRANTEE.

- d. The CITY's reimbursement from the TIF Fund shall not be considered an amendment of the Finance Plan and requires no action by the Board or the CITY Council to be effective.
- e. The TIF Unit shall report any CITY reimbursement for the reconstruction or repair of any Public Improvements to the Board in a timely manner.
- f. It shall be no defense to the CITY's reimbursement of itself out of the TIF Fund that the CITY or its agents have inspected, accepted or approved the Public Improvement. Approval or acceptance of a Public Improvement is not a waiver of claims. The CITY may attempt multiple repairs on the same infrastructure and reimburse itself for each attempt.
- g. The GRANTEE, its agents, employees, and contractors will not interfere with reasonable use of all the Public Improvements by the general public, except for drainage retention improvements. In accordance with the Construction Schedule, the GRANTEE shall use its best efforts to dedicate (or grant a public easement to) the Public Improvements where applicable to the appropriate taxing entity (as determined by the CITY), at no additional cost or expense to the CITY or any other Participating Taxing Entity within 60 days after completion and acceptance of the improvements.
- h. Reimbursement of the GRANTEE shall not be unreasonably denied provided the Public Improvement has reached Completion, and provided the CITY has no active claim for reimbursement.
- i. The requirements of this Agreement cannot be waived or modified in any way by an engineer, employee or other official of the CITY or its subordinate agency with responsibility for inspecting or certifying public infrastructure. The actions of a CITY employee or agent do not work as an estoppel against the CITY under this Agreement or the Unified Development Code.
- j. This subsection 6 a-j shall survive termination of this Agreement.

ARTICLE III. ECONOMIC DEVELOPMENT PROGRAM GRANT

A. **Economic Development Program Grant.** The TIRZ is providing GRANTEE with an Economic Development Program Grant. The TIRZ is directing the CITY to administrate this Agreement by disbursing the Grant Funds and monitoring GRANTEE's compliance with the terms and conditions of this Agreement. Such grant shall be as follows:

1. The TIRZ is providing up to FIVE HUNDRED AND EIGHTEEN THOUSAND AND ZERO CENTS \$518,000.00 in tax increment reimbursements from the TIF Fund (hereafter defined), held by the CITY as fiscal agent, to be paid to GRANTEE as set forth herein.

2. The Grant Funds shall be used to reimburse GRANTEE for Investments in costs of the Public Improvements for the Project.

B. **Grant Disbursement.** The Grant Funds will be distributed over the Term of this Agreement, subject to the terms and conditions herein, as follows:

1. **Initial Requirements.** Grant disbursement shall require:

- (1) Execution of the Agreement by all Parties; and
- (2) Receipt of evidence of the issuance of a building permit from the CITY for the Project's location on or prior to the Commencement Date; and
- (3) Commencement of construction on the Project to be evidenced by the submission and receipt of a letter confirming commencement by the general contractor to CITY on or prior to the Commencement Date; and
- (4) Receipt by the CITY of evidence in the form of a letter from a qualified financial institution confirming GRANTEE has funds available on deposit or under an existing credit facility or construction loan sufficient to complete the Project on or prior to the Commencement Date.

2. **Project Reimbursement** (Maximum of FIVE HUNDRED AND EIGHTEEN THOUSAND AND ZERO CENTS \$518,000.00). Subject to the terms and conditions of this Agreement and the Payment Conditions (defined herein), the GRANTEE shall be reimbursed in the following:

(1) **CPPR Approval.** Upon completion of the Public Improvements in each Phase of the Project in accordance with **Exhibit "D"**, the GRANTEE shall submit to the TIF Unit within ninety (90) days a completed Contract Progress Payment Request (hereinafter "CPPR"), as detailed in **Exhibit E** hereof. The CPPR shall be presented to the Board for review and possible reimbursement authorization after the CITY review and approval, as evidenced by a written CPPR Approval issued by the CITY. Failure to timely submit CPPR's in accordance with this Section shall result in disallowance of any such GRANTEE requests for reimbursement of expenses.

(2) **Corrections to CPPR.** Should there be discrepancies in the CPPR or if more information is required, GRANTEE will have thirty (30) days upon notice by CITY to correct any discrepancies or submit additional information requested by CITY. Failure to timely submit the additional information requested by the CITY shall result in disallowance of the GRANTEE's requested expense reimbursement.

(3) **Maximum Reimbursement of GRANTEE.** Following the Board's authorizations, the GRANTEE shall receive, in accordance with this Agreement, total reimbursements for Public Improvements from the CITY of a maximum of FIVE HUNDRED AND EIGHTEEN THOUSAND AND ZERO CENTS (**\$518,000.00**) for public improvements on eligible project costs, as full reimbursement for designing and constructing the Public Improvements required under this Agreement.

(4) **Processing of Payment Requests.** Board-authorized reimbursements of Available TIF Funds shall be made to the GRANTEE by the CITY within forty-five (45) days if

funds are available for disbursement, if the GRANTEE is in compliance with laws, statutes, ordinances and the requirements of this Agreement.

(5) **Available Tax Increment Funds.** The sole source of the funds to reimburse the GRANTEE for Project Costs shall be the Available TIF Funds levied and collected on the TIRZ Property and contributed by the Participating Taxing Entities participating in the TIRZ to the fund created and maintained by the CITY for the purpose of implementing the Public Improvements of the Project.

