

AN ORDINANCE **2016-12-08-0978**

AUTHORIZING AWARDS OF TRUST ASSISTANCE FROM THE SAN ANTONIO HOUSING TRUST TOTALING \$930,000.00 TO SUPPORT FOUR (4) AFFORDABLE HOUSING PROJECTS LOCATED IN COUNCIL DISTRICTS 1, 2, AND 7; AUTHORIZING THE DULY AUTHORIZED REPRESENTATIVES OF THE SAN ANTONIO HOUSING TRUST AND THE CITY OF SAN ANTONIO TO EXECUTE ANY AND ALL DOCUMENTS AND AGREEMENTS IN CONNECTION WITH THESE TRANSACTIONS; APPROPRIATING FUNDS; AND PROVIDING FOR PAYMENT.

* * * * *

WHEREAS, on September 29, 2016, by Ordinance No. 2016-09-29-0752, City Council approved initiation of a Housing Trust Funding Round for up to \$1,000,000.00; and

WHEREAS, in connection with the Housing Trust Funding Round, the San Antonio Housing Trust Board of Trustees approved Resolution No. F1109-5A dated November 9, 2016, recommending City Council approval of four (4) project awards; and

WHEREAS, in connection with said Resolution, the sum of \$930,000.00 in Trust funds are currently available from accrued interest and savings from previously approved projects; and

WHEREAS, the City desires that the San Antonio Housing Trust Foundation, Inc., administer loans to eligible owners and developers of rental property; and

WHEREAS, it is the City Council's intention to authorize the allocation of San Antonio Housing Trust funds to said projects; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Awards of Trust assistance from the San Antonio Housing Trust totaling \$930,000.00 available from accrued interest to support four (4) affordable housing projects located in Council Districts 1, 2, and 7 are hereby authorized. A listing of such awards is attached hereto and incorporated herein as **Attachment I**.

SECTION 2. The duly authorized representative of the San Antonio Housing Trust is authorized to execute any and all agreements and other documents necessary to effectuate the above transactions, including the form agreements to be executed by and between the duly authorized representatives of the San Antonio Housing Trust and the Trust assistance recipients set forth in **Attachment I**. A copy of said form agreement is attached hereto and incorporated herein for all purpose as **Attachment II**.


SECTION 3. The City Manager or in her stead, either an Assistant City Manager or the Assistant to the City Manager or the Director of the Planning and Community Development Department are hereby authorized to execute any and all documents and agreements to effectuate the above transactions.

SECTION 4. The amount of \$930,000.00 is authorized to be appropriated in, and paid from, Fund 29613000, Cost Center 0703100001 and General Ledger 5407030.


SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 8th day of December, 2016.

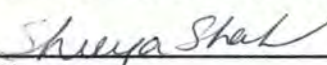

M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



for City Attorney

Agenda Item:	26 (in consent vote: 4, 5, 6, 7, 9, 10, 11A, 11B, 13, 14, 15, 17, 19, 20, 22, 23, 24, 25, 26, 27, 28)						
Date:	12/08/2016						
Time:	09:19:00 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing awards of trust assistance from the San Antonio Housing Trust totaling \$930,000.00 to support four affordable housing projects located in Council Districts 1, 2, and 7; authorizing the duly authorized, representatives of the San Antonio Housing Trust and the City Of San Antonio to execute any and all documents and agreements in connection with these transactions; appropriating funds; and providing for payment. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x			x	
Alan Warrick	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

San Antonio Housing Trust Funding Round

RECOMMENDATIONS OF TRUST ASSISTANCE

- | | |
|---|-----------------------------|
| <ul style="list-style-type: none">Alamo Community Group
Rehabilitation of Calcasieu Apartments
214 Broadway St.
64 units
City Council District 1
Total Cost of the Project: \$1,605,000 | Recommended Award \$450,000 |
| <ul style="list-style-type: none">Alamo Community Group
Rehabilitation of Cypress Cove
6100 NW Loop 410
136 units
City Council District 7
Total Cost of Project: \$714,000 | Recommended Award \$50,000 |
| <ul style="list-style-type: none">NRP Group
New Construction of Lord Road Apartments
Lord Road & W.W. White Rd.
324 Units
City Council District 2
Total Cost of the Project: \$44,050,475 | Recommended Award \$250,000 |
| <ul style="list-style-type: none">Prospera
Rehabilitation of Sutton Square Duplexes
919 Sutton Dr.
15 Units
City Council District 7
Total Count of Project: \$200,000 | Recommended Award \$180,000 |

SAN ANTONIO HOUSING TRUST FOUNDATION, INC.