(6) **Order or Priority of Payment.** The Parties agree that the CITY and the Board may use funds in the TIF Fund to pay eligible expenditures in the following order or priority of payment: (i) to fully reimburse eligible startup Administrative Costs incurred by CITY; (ii) to pay all other ongoing Administrative Costs to the CITY for administering the TIF Fund and/or the TIRZ, except that if there are insufficient funds for the full reimbursement of ongoing Administrative Costs to the CITY, then the ongoing Administrative Costs of the CITY shall be reimbursed on a pro rata basis; (iii) to reimburse the CITY for costs of the repair, replacement, and maintenance of public infrastructure and associated costs as described in TIRZ Eleven executed Agreements; (iv) to reimburse the CITY under any reclaim of funds pursuant to Article IX; (v) to reimburse the GRANTEE for Public Improvements, including financing costs, as provided in this Agreement and to the extent that funds in the TIF Fund are available for this purpose. The foregoing notwithstanding, no funds will be paid from the TIF Fund to a Participating Taxing Entity or the GRANTEE for its financial or legal services in any dispute arising under this Agreement or a related interlocal agreement between the GRANTEE and a Participating Taxing Entity or between Participating Taxing Entities.

(7) **Partial Payments.** If Available TIF Funds do not exist in an amount sufficient to make payments in full when the payments are due under this Agreement, partial payment shall be made in the order of priority above, and the remainder shall be paid as Available TIF Funds become available. No fees, costs, expenses or penalties shall be paid to any Party on any late payment.

(8) **Repayment of Invalid Payments.** If any payment to the GRANTEE is held invalid, ineligible, illegal or unenforceable under federal, state or local laws, including but not limited to the charter, codes, or ordinances of the CITY, then and in that event it is the intention of the Parties that such invalid, ineligible, illegal or unenforceable payment shall be repaid in full by the GRANTEE to the CITY for deposit into the TIF Fund, and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable payment was never contained in this Agreement.

Notwithstanding the Effective Date, payment of any and all funds set out in this Agreement is contingent upon the inclusion of the Project through an official amendment of the TIRZ Project Plan and Finance Plans or approval of an Ordinance authorizing the inclusion of the Project through an amendment to the TIRZ Project and Finance Plan by the governing body of the TIRZ and CITY.

ARTICLE IV. AGREEMENT PERIOD

This Agreement shall commence upon the Effective Date listed on the signature page and shall terminate upon the earlier of: (A) the final payment of Grant Funds by CITY and/or TIRZ to GRANTEE in the amount of the Maximum Disbursement Amount; (B) September 30, 2017 obligations of ; or (C) termination of this Agreement as otherwise provided herein (the “Term”).

ARTICLE V. CITY AND TIRZ OBLIGATIONS

A. In consideration of full and satisfactory performance of activities required by this Agreement, CITY and TIRZ will pay GRANTEE in accordance with Article III above.

B. Neither CITY nor TIRZ will be liable to GRANTEE or any other entity for any costs incurred by GRANTEE in connection with this Agreement.

C. The CITY agrees to act as the fiscal agent on behalf of the TIRZ by making disbursements from the TIF Fund for the Project pursuant to this Agreement. Additionally, the CITY shall monitor GRANTEE’s compliance with the terms and conditions of this Agreement and provide updated information to the TIRZ regarding the progress of the Project.

D. Any and all amounts payable by the TIRZ under this Agreement are payable solely from the TIRZ TIF Funds, and no claim for payment of any amount outside of this contribution shall be made, claimed or permitted against any other funds, properties, assets or the general credit of the TIRZ and/or the CITY.

ARTICLE VI. RETENTION AND ACCESSIBILITY OF RECORDS

A. GRANTEE shall maintain the fiscal records and supporting documentation for expenditures of Grant Funds associated with this Agreement. GRANTEE shall retain such records and any supporting documentation for the greater of: (1) five (5) years from the end of the Agreement period; or (2) the period required by other applicable laws and regulations.

B. GRANTEE shall, following reasonable advance written notice from the CITY, give the CITY, its designee, or any of their duly authorized representatives, access to and the right to examine all material records related to the cost of Project (the “Records”) and the expenditure of the Grant Funds. CITY’s access to the Records will be limited to information needed to verify that GRANTEE is and has been complying with the terms of this Agreement. Any information that is not required by law to be made public shall be kept confidential by the CITY. GRANTEE shall not be required to disclose to the CITY or TIRZ any information that by law GRANTEE is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require GRANTEE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of GRANTEE. The rights to access the Records shall continue as long as the Records are retained by GRANTEE. Failure to provide reasonable access to the Records to authorized CITY representatives shall be cause for CITY and/or TIRZ to provide notice of intent to suspend or terminate this Agreement as provided for herein, or any portion thereof, for reason of default. Notwithstanding Section A above, all Records shall be retained by GRANTEE for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to,

investigations, lawsuits, administrative inquiries and open record requests are completed.

ARTICLE VII. MONITORING

A. The CITY reserves the right to confirm GRANTEE's compliance with the terms and conditions of this Agreement. The CITY will provide GRANTEE with a written report of the monitor's findings. If the monitoring report notes deficiencies in GRANTEE's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by GRANTEE and a reasonable amount of time in which to attain compliance. Failure by GRANTEE to take action specified in the monitoring report within a reasonable amount of time may be cause for suspension or termination of this Agreement, in accordance with Articles VIII and IX herein.

B. The GRANTEE shall allow the CITY and the Board access to the Project Property for inspections during and upon completion of construction, and to documents and records reasonably considered necessary by the CITY and/or the Board to assess the GRANTEE's compliance with this Agreement.

ARTICLE VIII. DEFAULT/CURE PERIOD/SUSPENSION

A. Notwithstanding the provisions of Chapter 2251 of the Texas Government Code, in the event GRANTEE fails to comply with the terms of this Agreement such non-compliance shall be deemed a default. CITY shall provide GRANTEE with written notification as to the nature of the default (the "Notice of Default") and grant GRANTEE a sixty (60) day period from the date of CITY's written notification to cure such default (the "Cure Period"). Should GRANTEE fail to cure the default within the Cure Period, CITY may, upon written notification (the "Notice of Suspension"), suspend this Agreement in whole or in part and withhold further payments to GRANTEE. Such Notice of Suspension shall include: (1) the reasons for such suspension; (2) the effective date of such suspension; and, (3) in the case of partial suspension, the portion of the Agreement to be suspended.

B. In the case of default for causes beyond GRANTEE's reasonable control, which cannot with due diligence be cured within the Cure Period, CITY may, in its sole discretion, extend the Cure Period provided that GRANTEE shall: (1) immediately upon receipt of Notice of Default advise CITY of GRANTEE's intention to institute all steps necessary to cure such default and the associated time frame; and (2) institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

C. A suspension under this Article VIII may be lifted only at the sole discretion of the CITY upon a showing of compliance with or written waiver by CITY of the term(s) in question.

D. CITY shall not be liable to GRANTEE or to GRANTEE's creditors for costs incurred during any term of suspension of this Agreement.

E. Any failure of either Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no

waiver, change, modification or discharge by either Party of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Party to be charged.

ARTICLE IX. TERMINATION

A. Should GRANTEE fail to timely meet the Commencement Date for the Project in accordance with Article II(B) above, at CITY's sole discretion, and with 30 days prior notice to GRANTEE, CITY may terminate the Agreement, in which instance any and all Grant Funds disbursed to GRANTEE by CITY and TIRZ shall be repaid.

B. CITY and/or TIRZ shall have the right to terminate this Agreement in whole or in part for cause should GRANTEE fail to perform under the terms and conditions herein, or should GRANTEE fail to cure a default after receiving written notice of such default with sixty (60) days opportunity to cure. CITY and TIRZ may, upon issuance to GRANTEE of written notice of termination (the "Notice of Termination"), terminate this Agreement for cause and all Grant Funds disbursed to GRANTEE by CITY and/or TIRZ shall be repaid. A Notice of Termination shall include: (1) the reasons for such termination; and (2) the effective date of such Termination.

C. Should CITY and/or TIRZ terminate this Agreement for cause, then CITY shall have the right to recapture any and all disbursed Grant Funds made under this Agreement. CITY shall be entitled to the repayment of the Grant Funds within sixty (60) calendar days from the date of the Notice of Termination.

D. In addition to the above, this Agreement may be terminated by written agreement of the Parties as follows:

1. By the CITY (with the consent of GRANTEE) in which case the two parties shall agree upon the termination conditions, including the repayment of funds and the effective date of termination; or
2. By the GRANTEE (with the consent of the CITY) upon written notification to CITY, setting forth the reasons of such termination, a proposed pay-back plan of all funds disbursed, and the proposed effective date of such termination.

E. Notwithstanding the foregoing, GRANTEE shall not be relieved of its obligation to repay any and all disbursed funds made under this Agreement, nor shall GRANTEE be relieved of any liability to CITY for actual damages due to CITY by virtue of any breach by GRANTEE of any terms of this Agreement.

F. Other Remedies Available. The CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and repayment of funds, if GRANTEE defaults under the material terms of this Agreement and fails to cure such default within the cure period set forth above.

ARTICLE X. NOTICE

Any notice required or permitted to be given hereunder by one Party to the other shall be in

writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the Party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such Party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such Party at the address hereinafter specified. Any notice mailed in the above manner shall be effective two (2) business days following its deposit into the custody of the United States Postal Service or one (1) business day following its deposit into the custody of such nationally recognized delivery service, as applicable; all other notices shall be effective upon receipt. From time to time, either Party may designate another address for all purposes under this Agreement by giving the other Party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

If intended for CITY, to: City of San Antonio
Attn: Director
Planning & Community Development
1400 S. Flores

San Antonio, TX 78204

If intended for TIRZ Board, to: Planning & Community Development Dept.

Attn: Tax Increment Finance Unit
1400 S. Flores St.
San Antonio, TX 78204

If intended for GRANTEE, to: XXXXXXXXXXX

ARTICLE XI. SPECIAL CONDITIONS AND TERMS

A. Employment. GRANTEE, in accordance with Chapter 2264 of the Texas Government Code, agrees not to knowingly employ any undocumented workers at the Project during the Term of this Agreement. If GRANTEE is convicted of a violation under 8 U.S.C. Section 1324a (f), then GRANTEE shall repay the CITY or TIRZ the Incentives paid under this Agreement for the tax year(s) covered under this Agreement during which such violation occurred. Such payment shall be made within 120 business days after the date GRANTEE is notified by the CITY of such violation. The CITY, in its sole discretion, may extend the period for repayment herein. Additionally, GRANTEE shall pay interest on the amounts due to CITY or TIRZ at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the CITY) as its prime or base commercial lending rate, from the date of such violation notice until paid.