AND

AGREEMENT FOR TRUST ASSISTANCE

This Agreement for Trust Assistance (hereinafter called "Agreement") is made between the SAN ANTONIO HOUSING TRUST FOUNDATION, INC. (hereinafter called "FOUNDATION"), as the administrative and fiscal agent for the City of San Antonio Housing Trust and _____ (hereinafter called "SPONSOR"), according to the terms provided below and as evidenced by the signatures below:

WHEREAS, pursuant to Ordinance No. _____ passed _____, _____, the City dedicated certain funds through a Declaration of Trust to the City of San Antonio Housing Trust for the promotion of affordable housing projects and programs; and

WHEREAS, under Board of Trustees and Foundation Resolution No. _____ passed _____, 20__ and City Council Ordinance No. _____ passed _____, 20__, the City of San Antonio Housing Trust approved the disbursement of _____ (\$ _____) as an award of Trust assistance to _____ as sponsor for a specific affordable housing project, hereinafter called "the project," and under the terms and terms and conditions as described below; and

WHEREAS, under an Administrative and Fiscal Contract with the City of San Antonio, authorized by City Council Ordinance No. _____ passed _____, 20__ the San Antonio Housing Trust Foundation, Inc. is responsible for the fiscal and administrative management of the disbursement of awards of Trust assistance authorized by the Board of Trustees of the City of San Antonio Housing Trust (hereinafter called "Board of Trustees") and City Council; and

WHEREAS, the Final Rules and Regulations for the Operation of the San Antonio Housing Trust, adopted by Board of Trustees Resolution _____, passed _____, _____, and approved by City Council Ordinance No. _____, passed _____, _____, require that each sponsor execute an Agreement for Trust Assistance setting forth the terms of the award to promote the performance of the project or program and protect the interests of the Trust.

NOW THEREFORE: The FOUNDATION and SPONSOR agree as follows:

I. PROJECT DEVELOPMENT AND OPERATION REQUIREMENTS

1.1 EFFECTIVE PERIOD. The SPONSOR'S substantial compliance with the terms of this Agreement will begin upon the date of execution of this Agreement. This Agreement will continue in effect until the SPONSOR fulfills its obligations under this Agreement or under any other contract related to this Agreement. The FOUNDATION shall be entitled to terminate this Agreement if the obligations of the SPONSOR under this Agreement with regard to the acquisition and rehabilitation of the housing units herein described have not been substantially performed within two (2) years from the date hereof.

1.2 APPROVED PROJECT. The funds provided under this Agreement are to be used only for financing acquisition rehab that meet the mission of the Trust and are allowable by the Rules and Regulations of the Trust under the following conditions:

(A) Project. The Project (hereinafter referred to as the "Project") to be assisted pursuant to this Agreement shall consist of ____ (____ affordable apartment units) affordable multi-family housing units located at _____, San Antonio, Bexar County, Texas for lease to Eligible Tenants, as further described in this Agreement (such apartment units and land being referred to herein singularly as the "Property" and collectively as the "Properties").

(B) Project Site Information. The funds provided under this Agreement shall be disbursed in full by FOUNDATION and deposited into such bank account(s) as is established by SPONSOR in its discretion which account(s) shall be owned by SPONSOR.

SPONSOR shall keep accurate records of the funds that are entrusted to them and will provide FOUNDATION with regular reports, as stated herein, as to the progress of the Trust project: "_____".

(C) Eligible Tenants. The SPONSOR shall ensure that each individual or family which proposes to lease an apartment with the financing assistance provided hereunder meets the following requirements:

- (i) the Property will be used as the primary residence of the proposed Tenants and those family members specifically identified by the proposed Tenants;
- (ii) each Property shall be leased only to an individual or family whose annual household income at initial occupancy does not exceed _____ percent (____ %) of the HUD median family income, adjusted for household size.

Proposed Tenants meeting the above requirements are sometimes herein referred to singularly as "Eligible Tenants," or collectively as "Eligible Tenants".

(D) Verification of Income Eligibility. The SPONSOR shall reasonably verify the income received or attributable to each resident who benefits from any funds received under this Agreement and maintain accurate records for disclosure to the FOUNDATION as herein required.

(E) Allowable Costs. The funds provided under this Agreement may be used to acquire, and rehabilitate or newly construct the Properties ("Allowable Costs"). Trust funds may not be used for payment of any fees to the City of San Antonio, City Public Service, City Water Board, or any other City of San Antonio-related agency, or for any operational or administrative costs, including the costs of bonding, insurance other than title insurance, accounting, auditing or marketing costs of the SPONSOR or any other individual or entity.

(F) Long-Term Affordability. The SPONSOR shall ensure that each Property acquired and rehabilitated with financing assistance hereunder shall be affordable by persons whose income does not exceed _____ percent (____%) of the HUD area median income or less, adjusted for household size, for a period of up to forty years from the date of the closing of the purchase of such Property by SPONSOR (LURA?).

(G) Definitions. For purposes of this Section 1.2, the definition of "income" shall be the same as the definition set forth in 24 CFR Part 813, and the definitions of "family" and other related terms (such as "elderly family," "disabled person," and "handicapped person") shall be the same as those definitions set forth in 24 CFR Part 812, Subpart A.

(H) Other Requirements. The SPONSOR shall ensure that the Project shall meet such other requirements as the FOUNDATION may reasonably require in the interests of the San Antonio Housing Trust with adequate notice to the SPONSOR.

1.3 TYPE OF ASSISTANCE. The award of Trust assistance provided hereunder shall be a loan (the "Loan") by the FOUNDATION to the SPONSOR in the principal amount of _____ DOLLARS (\$_____), ~~or so much thereof as may be advanced by FOUNDATION to SPONSOR from time to time,~~ according to the terms and conditions set forth in this Agreement, Deed of Trust and Promissory Note. Neither the City of San Antonio Housing Trust nor its subsidiaries, shall be obligated to make any additional disbursements to the SPONSOR under this Agreement.

1.4 REPAYMENTS AND SECURITY. The SPONSOR shall promise to pay to the order of the FOUNDATION, or other holder of the Note, the principal amount of _____ THOUSAND DOLLARS (\$_____), or so much thereof as may be advanced by FOUNDATION to SPONSOR from time to time. The loan shall have a term of (____) _____ years beginning on the date the Loan is made, amortized over a (____) year period and shall bear interest at the rate of _____ percent per annum prior to maturity (the "Maturity Date"). The Loan shall be evidence by a non-recourse promissory note executed by the SPONSOR payable to the order of the FOUNDATION. The SPONSOR may prepay the Loan at any time prior to the Maturity Date, in whole or in part, without penalty or restriction of any kind. A late payment fee of (5%) of the required payment shall be paid with respect to any payment, which is not paid within ten (10) days after the due date. Notwithstanding any other provision hereof, all past due principal and accrued and unpaid interest shall bear interest at a rate equal at all times to the highest permitted lawful interest rate per annum from maturity until paid. In the event of default in the punctual payment of any portion of the Loan, the entire indebtedness may be accelerated at the option of the holder, and if the indebtedness is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through bankruptcy, non-judicial

foreclosure pursuant to the terms as contained within the deed of trust executed by SPONSOR, or other judicial proceedings, then the SPONSOR shall pay all reasonable attorney's fees and court costs incurred by the holder. The liens encumbering the Properties, which are created by the Deeds of Trust, shall be inferior only to those liens securing prior mortgage loans, which have been previously approved by the FOUNDATION in its sole discretion (the "Senior Loans"). Notwithstanding any other provision hereof, in order for the liens securing the Loan to be subordinate to the liens securing the Senior Loans, the lenders holding the liens securing the Senior Loans shall first be required to enter into Inter-Creditor Agreements with the FOUNDATION in which said lenders agree to provide the FOUNDATION with reasonable notice and opportunity to cure any default on the Senior Loans prior to institution of foreclosure proceedings and such other terms and conditions as the FOUNDATION may reasonably deem necessary or appropriate.