B. Termination of TIRZ. The Parties agree that, in the event that the CITY, acting in

accordance with State law, terminates Reinvestment Zone #11 or adopts an ordinance that causes the termination date of Reinvestment Zone #11 to occur on a date earlier than provided in the ordinance that initially established the TIRZ, the CITY may amend this Agreement, in its sole discretion in accordance with the material terms and conditions of this Agreement.

C. Public Information. GRANTEE acknowledges that this Agreement and all documents ancillary to it are public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this Agreement or any document delivered pursuant to this Agreement waives an otherwise applicable exception to disclosure.

D. Duty to pay taxes. GRANTEE shall pay, on or before their respective due dates, to the appropriate collecting authority all Federal, State, and local taxes and fees which are now or may be levied upon the Zone Property, the GRANTEE or upon the business conducted on the Zone Property or any of the GRANTEE's property used in connection therewith, including employment taxes. GRANTEE shall also maintain in current status all Federal, State, and local licenses and permits required for GRANTEE's business operation.

E. Evidence of Payment. The GRANTEE shall include in the CPPR submission evidence of payment or exemption of the taxes and fees above.

ARTICLE XII. CONFLICT OF INTEREST

A. GRANTEE shall ensure that no employee, officer, or individual agent of CITY shall participate in the selection, award or administration of a subcontract supported by funds provided hereunder if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: (1) the employee, officer, or individual agent; (2) any member of his or her immediate family; (3) his or her partner; or, (4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract and the relationship calls for payments to be made to such subcontractor on terms which are greater than those which are customary in the industry for similar services conducted on similar terms. GRANTEE shall comply with Chapter 171, Texas Local Government Code as well as the CITY's Code of Ethics.

B. CITY may terminate this Agreement immediately if the GRANTEE has offered, conferred, or agreed to confer any benefit on a CITY of San Antonio employee or official that the CITY of San Antonio employee or official is prohibited by law from accepting. Benefit means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law. Notwithstanding any other legal remedies, the CITY may obtain reimbursement for any expenditure made to the GRANTEE resulting from the improper offer, agreement to confer, or conferring of a benefit to a CITY of San Antonio employee or official.

ARTICLE XIII. NONDISCRIMINATION AND SECTARIAN ACTIVITY

A. As a condition of entering into this Agreement, GRANTEE represents and warrants that it will comply with the CITY's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of the SBEDA Ordinance 2010-06-17-0531. As part of such compliance, GRANTEE shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or commercial treatment of subcontractors, vendors, suppliers, or commercial customers funded in whole or in part with funds made available under this Agreement, nor shall GRANTEE retaliate against any person for reporting instances of such discrimination. GRANTEE shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the CITY's relevant marketplace. GRANTEE understands and agrees that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of GRANTEE from participating in CITY contracts, or other sanctions as provided by applicable law. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

B. None of the performances rendered by GRANTEE under this Agreement shall involve, and no portion of the Incentives received by GRANTEE under this Agreement shall be used in support of, any sectarian or religious activity, nor shall any facility used in the performance of this Agreement be used for sectarian instruction or as a place of religious worship.

C. GRANTEE shall, to the best of its knowledge and belief, include the substance of this Article in all agreements entered into by GRANTEE associated with the funds made available through this Agreement.

ARTICLE XIV. LEGAL AUTHORITY

A. Each Party assures and guarantees to the other that they possesses the legal authority to enter into this Agreement, to receive/deliver the Incentives and Waivers authorized by this Agreement, and to perform their obligations hereunder.

B. The person or persons signing and executing this Agreement on behalf of each Party or representing themselves as signing and executing this Agreement on behalf of a Party, do hereby guarantee that he, she or they have been duly authorized to execute this Agreement on behalf of that Party and to validly and legally bind that Party to all terms, performances and provisions herein set forth.

C. CITY will have the right to suspend or terminate this Agreement in accordance with Articles VIII or IX if there is a dispute as to the legal authority of either GRANTEE or the person signing this Agreement, to enter into this Agreement, any amendments hereto or failure to render performances hereunder. GRANTEE is liable to CITY for all Incentives it has received from CITY under this Agreement if CITY suspends or terminates this Agreement for reasons enumerated in this Article.

ARTICLE XV. LITIGATION AND CLAIMS

A. GRANTEE shall give CITY immediate notice in writing of any action, including any proceeding before an administrative agency, filed against GRANTEE arising out of the performance of any activities hereunder. Except as otherwise directed by CITY, GRANTEE shall furnish immediately to CITY copies of all pertinent papers received by GRANTEE with respect to such action or claim. GRANTEE shall notify the CITY immediately of any legal action, known to GRANTEE, filed against the GRANTEE or any subcontractor thereto, or of any known proceeding filed under the federal bankruptcy code to which GRANTEE or any subcontractor is a party. GRANTEE shall submit a copy of such notice to CITY within 30 calendar days after receipt. No Incentives provided under this Agreement may be used in the payment of any costs incurred from violations or settlements of, or failure to comply with, federal and state regulations. The above notwithstanding, GRANTEE is not required to notify CITY of claims or litigation which arise out of GRANTEE's operations on the Project, including, without limitation, landlord tenant disputes, personal injury actions (e.g., slip and falls), and other operational activities or relationships.

B. GRANTEE acknowledges that CITY is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 *et seq.*, and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury or death.