1.5 DISBURSEMENT PROCEDURES. The funds provided under this Agreement shall be Disbursed in full by FOUNDATION at closing and deposited into such bank account(s) as are established by SPONSOR in its discretion, which account(s) shall be owned by SPONSOR. INSURANCE. The SPONSOR shall acquire good and clear title to the Property, subject only to exceptions which have been approved in advance by the FOUNDATION. The SPONSOR shall provide the FOUNDATION with a copy of an owner's title policy insuring fee simple title to the Property in the SPONSOR, in each instance subject only to exceptions which have been approved in advance by the FOUNDATION. The SPONSOR shall maintain fire, hazard and casualty insurance covering the Property and commercial general liability insurance to cover its activities under this Agreement, which are issued by insurers approved by the FOUNDATION in such amounts and insuring such perils as shall have been approved by the FOUNDATION. Said insurance policies shall name the FOUNDATION as an additional insured, as its interest may appear. The SPONSOR shall provide such evidence of the existence and renewal of the insurance required hereunder as the FOUNDATION shall from time to time require. Additionally, each policy of such insurance shall provide that it shall not be canceled or subject to reduction of coverage or otherwise subject to modification except upon the approval of the FOUNDATION within thirty (30) days prior written notice to the FOUNDATION.

Neither the issuance of any such insurance policy nor the minimum limits and types of perils specified by the FOUNDATION for coverage shall be deemed to limit or restrict in any way the SPONSOR's liability under any indemnity provisions in this Agreement.

1.6 CITY CODE. The Properties, and all construction and rehabilitation activities of the SPONSOR with respect thereto shall satisfy in full any and all requirements of the current City of San Antonio Unified Development Code, Uniform Building Code and other municipal codes applicable to such Properties and activities, without variance therefrom except as shall be approved by the City of San Antonio.

1.7 ACCOUNTING. The SPONSOR shall submit to the FOUNDATION a full financial disclosure monthly and a final accounting within thirty (30) days of the end of the calendar year. ~~in which all of the Properties shall have been rented to Eligible Tenants.~~

1.8 AFFIRMATIVE MARKETING PLAN. The SPONSOR shall describe to the satisfaction of the FOUNDATION its methods of making the Properties available to low to moderate-income persons.

1.9 EXPENSES AND LEGAL FEES. As a condition to the funding of the Loan, the SPONSOR shall pay the reasonable attorney's fees incurred by the FOUNDATION in connection with the preparation and execution of this Agreement and the Loan Documents. Thereafter, the SPONSOR shall pay on demand all expenses, including without limitation, reasonable attorney's fees, necessarily incurred by the FOUNDATION in connection with the implementation of the Project and the enforcement amendment, modification, suspension, or termination of this Agreement or the Loan Documents.

1.10 APPROVALS. Unless otherwise provided, any request for the approval of the FOUNDATION shall be made in writing to the Executive Director and any approval by the Executive Director as required herein shall be made in writing by the Executive Director of the FOUNDATION without further action or resolution of the Board of Directors of the FOUNDATION. Unless otherwise expressly provided herein, the FOUNDATION shall have no obligation to grant any such approval and may withhold or condition any such approval in the sole discretion of the FOUNDATION.

II. GENERAL PROVISIONS

2.1 DECLARATION OF TRUST. The funds provided under this Agreement must be used within the purposes of the City of San Antonio Housing Trust Declaration of Trust, Article I, Section 1.2, incorporated herein by reference.

2.2 CONTRACT AUTHORITY. The SPONSOR represents and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement and to perform the responsibilities herein required.

2.3 EXECUTION AUTHORITY. The signer of this Agreement for SPONSOR represents and guarantees that he or she has full legal authority to execute this Agreement on behalf of SPONSOR and to bind SPONSOR to all terms, performances and provisions herein contained. A certified resolution by the SPONSOR granting executor authority shall be submitted contemporaneously with the execution of this Agreement.

2.4 SUSPENSION OR TERMINATION. In the event a dispute arises as to the legal authority to enter into this Agreement of either the SPONSOR or the person signing on behalf of the SPONSOR, the FOUNDATION shall have the right, at its option, to either temporarily suspend or permanently terminate this Agreement. If the FOUNDATION suspends or permanently terminates this Agreement under this paragraph, the SPONSOR shall be liable to FOUNDATION for any and all monies it has received from FOUNDATION hereunder.

2.5 COMPLIANCE. The SPONSOR understands that the funds provided it under this Agreement are funds that have been made available through the City of San Antonio Housing Trust. The SPONSOR will comply with all rules, regulations, policies, and procedures applicable to these funds as directed by the City of San Antonio Housing Trust Board of Trustees. The SPONSOR agrees to abide by any future amendments or additions to such rules

and regulations as may be promulgated by the City of San Antonio Housing Trust Board of Trustees.

2.6 INDEPENDENT ENTITY. The SPONSOR is an entity independent of the FOUNDATION and the Board of Trustees of the City of San Antonio Housing Trust, and the City of San Antonio. No party has authority to bind another or hold out to third parties that it has the authority to bind another. The FOUNDATION will not be liable for any expense of SPONSOR in its performance of this Agreement except as expressly provided under this Agreement. Directors, officers, employees or agents of SPONSOR will not be deemed officers, employees or agents of the FOUNDATION.

2.7 DEFAULT TERMINATION. If the SPONSOR fails to fulfill in a timely and proper manner any of its obligations under this Agreement or violates any of the covenants, agreements, guarantees, representations, warranties or stipulations of this Agreement, violates any rule, regulation or law to which SPONSOR is bound or shall be bound under the terms of this Agreement, Deed of Trust or Promissory Note, the FOUNDATION shall have the right to terminate this Agreement by sending written notice to the SPONSOR of such termination and specifying the effective date thereof; the date shall not be sooner than the end of fifteen (15) days following the day such notice is sent. If the FOUNDATION terminates this Agreement under this paragraph, the SPONSOR shall remain liable to FOUNDATION for any and all monies it has received from the FOUNDATION hereunder and the FOUNDATION shall accelerate the promissory note and foreclose pursuant to the terms of the Deed of Trust.

2.8 ANTI-WAIVER. Previous breach of any of the terms or conditions of this Agreement shall not constitute a waiver or preclude the FOUNDATION's termination right for successive breach of the same condition.

2.9 UNILATERAL TERMINATION. In addition to the above provisions, the FOUNDATION has the right to unilaterally terminate this Agreement at any time upon a finding by resolution of the City of San Antonio Housing Trust Board of Trustees that the SPONSOR's activities, programs, or operations no longer are in the best interest of the City of San Antonio Housing Trust. Adequate opportunity shall be made for the SPONSOR to be heard by the Board of Trustees prior to it voting on such resolution. The effective date of the termination shall be set in such resolution. If termination occurs under this Paragraph, the SPONSOR shall remain liable to the FOUNDATION for any and all monies it has received from the FOUNDATION hereunder.

2.10 REPAYMENT UPON TERMINATION OF AGREEMENT. In the event that this Agreement is terminated by the FOUNDATION, for any reason whatsoever, the SPONSOR shall, within forty-five (45) days from the effective date of such termination, repay in full all sums due and owing to the FOUNDATION pursuant to this Agreement and any loan documents executed in connection herewith or in connection with the Project contemplated by this Agreement and if not repaid the FOUNDATION shall accelerate the promissory note and foreclose pursuant to the terms of the Deed of Trust.

2.11 SOURCE OF FUNDING. The sole source of funding for the Loan shall be the interest income of the City of San Antonio Housing Trust deposited in the FOUNDATION's

Disbursement account, and this Agreement does not authorize the disbursement of any other funds, monies or credits of the FOUNDATION, the City of San Antonio Housing Trust, or the City of San Antonio to the SPONSOR.

2.12 SOLICITATION. The SPONSOR warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and further that no such understanding or agreement exists or has existed, with any officer, director or employee of the SPONSOR, the FOUNDATION or the City of San Antonio.

2.13 USE OF FUNDS. The SPONSOR shall use the funds disbursed hereunder exclusively for the purpose and in the manner set forth in this Agreement. Any modification of the use of funds proposed by SPONSOR shall require prior written approval of the FOUNDATION, and, if decided by the City of San Antonio Housing Trust and the City of San Antonio, the prior approval of the Board of Trustees and City Council, respectively.

2.14 MATCHING FUNDS. Except with the prior written approval of the Foundation, the SPONSOR may not use funds provided hereunder either directly or indirectly as a contribution in order to obtain any matching funds under any federal, state or local program or source.