C. This Agreement shall be interpreted according to the Constitution and the laws of the State of Texas. Venue of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

ARTICLE XVI. ATTORNEY'S FEES

A. In the event GRANTEE should default under any of the provisions of this Agreement and the CITY should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of GRANTEE herein contained, GRANTEE agrees to pay to the reasonable fees of such attorneys and such other expenses so incurred by the CITY.

B. In the event CITY or TIRZ should default under any of the provisions of this Agreement and the GRANTEE should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of CITY or TIRZ herein contained, CITY and TIRZ agrees to pay to the GRANTEE reasonable fees of such attorneys and such other expenses so incurred by the GRANTEE.

ARTICLE XVII. CHANGES AND AMENDMENTS

A. Except as provided below, any alterations, additions, or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by all Parties to this Agreement. Any amendments to this Agreement which change or increase any of the Incentives or Waivers to be provided GRANTEE by CITY and/or TIRZ must be approved by CITY

ordinance, with TIRZ Board approval, and in accordance with an official amendment of the TIRZ Project Plan and Financing Plan by the governing body of the TIRZ and CITY.

B. Notwithstanding the above, the Commencement and Completion Date in Article II. B. may be amended by approval of the CITY, as evidenced by an agreement in writing between the GRANTEE and the Director of Planning and Community Development. The CITY Council and the TIRZ Board specifically authorizes the Director of the Planning and Community Development Department to amend the Term of this Agreement as well as the Commencement and Completion Date without further CITY Council and TIRZ Board approval.

B. It is understood and agreed by the Parties hereto that performance under this Agreement shall be rendered in accordance with the laws and rules governing the Economic Development Program as set forth in Texas Local Government Code Chapter 380, and the terms and conditions of this Agreement.

C. Any alterations, additions, or deletions to the terms of this Agreement (other than those terms in Article II or III) required by changes in state law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation.

ARTICLE XVIII. SUBCONTRACTING

A. GRANTEE shall use reasonable business efforts to ensure that the performance rendered under subcontracts entered into by GRANTEE complies with all terms and provisions of this Agreement as if such performance were rendered by GRANTEE.

B. GRANTEE, in subcontracting any of the performances hereunder, expressly understands that in entering into such subcontracts, neither CITY nor TIRZ is liable to GRANTEE's subcontractor(s).

C. GRANTEE assures and shall obtain assurances from all of its contractors where applicable, that no person shall, on the grounds of race, creed, color, disability, national origin, sex or religion, be excluded from, be denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part under this Agreement.

ARTICLE XIX. DEBARMENT

By signing this Agreement, GRANTEE certifies that it will not award any Incentives provided under this Agreement to any party which it knows to be debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs by the CITY.

ARTICLE XX. RIGHTS UPON DEFAULT

It is expressly understood and agreed by the Parties hereto that, except as otherwise expressly provided herein, any right or remedy provided for in this Agreement shall not preclude the exercise of any other right or remedy under any other agreements between GRANTEE and the CITY or TIRZ or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

ARTICLE XXI. ASSIGNMENT

A. This Agreement is not assignable by any Party without the written consent of the non-assigning Parties. Each transfer or assignment, to which there has been consent, shall be by instrument in writing, in form reasonably satisfactory to the CITY and the TIRZ and shall be executed by the transferee or assignee who shall agree in writing to be bound by and to perform the terms, covenants and conditions of this Agreement. Failure to first obtain, in writing, the CITY or TIRZ's consent, or failure to comply with the provisions herein shall prevent any such transfer or assignment from becoming effective. In the event the CITY and the TIRZ approves the assignment or transfer of this Agreement, as provided above, the GRANTEE shall be released from the duties and obligations of the Agreement.

B. Notwithstanding the foregoing, GRANTEE may assign this Agreement to a parent, subsidiary, affiliate entity created by GRANTEE for purposes of developing the Project or newly created entity resulting from a merger, acquisition or other corporate restructure or reorganization of GRANTEE. Following the completion of construction of the Project, GRANTEE shall also have the right to assign this agreement to any party that acquires the Project, subject to the CITY's prior written consent. In either of such any such cases, GRANTEE shall give CITY no less than thirty (30) days prior written notice of the assignment or other transfer; the CITY's consent, which shall not be unreasonably withheld, conditioned or delayed, may be approved at the sole discretion of the CITY Manager or her designee. Any and all future assignees must be bound by all terms and/or provisions and representations of this Agreement as a condition of assignment. Any attempt to assign the Agreement without the notification and subsequent consent of CITY and TIRZ, if consent is required under this Article, shall release CITY and TIRZ from performing any of the terms, covenants and conditions herein. Any assignment of this Agreement in violation of this Article shall enable CITY to terminate this Agreement and exercise its rights under Article IX of this Agreement.

C. Notwithstanding the language in this section, the CITY and GRANTEE also authorize the TIRZ to assign to any other Tax Increment Reinvestment Zone ("Zone") should this Project be included in the boundaries of said Zone and the Board of said Zone agrees to the assignment of all the duties, rights and obligations of the TIRZ as evidenced by a Board resolution. CITY staff and/or TIRZ shall be responsible for providing GRANTEE written notice no less than 30 days prior to the proposed assignment.

D. Any restrictions in this Agreement on the transfer or assignment of the GRANTEE's interest in this Agreement shall not apply to and shall not prevent the assignment of this Agreement to a lending institution or other provider of capital in order to obtain financing for the Project. In no event, shall the CITY or TIRZ be obligated in any way to said financial institution or other provider of capital. The CITY, acting as fiscal agent for the TIRZ, shall only issue checks or any other forms of payment made payable to the GRANTEE.

ARTICLE XXII. ORAL AND WRITTEN AGREEMENTS

All oral and written agreements among the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been

reduced to writing and are contained in this Agreement.

ARTICLE XXIII. AUTHORIZED RELIEF FROM PERFORMANCE (*Force Majeure*)

The CITY may grant temporary relief from any deadline for performance of any term of this Agreement if the GRANTEE is prevented from compliance and performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributed to the fault or negligence of the GRANTEE. The burden of proof for the need for such relief shall rest upon the GRANTEE. To obtain relief based upon *force majeure*, the GRANTEE must file a written request with the CITY. CITY will not unreasonably withhold its consent.

ARTICLE XXIV. INSURANCE

A. **Applicability.** The GRANTEE will require that the insurance requirements contained in this Article be included in all its contracts or agreements for the construction of Public Improvements where GRANTEE is seeking payment under this Agreement, unless specifically exempted in writing by the CITY.

B. **Proof of Insurance.** Prior to the commencement of any work under this Agreement, GRANTEE shall furnish copies of all required endorsements and an original completed Certificate(s) of Insurance to the CITY's TIF Unit, which shall be clearly labeled "**Inner CITY TIRZ, Collaborative Homes Development**" in the Description of Operations block of the Certificate. The original Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The CITY shall not accept Memorandum of Insurance or Binders as proof of insurance. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the CITY at the same addresses listed in section E. of this Article. The CITY shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the CITY's TIF Unit. No officer or employee, other than the CITY's Risk Manager, shall have authority to waive this requirement for the CITY.

C. **Right to Review.** The CITY reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverage's and their limits when deemed necessary and prudent by the CITY's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will the CITY allow modification whereupon the CITY may incur increased risk.

D. **Required Types and Amounts.** The GRANTEE's financial integrity is of interest to the CITY, therefore, subject to the GRANTEE's right to maintain reasonable deductibles in such amounts as are approved by the CITY, the GRANTEE or the GRANTEE's contractor, shall obtain and maintain in full force and effect during the construction of all Public Improvements required by the Project Plan and Finance Plan, and any extension hereof, at the GRANTEE's or the GRANTEE's contractor's sole expense, insurance coverage written on an occurrence basis,

by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII), in the Best Company and/or otherwise acceptable to the CITY, in the following types and for an amount not less than the amount listed:

<u>TYPE</u>	<u>AMOUNTS</u>
1. Workers' Compensation	Statutory
2. Employers' Liability	\$1,000,000/\$1,000,000/\$1,000,000
3. Broad Form Commercial General Liability Insurance to include coverage for the following: a. Premises operations b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability f. Explosion, Collapse, Underground g. Environmental Impairment/Impact-sufficiently broad to cover disposal liability. h. Damage to property rented to you.	For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	<u>Combined Single Limit</u> for <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence

E. **Requests for Changes.** The CITY shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the CITY, and the CITY may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the Parties or the underwriter of any such policies). GRANTEE and/or GRANTEE's contractor shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to CITY at the

addresses provided below within ten days of the requested change. GRANTEE and/or GRANTEE's contractor shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to CITY at the following addresses:

CITY Clerk
CITY of San Antonio
Attn: Risk Management Department
P.O. Box 839966
San Antonio, Texas 78283-3966

CITY of San Antonio
Planning and Community Development
Department
TIF Unit
1400 S. Flores
San Antonio, Texas 78204

F. Required Provisions and Endorsements. GRANTEE agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- a. Name the CITY and its respective officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured subject to this Agreement, with the exception of the workers' compensation and professional liability policies;
- b. Provide for an endorsement that the "other insurance" clause shall not apply to the CITY of San Antonio if CITY is an additional insured shown on the policy;
- c. Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the CITY; and
- d. Provide thirty (30) calendar days advance written notice directly to CITY at the same addresses listed in section E. of this Article of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

G. Cancellation, Suspension, and Non-Renewal. Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, GRANTEE and/or GRANTEE's contractor shall provide a replacement Certificate of Insurance and applicable endorsements to CITY at the same addresses listed in Section E. of this Article. CITY shall have the option to suspend GRANTEE's and/or GRANTEE's contractor's performance should there be a lapse in coverage at any time during this Agreement. Failure to provide and to maintain the required insurance shall constitute a breach of this Agreement and the CITY may exercise its remedies under Article IX of this Agreement.

H. CITY's Remedies. In addition to any other remedies the CITY may have upon GRANTEE and/or GRANTEE's contractor's failure to provide and maintain any insurance or

policy endorsements to the extent and within the time required, the CITY shall have the right to order GRANTEE to stop work, and/or withhold any payment(s), which become due to the GRANTEE until GRANTEE and/or GRANTEE's contractor demonstrates compliance with the requirements.

I. **Responsibility for Damages.** Nothing herein contained shall be construed as limiting in any way the extent to which GRANTEE and/or GRANTEE's contractor may be held responsible for payments of damages to persons or property resulting from GRANTEE's or its subcontractors' performance of the work covered under this Agreement.

J. **Primary Insurance.** It is agreed that GRANTEE's insurance shall be deemed primary with respect to any insurance or self insurance carried by the CITY for liability arising out of operations under this Agreement.