2.15 RELIGIOUS ACTIVITY. The SPONSOR shall not use funds received from or through the City of San Antonio Housing Trust for the construction, operation, or maintenance of any part of a facility that is used or shall be used for sectarian instruction or as a place of religious worship.

2.16 FRAUD AND ABUSE OF FUNDS. The SPONSOR shall establish and use internal program management procedures to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse.

2.17 PUBLICITY. Any publications, press releases or announcements, signs and other publications used to publicize the Project by SPONSOR, if any, shall include a statement similar to the following:

This project/program is supported by funding from the City of San Antonio Housing Trust.

2.18 POLITICAL ACTIVITY. None of the performance rendered under this Agreement shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for any political activity including, but not limited to, an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation.

2.19 CONFLICT OF INTEREST. The SPONSOR, any member of its governing body or its staff shall not have any interest directly or indirectly that would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Persons having such interest may not be employed or serve as a member of its governing body or of its staff.

2.20 FAIR HOUSING. The SPONSOR shall not discriminate unlawfully on the basis of race, color, religion, sex, national origin, age, handicap or familial status or support directly or indirectly any individual or organization that does. The SPONSOR shall comply with the federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968, and any similar state laws or municipal ordinances. The SPONSOR shall include in any advertisement of the Project that the Project is an "equal housing opportunity" project.

2.21 DISCRIMINATION COMPLAINTS. The SPONSOR shall immediately inform the FOUNDATION in writing of any administrative complaint of illegal discrimination filed with any office of fair housing or equal employment opportunity enforcement or of any lawsuit filed alleging illegal discrimination.

2.22 CONTRACTS WITH TRUSTEES OR DIRECTORS. The SPONSOR shall not contract directly or indirectly with any officer, employee or member of the Board of Trustees of the City of San Antonio Housing Trust or the Board of Directors of the San Antonio Housing Trust Foundation, Inc.

2.23 FILING BANKRUPTCY. The SPONSOR shall immediately inform the FOUNDATION in writing of the filing of a voluntary or involuntary petition under any provision of the U. S. Bankruptcy Code seeking the discharge or reorganization of any debts of SPONSOR.

2.24 EFFECTIVE DATE. This Agreement shall be effective upon the proper execution of this Agreement by the authorized representatives of the FOUNDATION and SPONSOR. The parties acknowledge to each other that the Board of Trustees of the City of San Antonio Housing Trust and the City of San Antonio City Council has previously approved the terms of this Agreement.

2.25 RETURN OF UNUSED FUNDS. Upon completion or termination of the Project, any unused funds, rebates, or credits shall be returned to the FOUNDATION within five (5) days from the effective date of completion or termination of the Project.

2.26 OFFSET OF DAMAGES. The SPONSOR shall be liable for all damages sustained by the FOUNDATION or the City of San Antonio by virtue of any breach of this Agreement, and the FOUNDATION may withhold funds otherwise due hereunder as damages.

2.27 THIRD PARTIES. Neither the FOUNDATION nor the City of San Antonio shall be obligated to any third parties, including without limitation, any Eligible Homebuyer and any contractor or subcontractor performing work on or furnishing materials to the Properties.

2.28 RECORDS. The SPONSOR agrees to maintain records that shall provide accurate, current, separate and complete disclosure of the status of any funds received pursuant to this Agreement. The SPONSOR shall:

(A) Maintain relevant records in compliance with all terms, provisions and requirements of this Agreement and use generally accepted accounting principles and practices for financial management; and

(B) Maintain sufficient documentation to provide in detail full support and justification for each expenditure using funds provided under this Agreement.

2.29 MONITORING ACCESS. The Executive Director of the FOUNDATION, or his or her duly authorized representative, may monitor, provide fiscal control, and evaluate SPONSOR's performance and operations under this Agreement. The SPONSOR shall provide the FOUNDATION staff and other authorized persons, e.g., City of San Antonio internal auditors, EEO officers, independent public accountants, architects and engineers, access during regular business hours to any and all SPONSOR's books, records and files concerning all matters covered by this Agreement as the FOUNDATION may need and request, as often as the FOUNDATION deems necessary for the purposes of audit, monitoring, evaluation, coordination and investigation. The FOUNDATION may make excerpts, transcripts and copies from all such books, records and files, including all agreements, invoices, materials and other data relating to all matters covered by this Agreement.