K. **Obligation of GRANTEE.** GRANTEE agrees to obtain all insurance coverage's with minimum limits of not less than those limits delineated in Article XXIV from each subcontractor to GRANTEE and provide a Certificate of Insurance and Endorsement that names the GRANTEE and the CITY as an additional insured. It is understood and agreed that the insurance required is in addition to and separate from any other obligation in this Agreement. GRANTEE and any subcontractors are responsible for all damages to their own equipment and/or property. GRANTEE must provide CITY current proof of insurance for all projects and applicable contracts and agreements executed pursuant to this Agreement in Quarterly Status and Compliance Reports.

L. **"All Risk".** Prior to the commencement of any construction and at all times during the performance of such construction GRANTEE and/or GRANTEE's contractors shall obtain and keep in full force and effect builder's "all risk" insurance policies affording coverage of such construction. The Builder's Risk Policies shall be written on an occurrence basis and on a "replacement cost" basis, insuring 100% of the insurable value of construction improvements.

ARTICLE XXV. WORKERS COMPENSATION INSURANCE COVERAGE

A. **Applicability.** This Article is applicable only to construction of Public Improvements, the costs for which the GRANTEE is seeking reimbursement from the CITY and the Board, and is not intended to apply to the private improvements made by the GRANTEE.

B. Definitions:

1. Certificate of Coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a Phase of the Project for the duration of the project.
2. Duration of the project - includes the time from the beginning of the work on the Phase of the Project until the GRANTEE's/person's work on the project has been completed and accepted by the CITY.

3. Persons providing services on the Project ("subcontractor" in §406.096 of the Texas Labor Code) - includes all persons or entities performing all or part of the services the GRANTEE has undertaken to perform on the Project, regardless of whether that person contracted directly with the GRANTEE and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity, which furnishes persons to provide services on the Project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to the Project. "Services" does not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

C. The GRANTEE shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the GRANTEE providing services on the Project, for the duration of the Project.

D. The GRANTEE must provide a certificate of coverage to the CITY prior to proceeding under this Agreement.

E. If the coverage period shown on the GRANTEE's current certificate of coverage ends during the duration of the Phase of the Project, the GRANTEE must, prior to the end of the coverage period, file a new certificate of coverage with the CITY showing that coverage has been extended.

F. The GRANTEE shall obtain from each person providing services on a project, and shall provide to the CITY:

1. a certificate of coverage, prior to that person beginning work on the Phase of the Project, so the CITY will have on file certificates of coverage showing coverage for all persons providing services on the Project; and
2. no later than seven days after receipt by the GRANTEE, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Phase of the Project.

G. The GRANTEE shall retain all required certificates of coverage for the duration of the Project and for one year thereafter.

H. The GRANTEE shall notify the CITY in writing by certified mail or personal delivery, within 10 days after the GRANTEE knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.

I. The GRANTEE shall post on the Zone Property a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

J. The GRANTEE shall contractually require each person with whom it contracts to provide services on the Project, to:

1. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the Project, for the duration of the applicable Phase of the Project;
2. provide to the GRANTEE, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project, for the duration of the applicable Phase of the Project;
3. provide the GRANTEE, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the applicable Phase of the Project;
4. obtain from each other person with whom it contracts, and provide to the GRANTEE:
 - (a) a certificate of coverage, prior to the other person beginning work on the Project; and
 - (b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the applicable Phase of the Project;
5. retain all required certificates of coverage on file for the duration of the applicable Phase of the Project and for one year thereafter;
6. notify the CITY in writing by certified mail or personal delivery, within ten (10) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and
7. perform as required by subsections a-g with the certificates of coverage to be provided to the person for whom they are providing services.

K. By signing this Agreement or providing or causing to be provided a certificate of coverage, the GRANTEE is representing to the CITY that all employees of the GRANTEE who will provide services on the Project will be covered by workers' compensation coverage for the duration of the applicable Phase of the Project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the GRANTEE to administrative penalties, criminal penalties, civil penalties, or other civil actions.

L. The GRANTEE's failure to comply with any of these provisions is a breach of this Agreement by the GRANTEE, which entitles the CITY to declare the Agreement void and

exercise all legal remedies including to terminate if the GRANTEE does not remedy the breach within ten (10) days after receipt of notice of breach from the CITY without necessity of the ninety (90) day cure period set forth in Article VIII and Article IX.

XXVI. INDEMNIFICATION

A. The GRANTEE covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the CITY (and the elected officials, employees, officers, directors, and representatives of the CITY), the BOARD (and the officials, employees, officers, directors, and representatives of the BOARD), and any PARTICIPATING TAXING ENTITY (and the elected officials, employees, officers, directors, and representatives of any such entity), individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury or death and property damage, made upon the CITY, BOARD, and/or upon any PARTICIPATING TAXING ENTITY directly or indirectly arising out of, resulting from or related to the GRANTEE'S activities under this AGREEMENT, including any acts or omissions of the GRANTEE, any agent, officer, contractor, subcontractor, director, representative, employee, consultant or sub-consultants of the GRANTEE, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under this AGREEMENT, all without, however, waiving any governmental immunity available to the CITY, the BOARD, or any PARTICIPATING TAXING ENTITY under Texas Law and without waiving any defenses of the Parties under Texas, Federal, or International Law. THE GRANTEE SHALL ALSO INDEMNIFY, DEFEND AND HOLD THE PARTICIPATING TAXING ENTITIES HARMLESS FROM ANY CLAIMS, DAMAGES AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, ATTORNEY'S FEES, AND PENALTIES ARISING FROM POLLUTION OF THE PROPERTY BY GRANTEE OR GRANTEE'S PREDECESSORS IN TITLE, OR THE FAILURE OF GRANTEE OR GRANTEE'S PREDECESSORS IN TITLE, TO COMPLY WITH LOCAL, STATE OR FEDERAL ENVIRONMENTAL LAWS OR REGULATIONS.