(A) Three Years. All such records shall continue to be available for inspection and audit for a period of three (3) years after the termination date hereof or until all audits are complete and findings on all claims have been finally resolved, whichever is the greater period of time.

(B) On-site Inspections. The SPONSOR agrees that during the term of this Agreement any duly authorized representatives of the FOUNDATION may conduct on-site inspections at reasonable times, and interview personnel and clients, for the purpose of evaluating and monitoring the SPONSOR's operations for compliance with this Agreement.

(C) False Information. The submission of falsified information by SPONSOR or the failure to submit information by SPONSOR as requested by FOUNDATION is grounds for termination of this Agreement.

(D) Attendance. Any designated representative of the FOUNDATION may attend any of SPONSOR's board, executive or staff or other meetings if any item relating to this Agreement shall, or is reasonably anticipated to be discussed.

2.30 AUDIT CONDITIONS AND REQUIREMENTS. The SPONSOR's projects, programs and operations using funds provided under this award of Trust assistance are subject to periodic audits at any time by City of San Antonio Internal Auditors. The SPONSOR shall submit to the Executive Director of the FOUNDATION an audit (to be certified upon the request of the FOUNDATION) within ninety (90) days of the close of the accounting period or termination of this Agreement. Said audit shall include the following:

(A) Copy of Management Letter;

(B) Financial/Compliance Data - Receipts and disbursement of Trust funds budgeted cost category;

(C) Programmatic Compliance - Program objectives itemized as they appear in this Agreement; and

(D) All Federal and State Grant funds shall be audited in accordance with specific grant audit guidelines.

Said audit shall also include a statement whether the overall terms and conditions of this Agreement between the SPONSOR and the FOUNDATION were or were not met, listing any exceptions. Audits may not be paid with Trust assistance funds. Audits shall show whether any unused funds, rebates or credits collected by the SPONSOR were returned to the FOUNDATION within sixty (60) days after close of the accounting period or termination of this Agreement.

2.31 LAWS. The SPONSOR understands and agrees to abide by and adhere to all applicable federal, state, and local laws, rules, ordinances, and regulations.

2.32 CROSS-DEFAULT. If an event of default occurs under the terms or conditions of any other Trust-related loan or grant to which the SPONSOR is a party, the FOUNDATION may, at its option, declare the loan or grant made hereunder in default, and exercise its legal remedies under this Agreement, other related documents and applicable law.

2.33 INDEMNIFICATION. SPONSOR covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the FOUNDATION, the City of San Antonio, and elected officials, its employees, officers, directors, volunteers and representatives, 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 or bodily injury, death and property damage, made upon the FOUNDATION or the City, directly or indirectly arising out of, resulting from or related to SPONSOR's activities under this Agreement, including any acts or omissions of SPONSOR, any agent, officer, director, representative, employee, consultant, contractor or subcontractor of SPONSOR, 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 FOUNDATION or City under Texas law and without waiving any defenses of the parties under Texas law. IT IS FURTHER CONVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF THE FOUNDATION, CITY, THE ELECTED OFFICIALS, FOUNDATION OR CITY UNDER THIS AGREEMENT. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. SPONSOR shall promptly advise the FOUNDATION in writing of any claim or demand against the FOUNDATION or City or SPONSOR known to SPONSOR related to or arising out of SPONSOR's activities under this Agreement and shall see to the investigation and defense of such claim or demand at SPONSOR's cost. The FOUNDATION shall have the right, at its option and at its own expense, to participate in such defense without relieving SPONSOR of any of its obligations under this paragraph. It is the EXPRESS INTENT of the parties to this Agreement that the INDEMNITY provided for in this paragraph is an INDEMNITY extended by SPONSOR to INDEMNIFY, PROTECT, and HOLD HARMLESS the FOUNDATION and/or the City from the consequences of the FOUNDATION's OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this paragraph SHALL APPLY only when the NEGLIGENT ACT of the FOUNDATION is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the

FOUNDATION is the sole cause of the resultant injury, death or damage. SPONSOR further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE FOUNDATION AND THE CITY AND IN THE NAME OF THE FOUNDATION AND THE CITY, any claim or litigation brought against the FOUNDATION or the City and their elected officials, employees, officers, directors and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above. It is expressly understood and agreed that SPONSOR is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that the FOUNDATION or City shall in no way be responsible therefore.

2.34 EQUAL OPPORTUNITY. The SPONSOR shall not discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, age, handicap, or political belief or affiliation. The SPONSOR shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, national origin, religion, sex, age, handicap, or political belief or affiliation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoffs or terminations, rates of pay or other forms of compensation and selection of training, including apprenticeship.

(A) The SPONSOR shall post in a conspicuous place available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Nondiscrimination Clause.

(B) The SPONSOR shall, in all solicitations or advertisements for employees placed by or on behalf of the SPONSOR, state that all qualified applicants shall receive fair consideration for employment without regard to race, color, national origin, religion, sex, age, handicap, or political belief or affiliation.

(C) The SPONSOR shall affirmatively abide by and cooperate in the implementation of the policies and practices set forth in this Nondiscrimination Clause, and any additional policies as may be required as a result of local, state or federal initiatives. The SPONSOR shall furnish all information and reports requested by the FOUNDATION and shall permit access to all books, records, and accounts for purpose of review and investigation to ascertain compliance with such rules and regulations.

(D) If SPONSOR fails or refuses to comply with this Nondiscrimination Clause, this Agreement may be canceled, terminated, or suspended in whole or in part, and the SPONSOR may be debarred from further contracts with the City of San Antonio.

(E) The SPONSOR shall submit an affirmative action plan to the City of San Antonio Equal Employment Opportunity Office ("EEO Office"), if required by applicable laws, rules, and/or regulations. The format of the Affirmative Action Plan shall be designated by the EEO Office that shall evaluate the plan and provide technical assistance.

(F) The SPONSOR agrees to implement its Affirmative Action Plan as approved by the City of San Antonio Equal Employment Opportunity Office, which shall monitor and evaluate compliance with this section.

2.35 RIGHTS TO PROPOSAL AND CONTRACTUAL MATERIAL. All reports, documents, studies, charts, schedules or other appended documentation to any proposal or Agreement, and any responses, inquiries, correspondence and related material submitted by the SPONSOR shall become the property of FOUNDATION at the time of such submission.

2.36 CHANGES AND AMENDMENTS. Except when the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms of this Agreement shall be made in writing executed by both the FOUNDATION and the SPONSOR.

2.37 ASSIGNMENTS. The SPONSOR shall not transfer, pledge or otherwise assign this Agreement, any interest in and to this Agreement, or any claim arising under this Agreement, without first obtaining written approval of FOUNDATION. Any unauthorized attempt by SPONSOR to transfer, pledge or assign this Agreement shall be void and shall confer no right upon any third person. The FOUNDATION may transfer, pledge or otherwise assign this Agreement, any interest in and to this Agreement, or any claim arising under this Agreement, only to the City of San Antonio in the interests of the City of San Antonio Housing Trust.

2.38 SEVERABILITY OF PROVISIONS. If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future laws, then it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

2.39 ENTIRE AGREEMENT. This Agreement, including any and all exhibits and attachments cited above, constitutes the final and entire Agreement between the parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date hereof, and duly executed by said parties.

2.40 NOTICES. For purposes of this Agreement, all official communications and notices among the parties hereto and the City of San Antonio will be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

FOUNDATION: Executive Director
 San Antonio Housing Trust Foundation, Inc.
 P.O. Box 15915
 San Antonio, Texas 78212

SPONSOR:

Notice of changes of address by any party set forth hereinabove must be made in writing delivered to the other parties' last known respective addresses within five (5) business days prior to the effective date of the change.

2.41 GENDER. Words of any gender used in this Agreement will be held and construed to include any other gender, and words in the singular number will be held to include the plural, unless the context otherwise requires.

2.42 CAPTIONS. The captions and headings contained in this Agreement are for convenience of reference only and in no way limit or enlarge the terms or conditions of this Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties to be effective on the _____, day of _____, 2013.

FOUNDATION:

SAN ANTONIO HOUSING TRUST
FOUNDATION, INC., a Texas non-profit
corporation, the duly authorized agent for the
San Antonio Housing Trust

By: _____

SPONSOR:

By:

By: _____