THE INDEMNITY PROVIDED FOR IN THE FOREGOING PARAGRAPHS SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE CITY, ITS OFFICERS OR EMPLOYEES, IN INSTANCES WHERE SUCH NEGLIGENCE CAUSES PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE, EXCEPT TO THE EXTENT PROVIDED BELOW.

IN THE EVENT GRANTEE AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS, FEDERAL, OR INTERNATIONAL LAW.

The GRANTEE shall advise the CITY, the BOARD, and any PARTICIPATING TAXING ENTITY in writing within 24 hours of any claim or demand against the CITY, the BOARD, or any PARTICIPATING TAXING ENTITY related to or arising out of the GRANTEE'S activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at the GRANTEE's cost to the extent required under the INDEMNITY in this paragraph

THE PROVISIONS OF THIS INDEMNITY ARE SOLELY FOR THE BENEFIT OF THE PARTIES AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

The CITY, the BOARD, and/or any PARTICIPATING TAXING ENTITY shall have the right, at their option and at their own expense, to participate in such defense without relieving the GRANTEE of any of its obligations.

B. GRANTEE shall, and does hereby agree to DEFEND, INDEMNIFY and HOLD HARMLESS the CITY, and the BOARD and their respective agents and employees from and against all encumbrances, claims, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, controversies, agreements, demands, damages, losses, liens, causes of action, suits, judgments, and attorney fees of any kind or nature whatsoever which are asserted by any person or entity for penalties or sums due any worker or agency for services, labor or materials furnished for the PROJECT. GRANTEE'S INDEMNITY obligations to the CITY under this INDEMNIFICATION shall be limited to all encumbrances, claims, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, controversies, agreements, demands, damages, losses, liens, causes of action, suits, judgments, and attorney fees of any kind or nature whatsoever by any person or entity for violations of Chapter 2258 of the Texas Government Code or for any sums or penalties due any worker or agency for labor furnished for the PROJECT. To the extent that this INDEMNIFICATION conflicts with the INDEMNIFICATION provisions in Section A above, the provisions in Section A control over those set forth in this subsection. Prior to expending any money that GRANTEE would be obligated to INDEMNIFY, the CITY or the BOARD shall send written notice to GRANTEE describing in reasonable detail the claim and allowing GRANTEE to cure such claim within 15 calendar days of receiving notice.

ARTICLE XXVII. INCORPORATION OF EXHIBITS

Each of the Exhibits listed below is incorporated herein by reference for all purposes as an essential part of the Agreement, which governs the rights and duties of the Parties.

Exhibit A	Property Description
Exhibit B	TIRZ Resolution
Exhibit C	CITY Ordinance

Exhibit D Project Phases
Exhibit E CPPR

WITNESS OUR HANDS, EFFECTIVE as of _____, 2015 (the "Effective Date"):

Accepted and executed in three duplicate originals on behalf of the CITY of San Antonio pursuant to Ordinance Number _____, dated _____, 2015, and by GRANTEE pursuant to the authority of its _____.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

GRANTEE:
Collaborative Homes, LLC

Sheryl L. Sculley
CITY MANAGER

By: _____
Name:
Title:

ATTEST:

ATTEST (if required):

Leticia Vacek
CITY CLERK

Name:
Title:

APPROVED AS TO FORM:

CITY ATTORNEY

**TAX INCREMENT
REINVESTMENT ZONE #11:**

ATTEST:

Name:
BOARD VICE-CHAIRPERSON

Name:

Exhibit A - Project Description

Sunglo Townhomes (1519 S. Presa)

The project will construct 10 new 2 story townhomes with 1,947 square feet each, high end finishes, amenities such as water conservation features and solar panels. The sales price will be approximately \$ 386,000 each which is comparable with past sales in the area according to an Urban Nest Realty analysis. The 1519 S. Presa St. project location is a Brownfield site. The applicant is working with the CITY to implement a Phase 1 and a Phase 2 environmental analysis and remediation of the site. The project meets the following goals of the Inner CITY TIRZ 2014 RFA for Economic Development Projects:

- Infrastructure improvements supporting private sector investment
- Redevelopment of blighted areas or underutilized properties that impair or prevent investment
- Development that increases housing options
- Project that improve opportunities for increased employment
- Project that includes brownfield remediation

Exhibit D – Project Phases

Phase	Activity	*Estimated Cost
I	Architectural/Engineering	\$ 118,000.00
II	Demolition	\$ 50,000.00
	Buildings	
	Curbs and Pavement	
	Misc. Demolition Costs	
III	Underground Utilities	\$ 200,000.00
	Water	
	Sewer	
	Gas	
	Electrical	
	Misc. Utilities Costs	
IV	Infrastructure	\$ 150,000.00
	Curbs	
	Sidewalks	
	Roads	
	Misc. Infrastructure Costs	
V	Townhome Buildout	Privately Funded
		\$ 518,000.00

* line item costs may vary within total budget